

## MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

**Tuesday June 9, 2015**  
**1:30 P.M. – 3:00P.M.**  
**County Counsel Conference Room**  
**Room 275**  
**Regular Meeting**

### MINUTES

1. Call to Order

The meeting was called to order at 1:37 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; Cloann DiGrazia, Retiree Representative, Dan Eilerman, Assistant County Administrator

Absent:

Shanea Thompson, MAPE Employee Representative

Others in attendance:

John Kendall, Western Region Managing Director, Nationwide; Kent Morris, Regional Vice President, Nationwide; Jake O'Shaughnessy, Consultant, Arnerich Massena; Jim Lafoon, Sr. Retirement Specialist, Nationwide, Allen Haim, Member of the Public and Previous Deferred Compensation Board Member

3. Open Time for Public Comment

Allen Haim stated that he was very impressed with the balance of the fund at over \$200 million.

Open Time for Committee Member Comment:

None

4. Approval of Minutes - Meeting of February 18, 2015 (Action)

MOTION by Olga McKenna to approve minutes of February 18, 2015

Second by Scott Beseda

AYES:ALL

5. Nationwide Retirement Solutions

- Quarterly Summary Report QE 3/31/15

John Kendall reviewed the Quarterly Summary Report for QE 3/31/15 and noted the following:

- We have grown by an over 5.6 million from December 2014 to March 2015
- Asset distribution remained the same as the previous quarter
- Since 2011 the fund has grown from \$156 million to \$217 million
- An additional 36 participants were added to the Plan

- Quarterly Update QE 3/31/15  
Jim Laffon stated that he had one hundred six (106) appointments with participants, with thirty-six (36) enrollments. Nationwide is now offering an "on-line scheduler" which allows participants to make on-line appointments; DPW is the first department to use the scheduler. The Chair suggested that another large department that might be interested in using the "on-line scheduler" is Health and Human Services. The Chair recommended that Jim Lafoon reach out to Maureen Lewis with H&HS to see if they might be interested.
- Excess Revenue Participant Distribution (Action)  
The Committee discussed how to proceed with the excess revenue participant distribution. The discussion and subsequent recommendation per the Committee was that the excess revenue participant distribution occur annually on 6/30, that excess revenue be based on participants 457 Plan balance as of March 31, 2015, that a \$50,000 reserve be set, and that \$475,000 be distributed to participants for 2015.

MOTION by Dan Eilerman  
Second by Olga McKenna  
AYES: ALL

The Chair stated that the 457 Deferred Compensation Plan's Statement of Investment Policies and Guidelines will be updated to reflect the recommendations made by the Committee regarding future excess revenue distributions including the amount of a formal reserve as discussed. Updated Investment Policy language regarding the Committee's responsibilities with regard to oversight of the excess revenue account will be brought forward to the next Deferred Compensation Committee meeting for the Committee's consideration.

- Fee Disclosure  
John Kendall distributed to Committee members for their review, a copy of the Nationwide Marin County Fee Disclosure Summary Effective 12/31/14 on balance of \$218,554,707.75. Jake O'Shaughnessy stated that this summary was cutting edge for a 457 Plan, and that it is in line with following best practices set by the Employee Retirement Income Security Act (ERISA), although Marin County acknowledges that the County Plans are not subject to ERISA. The Chair stated that it was comprehensive and well done.
- Enrollment Material (Discussion)  
John Kendall distributed samples of enrollment materials directed at employees who had been working for the County for three (3) years and had yet to enroll in the 457 Plan. The Committee reviewed the material and thought it was a good idea for Nationwide to reach out to such employees and that such outreach should be conducted annually. The Chair requested that Nationwide do the mailing, and that the County would provide the employee information. Stephen Raab requested that Nationwide follow the guidelines regarding data as stated in the 457 Deferred Compensation Plan and the Statement of Investment Policies and Guidelines; Nationwide agreed.
- Satisfaction Survey (Discussion)  
Tabled for the August 26, 2015, Deferred Compensation meeting

6. Arnerich Massena & Associates

- Quarterly Performance Report QE 3/31/15  
Jake O'Shaughnessy reviewed the Performance Report for QE 3/31/15 and noted the following:

Market Overview

- US GDP grew at an annualized rate of 2.2% in Q4 2014 and 2.4% for the full year. Consumer spending grew at a 4.4% rate in the Q4 2014, for the strongest performance in eight (8) years. The US is much further ahead than other world markets with regard to the economic recovery since the financial crisis in 2009.
- US Equity Markets continue to be very strong

457 Plan

- Above \$209 million in assets as of 3/31/2015.
- Pre-Mixed Portfolios are performing well and exceeding benchmarks across all trailing time periods.

- Status of Funds on Watch

The PIMCO Total Return has seen the size of the Total Return Fund reduced by approximately \$100 billion.. As a result, the Fund can now invest more nimbly in certain aspects and asset classes than they were previously able to do. From a return aspect, PIMCO Total Return has done better than 95% of the fixed income funds over the 10-year trailing period ending 3/31/2015. 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.

- Fee Review

Jake O'Shaughnessy reported that Arnerich Massena has reviewed Nationwide's information and it all looks accurate.

7. Items for Next Agenda

- Nationwide Loan Review
- De Minimis/Escheatment (Discussion)
- Nationwide Satisfaction Survey (Discussion)

8. Adjournment: Meeting was adjourned at 3:05 p.m.