

## Minutes

### MARIN COUNTY DEFERRED COMPENSATION COMMITTEE

Marin County Civic Center, 3501 Civic Center Drive

San Rafael, CA

Zoom Format

December 5, 2022 - 2:00 P.M.

**1. Call to Order**

Chair Mina Martinovich called the meeting to order at 2:01 p.m.

**2. Roll Call**

PRESENT: Mina Martinovich; Dan Eilerman; Jeff Wickman; Stephen Raab; Lisa Hatt;

ABSENT: Shanea Thompson; Jia Chen

Others in attendance: Jayson Davidson, Managing Partner, Hvas Group; John Steggell, Executive Relationship Manager; Greg Sabin, Program Director, Nationwide; Wendy Sorensen, Department of Finance

**3. Open Time for Public Comment**

None

**4. Approval of Minutes – Meeting of August 25, 2022 (ACTION)**

MOTION Dan Eilerman by to approve Minutes of August 25, 2022

SECOND by Lisa Hatt

AYES: ALL

**5. Deferred Compensation Committee Matters**

Mina Martinovich reported to the Committee that as a result of advertisement for the retiree committee member seat, there was one applicant. Committee members Mina Martinovich, Dan Eilerman, and Lisa Hatt, agreed to form a Sub-Committee to conduct an interview with the applicant, and will report back to the Committee on their recommendation.

**6. Nationwide Retirement Solutions**

• Quarterly Summary Report And Updates For QE 9/30/2022

John Steggell, Nationwide Relationship Manager, presented the 9/30/22 quarterly report for the 457 Plan. With distributions coming in above contributions for the quarter, cash flow was slightly negative. The largest component of distributions continues to be transfers/rollovers out. Mr. Steggell informed the Committee that the IRS has announced plan contributions limits for 2023. With current inflation levels, Participants will see increases across all statutory limits. In particular, the elective deferral limit for 457 plans will increase by \$2,000, from \$20,500 for calendar year 2022 to \$22,500 for calendar year 2023. The age 50 catch up will rise \$1,000 to \$7,500. Mr. Steggell will look into what targeted communications could be prepared to inform Participants of the higher limits.

Mr. Steggell provided an update on successful elements of the recently initiated Nationwide Virtual Benefits Courtyard. There were 100 unique participant visits to the Courtyard and 677 clicks through the links offered on the site. On the overall Participant services front, it was shared that there have been 165 individual meetings (virtual and on-site) held and from that, there has been 70 new enrollments.

Lisa Hatt asked about possibly marketing to the specific employees who are close to the cap or have gone over. John replied that email notifications go out to all participants but advised that he would look into it.

Mina Martinovich asked about the decline in online engagement in conjunction with statistics of one-to-one meetings and if Nationwide was aware of any correlations to note of. Greg Sabin explained it was the psychology of people not wanting to see how much money they may have lost as opposed to previous activity when things were going up.

Lisa Hatt asked about how often employees are being reached out to because she suspected that perhaps County new-hire employees were only receiving monthly emails from Nationwide. Lisa Hatt and John Steggell agreed to connect to discuss further.

- Virtual Benefits Fair Courtyard  
Corresponds with open enrollment and stays open for 60 days, October 11-December 11, 2022.
- Second Quarter Participant Webinars  
165 Appointments booked virtual or in person. 13 NEO calls, 70 Enrollments through DocuSign; 100 Unique Virtual Courtyard visits; 677 unique activities for the visits. Lisa Hatt mentioned that Lauren Ryan, Nationwide Representative, has come every 2 weeks to hold meetings and has been steadily booked.
- Introduction of a New Program Director  
Greg Sabin is the new Nationwide Program Director, replacing Jake Sours. He has been with Nationwide for over 17 years.

## **7. Hyas Group**

- Quarterly Performance Report For QE 9/30/2022  
Jayson Davidson from Hyas Group presented the Third Quarter 2022 Performance Report. The Committee discussed current market conditions and performance for the offered Plan investment options. Markets appear to be in a similar place to where they were over the previous summer months, and the past month has brought a decent market rally that may not be sustainable. An expected decline in corporate earnings as we round out the year and move into the first quarter of next, is not priced into stocks broadly and Hyas believes markets will compress further before we conclude the current Bear market. Fixed income markets remain under pressure as the Federal Reserve continues its hawkish stance in its attempts to get current inflation levels under control.
- On Watch Funds: Schroder US Small Mid Cap Trust  
At quarter-end, the Plans had one fund, the Schroder Small/Mid Cap Equity Fund, on watch. The fund continued to be in violation of performance related investment policy parameters and will remain on watch. Jayson Davidson noted that the Fund is well above benchmarks year-to-date, and Hyas continues to recommend patience as we wait for longer-term performance to move above policy benchmarks.
- Discuss transitioning to CIT version of the T. Rowe Price US Equity Research Fund (ACTION ITEM)  
The CIT vehicle has a slightly lower expense ratio and small performance edge to the I

class. Hyas recommended that the Committee take action to make this change in investment vehicle. The Committee did not move the recommended action so no change will take place at this time. The Committee will revisit the approved addition of the Vanguard Target Retirement 2070 CIT and mutual fund (for the Court Plan) in this change process. The 2070 option in the target date series was not included during the previously discussed CIT option trust implementation process, as it was not an available option at the time the process began. The approved addition of the Vanguard Target Retirement 2070 CIT and mutual fund (for the Court Plan) will be addressed as part of future fund/investment option change process.

- Action Item: Transition to CIT version of the T. Rowe Price US Equity Research Fund MOTION by Dan Eilerman to approve CIT Version of the T. Rowe Price Us Equity SECOND by none

Motion failed to get a second, no vote.

- Update On Vanguard target date fund CIT vehicle and Calvert Balanced Fund I share change timing and communications

Vanguard 2070 was not rolled out at initial time of purchase. Paperwork did not include addition of 2070 fund.

- Discuss Nationwide's contract term and potential renewal (ACTION ITEM)  
Nationwide Contract is not up until end of 2023, but process for RFP can take 1 year. The original 10-year contract was for January 2014 – December 2023. There is currently an option of a 5-year renewal is in the contract or there is an option to go month-to-month for 6 months. At the next meeting, Jayson Davidson will give a breakdown of his clients, asset sizes, bid date and their pricing.

No Action was taken at this time.

- Legal And Regulatory Updates  
The elective deferral limit for 457 plans will increase to \$22,500 and the age 50 catch up will rise to \$7,500 in 2023.

## 8. Items for Future Agendas

- Administrative Expense Account pro-rata participant distribution
- Consider small account balance distributions and necessary Plan Document amendments
- Nationwide Contract Review

## 9. Upcoming Meetings

The next quarterly meeting is scheduled for Tuesday, February 14, 2023.

## 10. Adjournment

The meeting adjourned at **3:56 p.m.**

Late agenda material can be inspected in the Department of Finance between the hours of 9:00 a.m. and 4:00p.m. The Department of Finance is located in Room 225 of the Marin County Civic Center, 3501 Civic Center Drive, San Rafael.



For disability accommodations please phone **415-473-2685** (Voice), CA Relay 711, or e-mail [WSorensen@marincounty.org](mailto:WSorensen@marincounty.org) at least five business days in advance of the event. The County will do its best to fulfill requests received with less than five business days' notice. Copies of documents are available in alternative formats, upon request.