

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Thursday, August 30, 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 1:40 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; Dan Eilerman, Assistant County Administrator;

Absent:

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; Jayson Davidson, Consultant, Hvas Group

3. Open Time for Public & Committee Comment

The Chair briefed the Committee that the approved \$300,000 distribution of excess revenue share from the administrative expense account has not yet happened. This distribution will be processed as soon as administratively feasible and will apply to those participants with a balance as of September 30, 2017.

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

MOTION by Jeff Wickman to approve minutes of March 8, 2018
Second by Dan Eilerman
AYES: ALL

5. Approval of Minutes - Meeting of May 16, 2018 (Action)

MOTION by Jeff Wickman to approve minutes of May 16, 2018
Second by Dan Eilerman
AYES: ALL

6. Deferred Compensation Committee Matters

- Auto-enrollment (Discussion)

The Committee revisited the prospect of pursuing an automatic enrollment feature for the County's 457 Plan. Nationwide provided information on the number of their clients offering this feature as well as on those offering an automatic deferral increase feature. The Committee also reviewed the proportion of these clients that auto-enroll at different deferral rates. Jayson Davidson proposed that the County consider adopting auto enrollment for all new employees at a 3% deferral rate, coupled with 1% auto increases up to a max deferral of 12%. As this is not a matter the Deferred Compensation Committee can direct entirely on their own, the suggestions and information will be shared with other County departments for consideration during collective bargaining.

Jayson will work with Nationwide to provide necessary amendment forms and formal implementation language, which will be presented at the next meeting.

7. Nationwide Retirement Solutions

- **QE 6/30/18 Quarterly Summary and Quarterly Update**
John Steggell from Nationwide provided the standard Nationwide activity report and the Committee discussed general participant usage metrics. Nationwide also presented new report information specifically for the Court Plans. During the discussion, Mr. Steggell also informed the Committee that Nationwide failed one of the service metrics and will be making a penalty payment of \$200 for the quarter.
- **Outreach Efforts**
Nationwide representatives proposed the launch of a targeted marketing campaign focused on employees not enrolled in the Plan. The Committee approved the use of a direct and electronic mailing of the easy enrollment materials to the non-participating employees.

8. Hyas Group

- **Quarterly Performance Report QE 6/30/18**
Jayson Davidson presented the Second Quarter 2018 Performance Report. The Committee reviewed the report and discussed each of the Plans' available investment options in addition to broad economic and market trends.
- **Hartford Schrodgers Small/Mid Cap Opportunities Fund and MFS Blended Research US Core Equity Fund Performance (Discussion)**
Jayson reported on the recent performance shortfalls for the MFS Blended Research Core Equity Fund and the Hartford Schroeder's Small/Mid Cap Opportunities Fund. The Hyas Group is not recommending any additional actions regarding these funds at this time.
- **Status of Funds on Watch (Discussion)**
As of quarter-end, there were no funds in violation of investment policy parameters and no funds on watch.
- **Investment Policy Statement Language Review (Action)**
Additional time was spent reviewing the revisions to the Investment Policy Statement. After discussion, the document was approved as provided.
MOTION by Dan Eilerman to accept the changes to the Investment Policy Statement.
Second by Jeff Wickman
AYES: ALL
- **Legal/Regulatory Updates**
On the legal and regulatory front, Jayson referenced the Hyas Group prepared 457 Fiduciary Advisor newsletter. In particular, Jayson called out the topic related to congressional action on retirement plans, and specifically the possible extension of fiduciary protections for plan sponsors considering selected guaranteed withdrawal/annuity products. Jayson also pointed out the recently completed white paper from our analytics group on the costs of taking a retirement plan loan.

9. Items for Future Agendas

10. Adjournment

Meeting adjourned at 2:50 p.m.