

VENTURA COUNTY
DEFERRED COMPENSATION COMMITTEE
Ventura County 401(k) Shared Savings Plan
CEO Large Conference Room
August 14, 2014
2:00 p.m.

Members Present

Jeff Burgh
Judge Steven Hintz
John Polich
Paul Derse
Kelly Shirk

Members Absent

Also Present

Michael Powers
Patti Dowdy
Nancy Schaefer
Yolanda Walker
Kevin Roy
Suzanne Rogers
Lesley Simsich
Luka Arnerich
Jake O'Shaughnessy

Mr. Derse called the meeting to order at 2:00 p.m.

1. **Public Comments.** None.
2. **Committee Member Comments.** Ms. Dowdy announced that she would be attending the NAGDCA conference in September where she would be accepting on behalf of the County the 2014 Leadership Recognition Award which the Plan was awarded for their outstanding achievement in their 2013 NS4RW campaign.
3. **Approval of Minutes – May 8, 2014 Regular Meeting.** Judge Hintz moved and Ms. Shirk seconded to approve the minutes. The motion carried.
4. **Fidelity Investments Quarterly Investment Review.** Mr. Kevin Roy began his review by comparing our plan to other government tax exempt clients. The County's plan in 2014 had average plan assets of 604.7 million compared to our peers which have average plan assets of 153.6 million. Mr. Roy pointed out the growth of our plan by mentioning that in 2012 the County's plan had an average of 436.6 million and in 2010 our average was 339.6 million. Mr. Roy then discussed the investment trends of our plan compared to our peers. The percent of participants with all their assets in a single Lifecycle option was 27.8% compared to our peers who had 34.5% in a single Lifecycle option. The percent of participants utilizing Managed accounts had increased from 3.6% in 2012 to 6.3% in 2014. Mr. Roy mentioned that in the 2nd quarter of 2014 the global economy continued to grow at a steady pace. U. S. economic activity helped support solid returns across most of the U. S. equity categories. A weaker U. S. dollar helped boost results in all major markets. Commodities were flat, with a steep drop in agricultural prices offsetting a rise in energy prices. Fixed income continued to experience broad gains as rates fell and spreads narrowed. Mr. Roy turned his attention to the County's core line-up. According to Mr. Roy, our core investment options looked good. He noted that a good addition to the line-up would be an international equity fund. It was then discussed

that Mr. O'Shaughnessy would prepare a gap analysis that would be placed on the agenda for the meeting in November. Mr. Roy touched on the changing regulations for U. S. Money Market funds. He advised that there are new rules for what are considered money market securities. These new rules are to protect regular investors but they do not apply to government money market funds. Mr. Roy then discussed the performance of the one fund on the watch list, Fidelity Intermediate Bond Fund. This fund is beating its benchmark but it is still trailing its peers. Mr. Roy believes that this fund should still stay on the watch list. Judge Hintz moved and Ms. Shirk seconded to keep the Fidelity Intermediate Bond Fund on the watch list. The motion carried. Judge Hintz moved and Ms. Shirk seconded to receive and file the information. The motion carried.

5. **Arnerich Massena 2Q Executive Summary.** Mr. O'Shaughnessy began his summary of the 2nd quarter. He concurred with Mr. Roy on his opinion that our funds did well in the second quarter of 2014. Mr. O'Shaughnessy also agreed with Mr. Roy on his assessment of the market and its trends. Judge Hintz moved and Ms. Shirk seconded to receive and file the information. The motion carried.
6. **Fidelity Investments Quarterly Service Review.** Ms. Rogers stated that the total combined assets for the plan were \$752,903,349. The average balance per account was \$72,779. The total contributions for year ending June 2014 was \$44,387,930. Judge Hintz moved and Ms. Shirk seconded to receive and file the information. The motion carried.
7. **FY 2014-15 Plan Budget and Participant Fee Suspension.** Ms. Dowdy provided the Committee with a copy of the Plan budget for FY 14-15. She noted that the budget contained the active and retiree quarterly administrative fees. She advised that although this administrative fee has been suspended by the Committee the rates are still developed in the event this fee needs to be reinstated. Ms. Dowdy advised the Committee that based on the amount available through the ERC, there is adequate funding available for the Plan to continue the suspension of the quarterly participant fee for FY 14-15. Judge Hintz moved and Ms. Shirk seconded to continue the suspension of the quarterly fee for participants for FY 14-15. The motion carried.
8. **QDRO Processing Fee Review.** Ms. Dowdy discussed the current fee that is charged to process a QDRO (Qualified Domestic Relations Order), and that the Committee needs to review the fee annually to ensure it remains fair and reasonable. Currently, the participant is charged \$150.00 and the alternate payee is charged \$150.00. She advised that the fee charged by Fidelity for their basic QDRO service remain at \$300.00. Ms. Dowdy noted that the fee set by the Committee was originally based on the fee charged by Fidelity and the fact that County Counsel had concurred that a total fee of \$300.00 is a fair and reasonable one considering the service

provided. Since these factors remained the same Ms. Dowdy recommended the Committee keep the fee at the determined rate of \$300.00. Judge Hintz moved and Ms. Shirk seconded to to keep the QDRO fee at \$300.00. The motion carried.

- 9. Plan Branding.** Ms. Dowdy discussed the possibility of developing, with the help of GSA Graphics, a new branding/logo for the Plan. The estimated cost for Graphics to develop branding for the program is between \$780.00 and \$1,170.00. She stated that once developed, the branding can also be incorporated into many of the Fidelity materials. Ms. Dowdy also advised that the expenditure for the development of a Plan brand can be funded through the ERC account. Judge Hintz moved and Ms. Shirk seconded to approve the development of a Plan brand/logo by Graphics. The motion carried.
- 10. Retirement Readiness.** Ms. Dowdy discussed the possibility of conducting a survey to assess the retirement readiness of the County employee population. She noted that the primary goal of the survey would be to assess how prepared our employees feel in their ability to retire and be financially secure. In addition, the survey would find out what services are needed to help our employees reach their financial goals. The survey would be completely anonymous and will be conducted by using the Survey Money account available through our consultant, Arnerich. Judge Hintz moved and Ms. Shirk seconded to receive and file the information. The motion carried.
- 11. Information Agenda.** Judge Hintz moved and Ms. Shirk seconded to receive and file the information agenda. The motion carried.

Mr. Derse adjourned the meeting at 3:12 pm.

Respectfully submitted,

Nancy Schaefer
Deferred Compensation Program Administrator