

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Wednesday, February 18, 2015
2:00 P.M. – 3:30P.M.
County Counsel Conference Room
Room 275
Regular Meeting

MINUTES

1. Call to Order

The meeting was called to order at 2:04 p.m.

2. Roll Call:

Present: Roy Given, Director of Finance and Chair; Jeff Wickman, Retirement Administrator; Scott Beseda, Marin Courts Representative; Stephen Raab, County Counsel Representative; Olga McKenna, Employee Representative; Cloanne DiGrazia, Retiree Representative

Absent:

Shanea Thompson, MAPE Employee Representative; Dan Eilerman, Assistant County Administrator

Others in attendance:

John Kendall, Western Region Managing Director, Nationwide; Ed Malone, Program Director, Nationwide; Jake O'Shaughnessy, Consultant, Arnerich Massena; Jim Lafoon, Sr. Retirement Specialist, Nationwide; Jason Smith, Senior Consultant, Nationwide

3. Open Time for Public Comment

None

Open Time for Committee Member Comment:

Roy Given distributed our Quarterly Earnings handout provided by Nationwide; Roy stated that we currently have over \$430,000. The actual deposit will be between \$400,000 and \$500,000; the actual amount will be brought forward for approval at our next Deferred Compensation meeting. Nationwide will do a May notification to participants with a distribution as of March 31, 2015.

4. Approval of Minutes - Meeting of December 3, 2014 (Action)

MOTION by Scott Beseda to approve minutes of December 3, 2014

Second by Olga McKenna

AYES:ALL

5. Nationwide Retirement Solutions

- Quarterly Update QE 12/31/14

Ed Malone stated that we were up 44 enrollments by the end of Q4. The average account balance is up to \$95,000. Marin County's average account balance is substantially higher than its peers in all other California Counties.

- Strategic Initiatives Review

John Kendall distributed a handout on Strategic Initiatives for the year, gave a review, and stated, as a living fluid document, there is room for flexibility and change if needed.

- Service Level Agreement
John Kendall reviewed the Nationwide Service Level Agreement
- Annual Investment Review
Jason Smith, Senior Consultant, Nationwide, gave update on 2014.

6. Arnerich Massena & Associates

- Quarterly Performance Report QE 12/31/14
Jake O'Shaughnessy reviewed the Performance Report for QE 12/31/14 and noted the following:
 - Market Overview
US GDP grew at an annualized rate of 5% in Q3 2014; this represents the highest US Growth in over a decade. This growth isn't expected to continue at that rate but should remain robust, fueled by a strengthening employment backdrop and lower oil prices
 - 457 Plan
Still slightly above \$200 million
- Status of Funds on Watch
Alliance NFJ Small Cap Value Fund is performing well over the long-term, but Arnerich Massena recommended that it be kept on watch.
- The PIMCO Total Return has trimmed the size of the fund by \$100 billion which is a move in the right direction. They can now invest more nimbly in certain aspects and asset classes than they were previously able to do. Arnerich Massena recommended to maintain the fund on watch at this time due to the fairly recent departure of Portfolio Manager Bill Gross in September of 2014.
- Investment Policy (Action)
Jake O'Shaughnessy reported on the following additional updates to the Statement of Investment Policies and Guidelines:
 - 1) Page 5, under INVESTMENTS, removed **U.S. Small Size Company Equity**
 - 2) Page 6, under MARIN COUNTY PRE-MIXED PORTFOLIO FUNDS, removed **moderate conservative, moderately conservative, and The portfolio allocation will be comprised solely of the mutual funds available in the Plan.**

MOTION by Olga McKenna to approve the changes made to Page 5, and Page 6 to the Statement of Investment Polices and Guidelines.
Second by Cloann DiGrazia
AYES: ALL

7. Items for Next Agenda

- Arnerich Massena Fee Review
- Nationwide Fee Disclosure
- Nationwide Loan Review
- Excess Revenue Participant Distribution (Action)
- Satisfaction Survey Discussion

8. Adjournment: Meeting was adjourned at 3:17PM