

**VENTURA COUNTY
DEFERRED COMPENSATION COMMITTEE
Section 457 Plan
Channel Islands Conference Room
February 16, 2017
2:00 p.m.**

Members present

Jeff Burgh
John Polich
Shawn Atin
Steven Hintz
Mike Powers
Catherine Rodriguez

Members absent

Also present

Patti Dowdy
Grace Ramos
Kevin Roy
Suzanne Rogers
Gary La Torre
Lesley Simsich
Jake O'Shaughnessy

Ms. Rodriguez called the meeting to order at 3:46 p.m.

1. **Public Comments.** None.
2. **Committee Member Comments.** None.
3. **Minutes of November 17, 2016 Regular Meeting.** Mr. Burgh moved and Mr. Polich seconded to approve the minutes. The motion carried.
4. **Minutes of January 12, 2017 Special Meeting.** Mr. Atin moved and Mr. Burgh seconded to approve the minutes. The motion carried.
5. **SageView Investment Review.** Mr. O'Shaughnessy, Managing Director SageView Advisory Group LLC, began his presentation with a review of SageView's fund analysis methodology. Mr. O'Shaughnessy then reviewed with the Committee the results of the fund analysis which identified 154 funds for termination. He also reviewed the proposed mapping strategy to best-in-class alternatives for the terminating funds. While several new funds are being recommended for addition to the plan, the analysis indicated that several asset classes were already using a best-in-class manager within the Plan. He stated that the recommendation for all terminating "blend" funds was to move to an index fund. Mr. O'Shaughnessy then discussed SageView recommendation to offer passive investment alternatives across the major asset categories, which include Large Cap Domestic Equity, Small/Mid Cap Domestic Equity/Intermediate-Term Fixed Income/International Equity. He advised that SageView is suggesting that the index fund offerings be consolidated to 4 or 5 to cover major assets categories. For the exotic and specialty funds the recommendation is to map to the Plans default target date funds based on assumed retirement date of age 65. If participants wish to continue investing in the specialty funds being removed they can continue to do so by setting up a BrokerageLink account. Mr. Kevin Roy, Fidelity Investments, added that an in-kind transfer will be available for those that set-up a BrokerageLink account. The Committee engaged in an extensive conversation regarding the regional and specialty funds being recommended for termination and whether or not these options were an appropriate

investment option to be included within the Plan, or if these options should be removed entirely as they were available through BrokerageLink. Based on this discussion the Committee decided to remove these funds from the Plan during this fund action. In order to ensure that all funds were captured Mr. O'Shaughnessy stated he will confirm that SageView captured all the regional and specialty funds and will update the Committee at the next meeting. The Committee also discussed the communication of these changes to participants. Mr. Atin stated that a letter should be sent to participants explaining the rationale for these changes and giving them at least 60 days to take action. Judge Hintz moved, and Mr. Atin, seconded to accept SageView's recommendation to remove all specialty funds including the 5 additional regional funds and 3 international. These funds will transfer in-kind to BrokerageLink if action taken by participant. If no action taken these funds will map to the Plan default (target date funds). SageView is also to confirm all regional and specialty are captured and return to the Committee for final review. The motion carried. Judge Hintz moved, and Mr. Atin, seconded to accept SageView recommendation to consolidate the remaining 13 index funds into 5 funds and move Fidelity 500 Index Fidelity US Bond Index to institutional fund class. The motion carried. Judge Hitz moved and Mr. Atin seconded to accept SageView's recommendation for balanced funds. The motion carried. Judge Hintz moved, and Mr. Atin seconded, to accept SageView recommendations for active funds with the exception of the 5 regional funds to be included as specialty. The motion carried.

6. **Fidelity Investments 4Q Executive Summary.** Judge Hintz moved and Mr. Burgh seconded to receive and file the information. The motion carried.
7. **Fidelity Investments Quarterly Service Review.** Ms. Rogers gave a brief summary of the 2016 service review. She also provided updates on the fiduciary ruling which expands the range of activities and advice to participants. The new rulings are scheduled to rollout early April. Ms. Rogers is working closely with her communications team to coordinate a timeline for the communication piece of all upcoming fund changes. She is waiting on a project management team to be assigned to the project, but has a July target date for implementation. Judge Hintz moved and Mr. Atin seconded to receive and file the information. The motion carried.
8. **Information Agenda.** Judge Hintz moved and Mr. Polich seconded to receive and file the information. The motion carried.

Ms. Rodriguez adjourned the meeting at 3:50 p.m.

Respectfully submitted,

Grace Ramos
Deferred Compensation Plan Coordinator