

MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

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

Wednesday, November 6, 2019
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; Cloanne DiGrazia, Retiree Representative; Dan Eilerman, Assistant County Administrator; Pauleen Temperani, Interim Human Resources Manager, Marin Courts Representative;

Absent:

Shanea Thompson, MAPE Employee Representative; James Kim, Court Executive Officer, Marin Courts Representative; Rachel Creyer, Superior Courts Chief Financial Officer

Vacant:

Employee Representative

Others in attendance:

John Steggell, Western Region Managing Director, Nationwide; Jake Sours, Program Director 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 August 26, 2019 (Action)

MOTION by Dan Eilerman to approve minutes of August 26, 2019

Second by Pauleen Temperani

AYES: ALL

5. Deferred Compensation Committee Matters

None

6. Nationwide Retirement Solutions

- QE 9/30/19 Quarterly Summary and Quarterly Update

John Steggell, Relationship Manager from Nationwide, provided Nationwide's standard quarterly summary report. In particular, he discussed the new promotion of the "Retirement Readiness" application and their continued effort to get more participants to engage the new feature. He also provided a summary of the on-site participant service activity and noted that getting employees to attend group presentations remains a challenge.

Mr. Steggell also presented statistics for those participant accounts that meet the de minimus threshold. There are currently 31 participants below \$1,000 that meet the definition and an additional 68 participants between \$1,000 and \$5,000. For the OBRA Plan, the numbers are larger with 494 below \$1,000 and 573 between the \$1,000 and \$5,000 thresholds. It was requested that Nationwide provide the numbers in writing with more participant detail. The Committee will look to take up a formal action on any distributions at the next meeting. A separate Committee may need to weigh in on any OBRA distributions.

- Deminimus Account Status (Action)
Action tabled for March 12, 2020 meeting

7. Hyas Group

- Quarterly Performance Report QE 9/30/19
Jayson Davidson presented the Third Quarter 2019 Performance Report and committee discussed what continues to be an economy that is growing, albeit slowly, and the global market reaction to this slow growth environment.
- Funds on Watch
 - MFS Blended Research Core Equity
The Plan's fund options largely performed well relative to policy benchmarks. The Plan's lone performance-driven watch status fund, the MFS Blended Research Core Equity, remained in violation of investment policy parameters. The Committee has already voted to replace this fund with the expected transition to take place in December.
 - Hartford Schrodgers Small/Mid Blend Fund
The Plans' other watch status fund, the Hartford Schrodgers Small/Mid Blend Fund, is on watch for qualitative reasons relating to its strategy shift and name change. The Committee has already voted to transition assets out of this product and into a Hartford Mid Cap Blend CIT. This transition is expected to be coordinated with the MFS change for December.

Mr. Davidson informed the Committee of a recently announced fund closure that will impact the decision to transition the MFS Blended Research Core Equity Fund. T. Rowe Price, with little advanced notice, has informed us that the prior selected transition fund, the T. Rowe Price Institutional Structured Research Fund, will be closed and all assets transitioned to the T. Rowe Price US Equity Research Fund. The US Equity Research Fund is managed with the same team, strategy and expected security holdings. The expense ratio is also identical between the two products. Jayson distributed a summary document comparing the two products. Jayson recommended that all scheduled transitions to the Structured Research Fund be redirected to the Equity Research Fund. The previous

Committee directed change has not yet been communicated to participants, so this exercise is largely one of changing instructions to Nationwide and reaffirming the timeline. The Committee approved of the new directive. They did request that we more formally notify T. Rowe Price of the significant difficulties this causes plan sponsors and consultants.

Changes Impacting Approved Transition for MFS Blended Research (Action)
MOTION by Jeff Wickman to follow Jayson Davidson's recommendation to transition to the T. Rowe Price US Equity Research Fund instead of the Structured Research Fund
Second by Dan Eilerman
AYES: ALL

- Legal/Regulatory Update
 - On the legal/regulatory front, Jayson noted that the prospect of any major retirement plan legislation being enacted this year is not considered to be greater than 50/50.
 - Jayson also informed the Committee that the Department of Labor is considering allowing for additional safe harbor protection for the use of electronic media to furnish information to participants and beneficiaries of ERISA governed plans. While the City's Plan is not governed by ERISA, they may take comfort in knowing that the regulatory body may bless electronic media as a primary distribution mechanism.
 - Jayson lastly noted that the IRS has announced the plan deferral limits for 2020. The maximal deferral amount allowed for the 457 Plan will be increased from \$19,000 to \$19,500. The age 50 catch-up will also increase by \$500 from \$6,000 to \$6,500

8. Items for Future Agendas

- Fidelity vs. Vanguard Index Revisit
- Nationwide Annual Review – Calendar Year 2019

9. The 2020 Quarterly Meetings were scheduled as follows:

- March 12, 2-3:30PM
- May 14th, 2-3:30PM
- August 25, 2:00-3:30PM
- November 12th, 2:00-3:30PM

10. Adjournment

Meeting adjourned at 4:15 p.m.