

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Wednesday, August 26, 2015
10:00 A.M. – 11:30 A.M.
County Counsel Conference Room
Room 275
Regular Meeting

MINUTES

1. Call to Order

The meeting was called to order at 10:10 a.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
Shanea Thompson, MAPE Employee Representative

Absent:

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

3. Open Time for Public and Committee Comment;

Loan Review

- The Chair met with Stephen Raab before the meeting to review the updated Nationwide loan procedures; Roy stated that he would be sending a copy of the updated procedures for the Committee members to review and respond back to him with their comments. Based on the committee's comments, Roy will then administratively approve the updated procedures.

Updates to **457 Deferred Compensation Plan Policies and Guidelines - Excess Revenue Participant Distribution** (Action)

- The vote has been tabled. The Chair stated that before the Committee can vote on updates they need to be reviewed by the attorneys.

Jake O'Shaughnessy distributed a handout on the updates to the **457 Deferred Compensation Plan's Statement of Investment Policies and Guidelines**, Pg. 15, paragraph three, Plan Fee Oversight Responsibility. The updates reflect the recommendations made at the previous meeting by the Committee regarding future excess revenue distributions and the dollar amount of the formal reserve.

4. Approval of Minutes - Meeting of June 9, 2015 (Action)

MOTION by Jeff Wickman to approve minutes of June 9, 2015

Second by Olga McKenna

AYES:ALL

5. De Minimis/Escheatment (Discussion)

- The Chair recommended that a sub-committee be formed to address the various issues and to form a formal policy. Both Olga McKenna and Shanea Thompson volunteered to be on the De Minimis/Escheatment Committee.

6. Nationwide Retirement Solutions

- Quarterly Summary Report QE 6/30/15
John Kendall reviewed the Quarterly Summary Report for QE6/30/15 and noted the following:
 - There have no changes to the asset distribution since QE 3/31/15
- Quarterly Update QE 6/30/15
John Kendall reported that out of 2,180 accounts, 1,100 are actively participating; also deferrals are up from last year. The average account balance is \$96,000 compared to the average of our peer group which is \$56,000. Ed Malone stated that we had one hundred and one (101) new enrollments thru July 31st. Ed has also noticed that Jim Lafoon's 1-on-1 appointments are up, which might be attributed to Nationwide's new on-line tool, the "on-line scheduler" mentioned at our last meeting. The "on-line scheduler" allows the employee to be more efficient in scheduling an appointment and allows them to state what it is they would like to discuss. This gives Jim a better idea of how to better prepare for the meeting.

Marketing

Ed Malone distributed a Campaign Overview handout on the upcoming National Save for Retirement Week and briefly reviewed the following:

- Peer Comparison Tool
- Direct Marketing Emails, Brochures

The Chair requested that the Campaign Overview be emailed to the Committee before the meeting, giving the Committee members more time to review the information.

- Satisfaction Survey (Discussion)
The Chair requested that discussion on the Satisfaction Survey be tabled until the De Minimis/Escheatment issues have been resolved and the policy completed.

7. Arnerich Massena & Associates

- Quarterly Performance Report QE 6/30/15
Jake O'Shaughnessy reviewed the Performance Report for QE 6/30/15 and noted the following:

Market Overview

- Markets will continue to be volatile but we encourage everyone to stay on track and not deviate
- In Q2 2015 the economy is estimated to have expanded at a 2.8% annualized rate. The US is still much further ahead than other world markets with regard to the economic recovery since the financial crisis in 2009.
- Interest rates remain the same.
- Large Cap Funds have done well.

457 Plan

- Above \$209 million in assets as of 6/30/15.
- Loans makeup 2.7 million dollars of the plan, 1.3% of plan assets; these are low, favorable numbers.

- Review Revised Investment Policies & Guidelines (Action)
The vote has been tabled. The Chair stated, before the updates are finalized, they will be reviewed by the attorneys.

- Status of Funds on Watch
The Committee elected to maintain the PIMCO Total Return Fund on Watch. We will continue to track the PIMCO Total Return for additional portfolio manager departures through December 31, 2015.

Jake O'Shaughnessy recommends the Allianz NFJ Small Cap Value Fund be put on watch due its low performance.

- Fee Review
Jake O'Shaughnessy distributed a handout on the 457 Plan Annual Fees; Jake reviewed the fees and stated they were reasonable and in line with business practice.

8. Items for Next Agenda

- Review Updated **457 Deferred Compensation Plan's Statement of Investment Policies and Guidelines**, Pg. 15, paragraph three, Plan Fee Oversight Responsibility (Action)
- Review Updated Loan Procedures
- De Minimis/Escheatment Committee Update

9. Adjournment:

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