

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

Marin County Civic Center
3501 Civic Center Drive
San Rafael, CA

Wednesday, February 27, 2013
10:00 A.M.
County Counsel Conference Room
Room 275
Regular Meeting

MINUTES

1. Call to Order

The meeting was called to order at 10:07 a.m.

2. Roll Call

Present: Roy Given, Director of Finance and Chair; Olga McKenna, Employee Representative; Scott Beseda, Marin Courts Representative; Tom Lyons, Deputy County Counsel

Absent: Alexis McBride, Retiree Representative; Dan Eilerman, Deputy County Administrator; Jeff Wickman, Retirement Administrator; Shanea Thompson, MAPE Employee Representative

Others in attendance: Stephanie Smith, Program Director, Nationwide; Jim Laffoon, Retirement Specialist, Nationwide; Travis Pruitt, Consultant, Arnerich Massena

The chair noted that a quorum was not present. All action items were postponed until the next regular meeting on May 22, 2013.

3. Approval of Minutes--Meeting of December 5, 2012 (Action)

This item was postponed until the May 22, 2013 meeting.

4. Open Time for Public Comment

None

5. Deferred Compensation Committee Matters

- Introduction of New Member--MAPE Employee Representative
The new member was unable to attend. The introduction will take place at the May 22, 2013 meeting.
- Committee's Fiduciary Responsibilities--Charter (Action)
This item was postponed until the May 22, 2013 meeting. At that time Tom Lyons will present a revised draft tailored to the committee's requirements.
- Statement of Investment Policy (Action)
The chair said the main update to the policy is regarding socially responsible funds (page 12), where Tom Lyons changed the verbiage. An approval vote will be taken at the May 22, 2013 meeting.
- Committee Member Comments

Tom Lyons brought the committee's attention to the Schwab Fee Disclosure Report he had received. There is a standard \$50.00 fee for the use of the self-directed brokerage window, where participants can buy stocks directly from Schwab that are not available on the County plan's platform. He said it appeared to be appropriate. Stephanie Smith said that Nationwide has an agreement with Schwab and reconciles the charges. Travis Pruitt will review the report and comment at the next meeting.

6. Nationwide Retirement Solutions

- Quarterly Summary Report QE 12/31/12
An electronic version of the report was emailed to the committee prior to the meeting.
- Quarterly Update
Jim Laffoon reviewed his recent activities. In January, Nationwide sent a letter notifying participants that Managers Essex Small Cap Growth Fund was closed to investment and that their assets in the fund were to be mapped to Vanguard Small Cap Index Fund. The mapping took place in February. Because the letter was sent to all participants, he said he received a number of calls from participants with no assets in the Essex fund.

He said he had many calls and meetings in December. Many involved employees taking advantage of the VSIP (Voluntary Separation Incentive Program). Also, many participants' concerns were centered on the fiscal cliff and sequestration, which prompted participants to choose more conservative options.

Upcoming retirees had questions about what they needed to do. He advised them to update their beneficiaries and informed them that they were not required to move their money upon retirement.

He closed by saying that overall enrollment has increased and participants are taking advantage of catch-up.

Stephanie Smith said that in line with Nationwide's 2013 Education & Communication Plan, the 1st quarter statement directs participants to contact Jim Laffoon for account reviews.

- Transition Support Services
The chair made the determination that Transitions Support Services is not related to the 457 plan and should more properly be addressed to Matthew Hymel, the County Administrator. He said he had directed Nationwide to do so prior to the meeting. Nationwide's contract is for the 457 plan. Transition Support Services is under Nationwide Securities and not Nationwide Retirement Solutions. Tom Lyons said it was more like a countywide benefit than deferred compensation.

7. Arnerich Massena Associates (Action)

- Quarterly Update QE 12/31/12--Review investment performance
The performance review was previously distributed to the committee. Travis Pruitt noted there were \$169 million in plan assets as of 12/31/12 (page 1). He said that figure is currently higher as the market has been up since. The wave chart on page 2 shows the percentage of allocated assets gradually increasing over three years.
- Status of Funds on Watch (Action)
Travis Pruitt said no action was needed for the two funds remaining on watch, Dodge & Cox Stock and American Funds Growth Fund of America.
- Decision on Socially Responsible Funds (Action)

This item was postponed until the May 22, 2013 meeting.

- Reduction of Premixed Portfolio Options (Action)
This item was postponed until the May 22, 2013 meeting.
- Discussion on Consolidating Number of Funds in Lineup.
This item was postponed until the May 22, 2013 meeting.

8. Schedule of Future Meetings

- Wednesday, May 22, 2013
- Wednesday, August 28, 2013
- Wednesday, December 4, 2013

All meetings are at 10:00 a.m. in Room 275

9. Adjournment

The meeting was adjourned at 11:12 a.m.