

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Wednesday, May 16, 2018

1:30 P.M. – 3:00 P.M.

**County Counsel Conference Room
Room 275
Regular Meeting**

MINUTES

1. Call to Order

The meeting was called to order at 1:35 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;

Absent:

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

Others in attendance:

John Steggell, Western Region Managing Director, Nationwide; Jim Lafoon, Sr. Retirement Specialist, Nationwide; Ben Lozier, Head of External Funds Research, Nationwide; Jayson Davidson, Consultant, Hyas Group

3. Open Time for Public & Committee Comment

None

4. Approval of Minutes - Meeting of March 8, 2018 (Action)

Approval of the March 8, 2018 minutes was tabled, we went forward with the meeting.

5. Deferred Compensation Committee Matters

- Auto-enrollment (Discussion)

The Committee discussed the prospect of pursuing an automatic enrollment feature. Information related to restrictions for California public sector employers and collective bargaining was shared. It was requested that Nationwide and Hyas work together to come up with a recommendation that would ultimately be presented to the County's Human Resources Department for consideration during the next round of collective bargaining. Initially, the focus would be on new employees, existing employees that are not enrolled might be considered for automatic enrollment at a later date.

6. Nationwide Retirement Solutions

- **QE 3/31/18 Quarterly Summary and Quarterly Update**
John Steggell from Nationwide provided the Nationwide activity report and focused attention on historical cash flow and the growing withdrawal amounts. It was noted that transfers to other institutions is up, but there is not particular company that is garnering the lion share of the Plan's assets. However, Charles Schwab, Vanguard and Fidelity are the three largest destinations. No actions were taken, the Committee will continue to review cash flow data on a regular basis.
- **Nationwide Investment & Policy Review**
Ben Lozier, Head of External Funds Research Investment Management Group with Nationwide conducted an annual investment review and the Committee was briefed on recent economic and market trends. No issues related to the fund options were raised, though additional time was spent discussing recent, relative performance shortfalls for the MFS Blended Research US Core Equity Fund. Hyas will provide additional detail regarding the fund and its performance at the next quarterly meeting. Also discussed was the relatively high cash allocation within the Hartford Schroders US Small/Mid Cap Opportunities Fund. Hyas will evaluate and provide additional detail on the fund at the next meeting as well.

7. Hyas Group

- **Quarterly Performance Report QE 3/31/18**
Jayson Davidson presented the First Quarter 2018 Performance Report and echoed many of the comments of the Nationwide presentation.
- **Vanguard Target Date Fund Addition Considerations (Discussion)**
Jayson Davidson distributed a handout on the Vanguard target-date fund glide path methodology. The Committee reviewed the summary. Jason informed the Committee that the glide path allocations do not go static and fold into the Retirement Income Fund until approximately seven years after the target date. Thus the 2015 Fund will remain a standalone option for several more years.
- **Investment Policy Statement Language Review (Action)**
The Investment Policy Statement language review was tabled.
- **Legal/Regulatory Updates**
Jayson Davidson referenced the Hyas Group prepared Fiduciary Advisor newsletter and discussed the 5th Circuit Court's decision to vacate the DOL's recently enacted fiduciary rule, as well as the SECs proposed new fiduciary rules. Jayson will continue to give the Committee updates as the events surrounding this fiduciary rule issue continue to unfold.
- **Status of Funds on Watch**
As of quarter end, there were no funds in violation of investment policy parameters and no funds on watch.

8. Items for Future Agendas

9. Adjournment

Meeting adjourned at 3:00 p.m.