

Meeting Minutes – Deferred Compensation 457 Committee



Date: Wednesday, January 9, 2019

Time: 11:00 a.m. – 12:30 p.m.

Room Location: 25 County Center Dr. - Auditor Conference Room

Status: A – Attended | X – Did Not Attend

Status	Invitees	Title
A	Graciela Gutierrez	Chair
A	Troy Kidd	Vice-Chair
A	Eric Schroth	Secretary
A	Peggy Moak	Member
A	Pamela Knorr	Member
A	Brenda Lagrone	Member
A	Raeshell Forrester	Human Resources
A by phone	Vincent Galindo	Hyas Group
A by phone	John Niehaus	Nationwide – Product Consultant
A by phone	Jill O’Callaghan	Nationwide – Transition Consultant
A by phone	Dave Ramirez	Empower

Approval of Prior Meeting Minutes:

Approved

Public Comment:

None

Business:

1. Officers were elected to the Committee.

Pamela Knorr made a motion and Eric Schroth seconded it.

MOTION: Elect Graciela Gutierrez as Chair of the Committee.

VOTE: Motion approved unanimously.

Graciela Gutierrez made a motion and Brenda Lagrone seconded it.

MOTION: Elect Troy Kidd as Vice-Chair of the Committee.

VOTE: Motion approved unanimously.

Brenda Lagrone made a motion and Pamela Knorr seconded it.

MOTION: Elect Eric Schroth as Secretary of the Committee.

VOTE: Motion approved unanimously.

2. The Committee discussed the market value adjustment (MVA) alternatives for three stable-value funds, 3121, Guaranteed Fixed Fund (GFF) and Guaranteed Government Fund (GGF) held at Empower.
 - a. Empower can calculate a final MVA one week before the transfer and offered to calculate an MVA as of 12/31/18. Although Hyas did not feel a year-end calculation was necessary, Empower assured the Committee it could provide one with little effort. Nationwide will be able to confirm the MVA the day it is required.
 - b. The Committee asked if, assuming fixed funds are retained with Empower, it would be possible for Empower to provide statement information to Nationwide so that participants receive only one statement. Ideally the Committee would like to present the stable-value funds on a single statement that shows how the balance at Empower decreases as the balance at Nationwide increases over the installment period. Dave Ramirez will follow up so see if it is possible.
 - c. The Committee asked if the three funds can be moved individually. Empower responded that they can be moved individually.
3. HR has updated all the addresses based on available information. It was acknowledged that some participants with bad addresses may not be able to be updated. In the case of deceased participants, it is up to the heirs to update contact information.
4. Empower stated that the fund balances need to be transferred by Feb. 13th. The de minimis balance requires a 60 day window which will run past Feb. 13th. The Committee asked if the de minimis fund can be left with Empower and transferred later. Empower replied that the de minimis fund may only remain with Empower if the fixed funds remain.
5. Graciela Gutierrez will follow up with Empower regarding a letter of authorization to release funds from a forfeiture account held by Empower. The account was brought to the attention of the Committee at the March 2018 quarterly meeting. A letter needs to be provided to Empower from the County. The letter does not need to state the balance, which is just short of \$3,900. Consistent with the Committee decision in March, the Committee will consider using the money for fiduciary liability insurance.
6. The Committee discussed the Nationwide Memorandum of Understanding (MOU). Hyas explained the purpose of the competing fund restriction. The Committee reviewed Peggy Moak's edits and suggested some wordsmithing revisions. Following the meeting Hyas identified an apparent contradiction in the document. Peggy Moak continued to work with Vincent Galindo editing the MOU following the meeting.

7. The Committee agreed that marking N/A for certain contract restrictions was appropriate because the form could not be revised before the transfer. Regulatory review of the revisions would have taken 1 to 3 months.
8. The Board of Supervisors approved the resolution documentation yesterday and it is ready for execution.
9. Nationwide went over the timeline for the transition.
 - a. January 18th – mail participant letter.
 - b. Week of February 6th through 13th – blackout period in which no changes to accounts will be possible.
 - c. February 13th – Close out accounts at ICMA and Empower.
 - d. February 14th – Wire transfer funds to Nationwide.
 - e. February 15th – Accounts will be visible at Nationwide.
10. HR discussed the change from payroll deduction to direct payment for the loan provision. These changes will be implemented after the transition is completed.
11. The Committee reviewed and edited the notification letter to be issued by Nationwide to all participants. The letter will be accompanied by an insert detailing the mapping of like-to-like investments which is specific to the participant based on their current provider.
12. The Committee would like Leann, the participant outreach representative with Nationwide to schedule employee group meetings prior to the transition. Leann will work with HR to schedule meetings.
13. Weekly transition calls are scheduled for 9:30 am on Wednesdays.
14. HR has received questions whether LAFCO should be part of the transition. Hvas advised the Committee that it is too late in the process to fold LAFCO into the transition if it is not already part of the plan. If it is not part of the plan, there is a possibility of including it in 2019. Hvas advised the County to ask the providers if LAFCO has separate plan documents. If it does not have separate plan documents, it will roll over with the plan.

Outstanding Action Items

1. Dave Ramirez to see if fund statement information can be provided to Nationwide so that participants receive a single statement.
2. Dave Ramirez to provide MVA for GFF and GGF.
3. Graciela Gutierrez to provide letter to Empower authorizing release of funds.
4. Leann to schedule employee group meetings with Rae Forrester (meetings are to occur prior to the transition).
5. Raeshell Forrester to ask Empower and ICMA if LAFCO has separate plan documents.

Meeting Adjourned