

VENTURA COUNTY
DEFERRED COMPENSATION COMMITTEE
Ventura County Section 457 Plan
CEO Large Conference Room
May 8, 2014
2:00 p.m.

Members Present

Jeff Burgh
John Polich
Judge Steven Hintz
Paul Derse
Kelly Shirk

Members Absent

Also Present

Michael Powers
Patti Dowdy
Nancy Schaefer
Yolanda Walker
Kevin Roy
Suzanne Rogers
Tom Peller
Veronica Leger
Jake O'Shaughnessy

Mr. Derse called the meeting to order at 3:51 p.m.

1. **Public Comments.** None.
2. **Committee Member Comments.** Ms. Dowdy introduced Mr. Jake O'Shaughnessy, Advisor Arnerich Massena, to the Committee. She advised the Committee that Mr. Vincent Galindo was no longer with Arnerich Massena and Mr. O'Shaughnessy will be taking over as our consultant.
3. **Approval of Minutes – February 13, 2014 Regular Meeting.** Ms. Shirk moved and Mr. Burgh seconded to approve the minutes. The motion carried.
4. **Non-ERISA Fiduciary Training.** Mr. Tom Peller, VP Compliance and Consulting with Fidelity Investments provided the Committee with an overview of Non-ERISA Fiduciary duties. Mr. Peller discussed fiduciary issues that are unique to each organization. He covered the common law and uniform state statutes of fiduciary laws. Mr. Peller also discussed the Fiduciary duties of the Committee and delegation of these duties. He noted that ERISA divides fiduciary responsibilities between Trustees, who manage investments, and Named Fiduciaries, who manage plan administration. Mr. Peller concluded his overview by with a discussion on fiduciary best practices and identifying strategies for controlling fiduciary risk. Judge Hintz moved and Ms. Shirk seconded to receive and file the information. The motion carried.
5. **Fidelity Investments Quarterly Investment Review.** Mr. Kevin Roy began the 1st Quarter 2014 review by discussing the financial market returns. He noted that following strong gains in 2013 domestic equity categories experienced moderate returns in the first quarter of 2014, and there were broad gains for fixed income as long-term interest rates fell. Mr. Roy then turned his focus to our core line-up of

funds. Mr. Roy stated that our core funds have a strong structure and they did well during the 1st quarter. Specifically, Mr. Roy felt that Fidelity Intermediate Bond was showing more steady returns, and Pimco Total Return Fund would do well over the long haul. Templeton Global Bond Fund Advisor has exposure to Ukraine and Russia and therefore it didn't do as well as expected but Mr. Roy felt that it will get better in the long run. He noted that Columbia Dividend Inc. Fund was still strong. Mr. Roy was not concerned about RidgeWorth Mid Cap Value Equity Fund and its first quarter performance, and he noted that the Morgan Stanley Inst Small Co Gr I fund, even though it did not perform well in the 1st quarter, was still a good fund that we should keep in our line up. Mr. Roy discussed the performance of the one fund on watch list, Fidelity Intermediate Bond Fund, and the differences in this fund's portfolio versus the usual mandate of an intermediate bond fund. Mr. Roy stated that the fund should remain on the watch list and Mr. O'Shaughnessy concurred. Judge Hintz moved and Mr. Burgh seconded to keep the Fidelity Intermediate Bond Fund on the watch list. The motion carried. Mr. Burgh moved and Ms. Shirk seconded to receive and file the information. The motion carried.

6. **Arnerich Massena 1Q Executive Summary.** Mr. O'Shaughnessy began his summary of the 1st quarter. He concurred with Mr. Roy on his opinion that our funds did well in the first quarter of 2014. He noted that all of our core funds were meeting their objectives in the first quarter of 2014. Mr. O'Shaughnessy also agreed with Mr. Roy on his assessment of the market and its trends. Judge Hintz moved and Mr. Burgh seconded to receive and file the information. The motion carried.
7. **Fidelity Investments Quarterly Service Review.** Ms. Rogers stated for the record that there were no major changes to discuss. Judge Hintz moved and Mr. Burgh seconded to receive and file the information. The motion carried.
8. **BrokerageLink Online Enrollment.** Ms. Dowdy began the discussion on the BrokerageLink option with an explanation of how the current enrollment process works. She noted the current length of time it takes for a participant to set up a BrokerageLink account, and advised the Committee that we were able to streamline the process by removing the County's disclosure statement requirement. She advised the Committee of the enhanced online procedure through Fidelity, and the participant agreement that was now online that mirrored our current disclosure statement. She noted that the online enhancements greatly reduced, if not eliminated, the probability of a participant accidentally enrolling in BrokerageLink which was the original objective of requiring the disclosure agreement. Ms. Dowdy added that the only item not covered in the online participant agreement was the Plan's third-party restriction but she noted this language could be added to the Plan BrokerageLink Fact Sheet which is provided to participants during the online enrollment process. Judge Hintz moved and Mr. Burgh seconded to remove the disclosure statement requirement for

a participant to establish a BrokerageLink account, and add third-party trading restriction language to the Plan BrokerageLink Fact Sheet. The motion carried.

- 9. Planning and Guidance Center Early Adopter Program.** Ms. Veronica Leger, Vice President Guidance Products, Fidelity Investments provided the Committee with a demonstration of this new enhancement to NetBenefits. The Committee was advised that the new enhancements will offer participants a more intuitive and streamlined planning and guidance experience, and that the County of Ventura had been invited to be an early adopter beta client this new online planning and guidance center. Ms. Leger noted that the official launch of this enhancement will be in December 2014, but as an early adopter, the County will launch this new format in August 2014. Judge Hintz moved and Mr. Burgh seconded to receive and file the information. The motion carried.

- 10. Information Agenda.** Judge Hintz moved and Mr. Burgh seconded to receive and file the information agenda. The motion carried.

Mr. Derse adjourned the meeting at 3:52 pm.

Respectfully submitted,

Nancy Schaefer
Deferred Compensation Plan Administrator