

**VENTURA COUNTY  
DEFERRED COMPENSATION COMMITTEE  
401(k) Shared Savings Plan  
Channel Islands Conference Room or via Zoom**

**February 10, 2022  
2:00 p.m.**

**Members present**

Shawn Atin  
Kaye Mand (arrived late)  
John Polich  
Steven Hintz  
Jeff Burgh

**Members absent**

**Also present**

Patty Zoll  
Patti Dowdy  
Jake O'Shaughnessy  
Joan Steel  
Gary LaTorre  
Andrew Kremer

**2:02pm call to order by Judge Steven Hintz.**

**1. Public Comments.**

a. No public comments were provided.

**2. Committee Member Comments.**

a. No committee member comments were provided.

**3. Minutes of Regular Meeting December 9, 2021.**

**Motion to approve: 1<sup>st</sup> Jeff Burgh 2<sup>nd</sup> Shawn Atin Motion carried.**

**4. SageView Advisory Group Q4 2021 Investment Review. (Jake O'Shaughnessy)**

Mr. O'Shaughnessy indicated that the investment menu is looking solid. Inflation through January was higher than what was expected. Recent inflation is due to economic recovery. It was anticipated that interest rates would rise in March, rate and pace is going up more quickly than some had thought.

Mr O'Shaughnessy noted that the investment report now contains SageView expectations for real GDP growth, inflation, Fed Funds Rate, 10-year Treasury Yield, and unemployment rate (see page 7 of SageView review).

He stated that stocks generally rose, equity markets posted another positive quarter in Q4 2021. Domestic stocks outpaced international developed and emerging markets stocks, and large caps outpaced small caps. Investors are demanding a higher return because it costs more to invest their money due to higher interest rates.

Mr. O'Shaughnessy discussed the U.S Treasury Yield Curve, stating that when the yield curve flattens it is indicative that recession is on the rise (p.10).

He mentioned that wages are on the rise and wage inflation isn't as negative as other types. The 2022 outlook for legislation impacting retirement savings and investments (page 12) was discussed.

**Focus on Watch List**

- Columbia Income Opportunities Fund – Been on watch for some time. Also, very low usage (less than 0.1% of Plan Assets). Consider Mapping to one of the 2 other High Yield Funds in the Plan which are performing well (see p. 43 of SageView review).
  - High yield bond fund. Not a lot of assets. Below median for over a year now. There are a few other high yield funds in the plan that are performing better. For the next consolidation round, it should be considered to be thrown into the mix.
  - Scored in the 3<sup>rd</sup> quartile in Q4 2020 and placed on Watch list at the March 31, 2021 meeting.
  - 445 participants hold this fund - .08% of Plan Assets. Total assets = \$1,068,829.97

- Fidelity Contrafund – K6 short-term track record of a little over 1-year, not as strong as longer-term track record of fund. The recommendation is to keep on Watch for now. Looking at the long-term track record improves the score of this fund.
  - Scored in the 3<sup>rd</sup> quartile in Q4 2020 and placed on Watch list at the March 31, 2021 meeting.
  - 2510 participants hold this fund - the highest % of Plan Assets at 8.97%. Total assets = \$120,703,554.51.
- Fidelity Overseas – Performance has been improved for 3 straight quarters. Consider removing from watch list next quarter if performance continues to improve next quarter.
  - Scored in the 3<sup>rd</sup> quartile in Q4 2020 and placed on Watch list at the March 31, 2021 meeting.
  - 1650 participants hold this fund - 1.20% of Plan Assets. Total assets = \$16,154,875.42
- Lord Abbott Affiliated – Performance has been improved for 2 straight quarters. Potentially consider removing from watch list next quarter if performance continues to improve for 2 more quarters.
  - Lord Abbott Affiliated R6 scored in the 3<sup>rd</sup> quartile in Q1 2021 and was placed on the Watch list at the June 17, 2021 meeting.
  - 26 participants hold this fund - .03% of Plan Assets. Total assets = \$403,766.96
- Janus Henderson Enterprise – Performance has improved to above median as of 12/31/21. Potentially consider removing from watch list next quarter if performance continues to improve for 3 more quarters.
  - Janus Henderson Enterprise N scored in the 3<sup>rd</sup> quartile in Q2 2021 and was placed on the Watch list at the December 9, 2021 meeting.
  - 569 participants hold this fund – 1.59% of Plan Assets. Total assets = \$21,349,787.90

**Fidelity Target Date Funds** – Mr. O’Shaughnessy stated that the Retirement Income Fund has fallen below median and the product should be placed on the Watch list as a result. Are target date funds more specific to the retirement period being compared to the target date funds that are set further out? Mr. O’Shaughnessy says it’s more difficult to assess performance by comparison because the objectives can really differ based on the target fund.

Mr. Atin asked what is the trigger for removing a fund from the Watch List. He expressed concern about how the target date funds would show improvement to be removed off of the Watch List. Mr. O’Shaughnessy noted that all products should be above median but special attention should be given to the retirement fund and the more popular funds.

Mr. Atin asked for next time to figure out a methodology to show how the Target Date funds would come off the Watch List. Demonstrate a clear criteria/methodology for determining the overall health of the fund series. Ms. Steel indicated that Target funds are outperforming their own internal (Fidelity) benchmarks.

The Committee plans to discuss in depth during the next meeting.

- **Motion** to maintain the listed funds on the Watch List and to place Target Date Funds on the Watch List - **1<sup>st</sup> Shawn Atin 2<sup>nd</sup> Jeff Burgh Motion carried.**
- **Motion** to receive and file: **1<sup>st</sup> Jeff Burgh 2<sup>nd</sup> Shawn Atin Motion carried.**

##### 5. **Fidelity Investments Plan Investment Option Review. (Joan Steel)**

- Ms. Steel reviewed the plan summary (page 4) and noted our investment design as compared to primary peers. Three-year participant returns are at 19.6% which is 1.8% more than our primary peers and the five-year participant returns are also continue to outpace our primary peers by 1.4% (page 5). She also noted that asset allocation and investment strategies holdings show that most portfolios being developed for participants are designed to weather market ups and downs.
- **Motion** to receive and file: **1<sup>st</sup> Jeff Burgh 2<sup>nd</sup> Shawn Atin Motion carried.**

**6. Fidelity Investments Quarterly Service Review. (Gary LaTorre & Andrew Kremer)**

- Mr. LaTorre gave an overview on the employee engagement report provided in the meeting packet. He noted that participants are spending an average of 3:30 minutes on the website per visit.

This indicates that they are doing more than just checking account balances and are accessing the resources that are available.

- Mr. LaTorre announced that an interactive PDF that was created specific for County of Ventura has won a MarCom (marketing communications) award. He commented that Ms. Dowdy had contributed a significant amount of time and content to the communication and deserves much credit.
- Mr. Kremer informed the committee that he has been able to interact with more employees virtually than prior to the pandemic. This format is more conducive to the varied types of employees that the County has. Employees in certain categories, such as health care and safety, have expressed satisfaction with the ability to meet virtually.
- **Motion** to receive and file employee engagement report: **1<sup>st</sup> Shawn Atin 2<sup>nd</sup> Jeff Burgh**  
**Motion carried.**

**7. Continuation of Remote Teleconference Committee Meetings.**

- Ms. Zoll reminded the committee that under AB 361, local agencies may continue to use teleconferencing to meet remotely without a physical location so long as a proclaimed state of emergency is in effect. If a state of emergency remains active and state and local officials have imposed or recommended measure to promote social distancing, the legislative body must reconsider the circumstances of the state of emergency and vote every 30 days, or in a time period that coincides with the regular meeting schedule, to continue to meet remotely. Ms. Zoll went on to say that the committee needs a motion and a vote during each meeting to extend the ability of the committee to meet remotely.
- **Motion** to approve and adopt resolution for continued remote meetings. **1<sup>st</sup> Shawn Atin 2<sup>nd</sup> Jeff Burgh Motion carried.**

**8. Information Agenda.**

- 401(k) Expense Reimbursement Credit Account - Q4 2021
- 401(k) Safe Harbor Hardship Withdrawals - Q4 2021
- 401(k) Facts and Circumstances Hardship Withdrawals - Q4 2021
- Fidelity Service Level Agreement Reporting - Q4 2021

Ms. Zoll provided some background detail on the informational items.

- A total of \$752,485.37 was received for the 2021 year in the Expense Reimbursement Credit Account. Current balance for the Total RCP account = \$921,900.27. It is likely that the Committee will need to take action in the June or August meeting to allocate surplus to participants. Target balance of this account is \$600k.
- Service Level Agreement report – one metric area failed – the average time for a Customer Service rep to answer calls – pass metric is 30 seconds or less. The fail will result in a fee to be paid by Fidelity (deposited in the RCP account).
- **Motion** to receive and file. **1<sup>st</sup> Steven Hintz 2<sup>nd</sup> Jeff Burgh Motion carried.**

The Deferred Compensation Committee meeting for the 401k Shared Savings Plan was adjourned at 3:20pm by Chair Mand.

Respectfully submitted,



Patty Zoll  
Deferred Compensation Manager