

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Wednesday, December 2, 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 10:04 a.m.

2. Roll Call:

Present:

Roy Given, Director of Finance and Chair; Jeff Wickman, Retirement Administrator;
Dan Eilerman, Assistant County Administrator; Scott Beseda, Marin Courts Representative;
Stephen Raab, County Counsel Representative; Olga McKenna, Employee Representative;
Shanea Thompson, MAPE Employee Representative; Dan Eilerman, Assistant County
Administrator

Absent: Cloann DiGrazia, Retiree Representative

Others in attendance:

John Kendall, Western Region Managing Director, Nationwide; Jake O'Shaughnessy,
Consultant, Arnerich Massena; Jim Lafoon, Sr. Retirement Specialist, Nationwide

3. Open Time for Public & Committee Comments

None

4. Approval of Minutes - Meeting of August 26, 2015 (Action)

MOTION by Olga McKenna to approve minutes of August 26, 2015

Second by Scott Beseda

AYES:ALL

5. Deferred Compensation Committee Matters

- Review Investment Policy and Guidelines, Pg. 15, paragraph three, Plan Fee Oversight Responsibility (Action)

MOTION by Shanea Thompson to approve the updated **Plan Fee Oversight Responsibility** section, Pg. 15 of the Investment Policy and Guidelines

Second by Dan Eilerman

AYES: ALL

- De Minimis/Escheatment Committee Update
The Chair stated that the committee is in the preliminary stage of compiling a list of De Minimis unclaimed deferred compensation accounts with minimum balances under \$1,000, have not been deferred in over two (2) years, and are separated from the County. Once the accounts have been selected, the account holder will be notified and the De Minimis balance will either be rolled over into their retirement account or a check will be cut for the De Minimis balance. If the account holder cannot be found, it is required by law that the De Minimis account balance be escheated to the State. Jeff Wickman questioned escheating an unclaimed account balance to the State; Jeff stated that because it is a 457 Trust, it cannot and should not be escheated to the State. The Chair asked Stephen Rabb to look into Jeff's question, speak with Nationwide's attorney, and find out what is required by law. The goal is to begin contacting the De Minimis account holders by March 2016.

6. Nationwide Retirement Solutions

- Review Revised Loan Procedures
John Kendall distributed and reviewed Nationwide's updated loan procedures. Two updates were noted, 1) Pg. 6, the annual loan default fee was removed and 2) Pg. 8, item 1. Loan Eligibility, d. Disabled, e. Retired, and f. Terminated have been included.
- Quarterly Summary Report QE 9/30/15
John Kendall reviewed the Asset Distribution classes and noted:
Stable Value at 42%
Fixed Income at 21%
Large Cap at 18%

Currently there are 3.8 asset classes per participant which is up from the QE 6/30/15.

John Kendall reviewed the Quarterly Service Level Report, all service levels were attained for the QE 9/30/15.

- Quarterly Update QE 9/30/15
John Kendall and Jim Lafoon reported that Nationwide added 33 new participants in the last quarter; year to date a 127 new participants have been added, bringing enrollment up 66% from one year ago. The average participant deferral is \$8,377, and the average account balance is \$90,000. Jim Lafoon stated that the "on-line scheduler" continues to be a real asset; in the last quarter Jim had over 122 one-on-one appointments with very few no-shows.

7. Arnerich Massena & Associates

- Quarterly Performance Report QE 9/30/15
Jake O'Shaughnessy reviewed the Performance Report for QE 9/30/15 and noted the following:

Market Overview

- This week the European Central Bank will decide on whether or not to do another round of quantitative easing
- Global investors are starting leave Europe, Japan, and China and seek US government debt
- In two weeks Janet Yellen will raise interest rates, strengthening the US dollar

457 Plan

- 457 Plan is doing very well
- \$200 million in assets as of 9/30/15, which is a little bit less than QE 6/30/15 due to the market pulling back

- Status of Funds on Watch
 - PIMCO Total Return
The fund is still on watch through December 31, 2015. In the long term, PIMCO is performing very well.
 - Allianz NFJ Small Cap Value Fund
The fund should continue to remain on watch and suggested that the committee look into alternative strategies. The committee agreed and requested Jake O'Shaughnessy recommend some alternatives at the next scheduled Deferred Compensation Committee Meeting.

8. Items for Future Agendas

- Maxed-Out Campaign
- Re-Start Campaign
- Social Security Education
- Health Care Education
- Fee Disclosures
- De Minimis/Escheatment
- Nationwide Loan Review
- Nationwide Satisfaction Survey
- Excess Revenue Participant Distribution Discussion
- Fiduciary Liability Insurance – Risk Management
- Review Investment Policy and Guidelines

9. Schedule 2016 Quarterly Meetings

2016 Deferred Compensation Meetings were scheduled as follows:

- ~~Thursday, February 25, 2016.....10AM—11:30AM~~(rescheduled for 3/2/16, 9-10:30AM)
- Thursday, May 26, 2016.....2PM – 3:30PM
- Wednesday, August 24, 2016.....2PM - 3:30PM
- Thursday, December 8, 2016.....2PM – 3:30PM

10. Adjournment:

The meeting was adjourned at 11:14 a.m.

