

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Tuesday, March 7, 2017

3:00 P.M. – 4:30 P.M.

County Counsel Conference Room

Room 275

Regular Meeting

MINUTES

1. Call to Order

The meeting was called to order at 3:05 p.m.

2. Roll Call:

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

Absent:

James Kim, Court Executive Officer, Marin Courts Representative; Pauleen Temperani, Interim Human Resources Manager, Marin Courts Representative; Dan Eilerman, Assistant County Administrator; Shanea Thompson, MAPE Employee Representative

Others in attendance:

Mina Martinovich, Assistant Director of Finance; John Kendall, Western Region Managing Director, Nationwide; Ed Malone, Program Director, Nationwide; Jim Lafoon, Sr. Retirement Specialist, Nationwide; Jayson Davidson, Consultant, Hyas Group;

3. Open Time for Public & Committee Comment

None

4. Approval of Minutes - Meeting of December 8, 2016 (Action)

MOTION by Jeff Wickman to approve minutes of December 8, 2016

Second by Olga McKenna

AYES:ALL

5. Deferred Compensation Committee Matters

- Fund Menu/Fee Structure (Discussion)

Revamping Investment

Jayson Davidson presented the revised analysis and recommendation report for the Marin County, Superior Court and PST Plans' investment menu and pricing restructure. Time was spent evaluating alternative menu constructions to be paired with the decision to move to a no revenue share/explicit fee administrative charge structure. The Committee weighted several fund line-up scenarios, each with varying degrees of fund and asset allocation category. The Committee decided on the fund line-up as profiled under report scenario #3. This line-up will have active growth and value options consolidated into a single blended strategy, as well as a consolidated mid and small cap into a single smid category. Jayson Davidson will work with Nationwide on the operational and communication components of this change and will provide the Committee with periodic updates as warranted.

Fee Structure

The Committee also voted to approve the Chair's recommendation to assess a 9 bps administrative charge across all Plan assets, including self-directed brokerage account assets. This fee is set to cover all recordkeeping and advisory costs. It will provide for greater transparency and equity in the way the administrative costs are applied. Jayson Davidson will work with Nationwide on implementing this new fee structure. This new fee will be communicated to participants along with the particulars of the investment menu changes.

MOTION by Stephen Raab was made to transition the Plans to the fund line-up as profiled under report scenario #3 in the Plan Cost/Revenue Share Review/March 2017 report and that a 9 bps administrative charge will be assessed across all Plan assets, including self-directed brokerage account assets.

Second by Jeff Wickman

AYES: ALL

Certificates of Deposit (CDs) Option

In conjunction with the investment menu changes the Committee voted to make one additional adjustment. It was decided that the Certificates of Deposit (CDs) option will be eliminated from the menu and participants will be given the opportunity to move their assets out the CDs without penalty, or have the assets automatically transferred to an appropriate alternative as determined by the Chair. Jayson Davidson will work with the Chair on the mechanics and communication associated with this change.

MOTION by Jeff Wickman to eliminate the Certificates of Deposit (CDs) option from the menu; participants will be given the opportunity to move their assets out the CDs without penalty, or have the assets automatically transferred to an appropriate alternative as determined by the Chair.

Second by Stephen Raab

AYES: ALL

6. Nationwide Retirement Solutions

- Quarterly Summary QE 9/30/16 & QE 12/31/16 QE
Nationwide presented reports for QE 9/30/16 and QE 12/31/16 on overall Plan allocations and general demographics. The Committee discussed potential opportunities for participant retirement readiness tools and provided an explanation of how the tool operates and its benefit to participants. Committee members were asked to spend time demoing the new feature and to report back at the next meeting.

7. Hyas Group

- Quarterly Performance Report QE 12/31/16
Jayson Davidson presented the Fourth Quarter 2016 Performance Report; all of the available investment options were discussed. It was noted that it had been a strong quarter for equity investment options, on the heels of the Trump election. The two funds designated as on watch, the PIMCO Total Return Fund and the Allianz NFJ Small Cap Value Fund, will remain on watch until they are removed from the Plans under the broader menu restructure.

8. Items for Future Agendas

- Should Plans continue to offer the SDBA (Self Directed Brokerage Account) as an option
- Roth In-Plan Conversion Amendment (Discussion)

9. Adjournment
Meeting adjourned at 4:30 p.m.