



Deferred Comp Meeting
2015 Minutes

Meeting Minutes – Deferred Compensation Committee



Date: Wednesday, March 04, 2015
Time: 2:00 – 5:00 p.m.
Room Location: HR Conference Room 3A

Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
A	Brenda Pinion	Secretary
A	Raeshell Forrester	Member
A	Peggy Moak	Member
A	Eric Schroth	Member
A	Dennis Duarte	ICMA - Regional Manager Northern California
A	Mark Tomasini	ICMA - Retirement Plans Specialist
A	Brion Beetz	GW - Client Relations Director
A	Darren Wagerman	GW - Key Retirement Plan Counselor

Approval of Minutes:

None

Business:

1. Brenda Pinion submitted her resignation as secretary for the committee. She will continue to serve as a committee member. Eric Schroth volunteered to serve as secretary for the committee.
2. ICMA provided a Plan Service Report for the period ended December 31, 2014
 - a. The committee confirmed that submittal of quarterly plan service reports is desired.
 - b. Brian Ring had concerns that the criteria used by ICMA to monitor performance of investment funds may not be consistent with the county's Deferred Compensation Program Investment Policy per Article III, Section D. ICMA presented two concerns regarding modifying their performance criteria to match the county's criteria.
 - i. ICMA is not permitted to present analyses that could be construed as investment advice.
 - ii. If a fund were to fall outside of a county established criteria and removed from the trust under the county's policy, the committee would assume fiduciary responsibility for any replacement fund not under the trust's fiduciary management.

ICMA suggested that the county consider hiring a consultant to monitor performance per the county's investment policy. It was also suggested that the policy language could be amended to improve consistency. The committee will continue to work on establishing consistency between ICMA's performance monitoring and the county's.

3. ICMA reviewed their performance criteria and year-end results for plan funds. The committee expressed some confusion over the presentation and how it compares to the county's performance criteria.
4. ICMA reviewed their fee structure.
5. ICMA has created online plan participant appointment scheduling with email reminders.
6. The committee met with GW and ICMA jointly. Brian presented his concerns regarding the county's policy for monitoring funds to both service plan providers and will send fund

watch criteria to both providers to develop a consistent method for monitoring performance. GW reiterated a point made by ICMA earlier that the county's written criteria be "open-ended".

7. GW will resubmit the loan policy statement for signature, which was erroneously omitted from earlier documents.
8. The committee discussed whether loan repayments would be allowed on any outstanding loan balance upon separation from employment. Both ICMA and GW discourage continuation of loan payments following separation of employment due to high default rates (cited as high as 90%). Committee members noted that due diligence is required to notify employees of loan requirements upon separation from employment and that based on experience, separated employees do not heed the notification.

Dave Houser made a motion and Eric Schroth seconded it.

MOTION: Participants who leave service prior to the end of the loan term will be required to pay off the loan at severance of employment as provided by the plan and per IRS regulations.

VOTE: Motion approved unanimously.

9. ICMA representatives departed the meeting and GW provided a performance summary for plan assets. Four funds are on the watch list.
 - a. MXMXX is always on the watch list because it is a money market fund that is compared to a benchmark for bonds. As such, the rate of return is expected to be lower than the benchmark.
 - b. MXLGX is turning around under new management. It is still recovering from the previous management's legacy.
 - c. LVOAX and XXCTX have not triggered GW's criterion of being below the benchmark 7 out of 12 quarters. Additionally, the "raw return" is just below the 25% rating criteria. GW will continue to monitor the funds' performances.
10. The committee discussed concerns regarding consistency between GW's criteria for monitoring investment performance and the county's investment policy. GW stated that the risk adjusted raw returns presented in their summary chart closely follow the county's investment policy. A suggestion was made from the committee that the county's investment policy be amended to match the criteria of ICMA and GW. A question was raised as to the origins of the county's policy. It was noted that the policy was established to assure oversight. The details of how oversight was to be administered were developed by a former committee member.
11. The committee asked GW how a fund that failed to meet an established criteria would be replaced. GW responded that it has a large selection of funds to choose from and GW takes fiduciary responsibility to assure that a replacement fund meets the county's and GW's requirements.
12. GW has changed its name to Empower.
13. GW has provided a memo describing plan enhancements as well as its name change. If desired GW can provide further promotion of its name change. The memo was revised by the committee. Brian will work with ICMA to produce a similar document.
14. GW discussed distributions from the 3121 plan.
 - a. Accounts under \$1,000 can be distributed or escheated to the state.
 - b. Accounts from \$1,000 to \$5,000 may be rolled over into another qualified account.

Outstanding Action Items:

- Establish consistency in performance monitoring between ICMA, GW and the county.
- GW will resubmit the loan policy statement to include 15 year home purchase loans for signature, which was erroneously omitted from earlier documents.
- Brian will work with ICMA to produce a document similar to the one GW has produced describing plan enhancements.
- GW to provide a report to Brian regarding 3121 plan accounts.

Next Meeting: Wednesday, July 1, 2015. HR Conference Room 3A

Meeting adjourned at 5:00 pm.

Meeting Minutes – Deferred Compensation Committee



Date: Wednesday, July 1, 2015
Time: 2:00 – 5:00 p.m.
Room Location: HR Conference Room 3A

Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
A	Eric Schroth	Secretary
A	Raeshell Forrester	HR Representative
A	Peggy Moak	Member
A	Brenda Pinion	Member
A	Michele Martin	ICMA – Managing Vice President
A	Mark Tomasini	ICMA - Retirement Plans Specialist
A	Brion Beetz	GW - Client Relations Director
A	Darren Wagerman	GW - Key Retirement Plan Counselor

Approval of Prior Meeting Minutes:

Approved

Public Comment:

None

Empower Quarterly Review:

1. Hardship distribution requests are now made directly to Empower.
2. Empower has received 5 loan requests and 1 emergency withdrawal request to date. Empower estimates that 20 to 25 loan requests will be received by the end of July. Based on past experience, the number of requests starts out strong and tapers off.
3. There have not been any issues with the information HR has provided to Empower for loans. Empower will add Rae to the loan report distribution list.
4. Corrections to the loan policy statement were provided to Brian Ring.
5. 3121 Plan Update:
 - a. The plan has roughly 1,000 extra-help employee participants with balances of less than \$5,000.
 - b. Empower will send a secure electronic file to Brian Ring to document participants with:
 - i. Balances under \$1,000 with 24 months of no activity
 - ii. Balances between \$1,000 and \$5,000 with 24 months of no activity.
 - c. HR will determine which if any participants on the list are current full time employees and notify Empower.
 - d. Balances of less than \$1,000 can be paid out to the participant. Balances of between \$1,000 and \$5,000 can be rolled into an IRA, paid out, or transferred to a full time plan.
 - e. Empower will send a letter to the participants explaining their options and requesting that an action be taken. Letters that are returned as undeliverable will be escheated to the State.
 - f. Eligible balances can be transferred to a full time plan with a minimum of paper work.
 - g. Balances greater than \$5,000 remain in the plan.

6. Quarterly Review Criteria:

- a. Empower provided fund performance analyses for the quarter ended March 31, 2015 via email prior to the meeting.
- b. Empower reports that there are two funds failing the long term rolling analysis and two funds with a warning rating. Empower remains unconcerned about the two funds with warning ratings that have been discussed several times previously. Multi-Manager Large Cap Growth (MXLGX) has new fund managers that are doing well, but the warning will be there for a while as they work off the “old sins and failings” of the prior managers. The Money Market Fund (MXMXX) of course will not stack up well against the intermediate-term bond funds it is compared against. For the other two funds that are actually failing the long term rolling analysis, RidgeWorth Small Cap Growth (SSCTX) and Lord Abbett Value Opportunities (LVOAX), Empower has requested and attached a fund search to identify replacement options if the committee feels it is time to replace either of these two funds. Neither of them are failing more than 7 of the last 12 quarters and neither has fallen below the 25th percentile in their peer group, either of which would cause them to fail. They get the fail rating simply because Morningstar has given them a 2 star rating. It would be appropriate to either replace them or continue to watch them for another quarter.
- c. The committee asked what the repercussions of eliminating a fund would be. Empower responded that the funds would be transferred to a similar fund of the committee’s choosing. Participants in the fund would be notified of their options prior to the transfer. A participant’s inaction would result in an automatic transfer to a designated replacement fund. Elimination of a fund requires 60 days to process. The effective date of the change would be September 2nd, 2015.
- d. The committee asked if there is a cost to the plan for eliminating funds. Empower responded that for the elimination of funds currently being considered, there would be no cost to the plan.
- e. The committee discussed underlying factors for fund underperformance of SSCTX and LVOAX, including 4 consecutive quarters below the 25th percentile of their peer group, same fund manager for 8-9 years, and negative alpha.
- f. The committee discussed suitable replacement funds and identified high performing funds in each category proposed for replacement.

Peggy Moak made a motion and Brenda Pinion seconded it.

MOTION: Close SSCTX and transfer the balances of participants who choose to remain in the plan to PNC Mult Factor Small Cap (PLWAX).

VOTE: Motion approved unanimously.

Peggy Moak made a motion and Dave Hauser seconded it.

MOTION: Close LVOAX and transfer the balances of participants who choose to remain in the plan to JPMorgan Intrepid Mid Cap (PECAX).

VOTE: Motion approved unanimously.

7. Empower has merged with JP Morgan. Empower will provide videos via email describing the merger.
8. Empower suggests that a Roth IRA feature be added to the plan. Empower will bring information describing Roth IRA options to the next quarterly meeting.

9. A discussion item is to be added to the joint session of the agenda of the next quarterly meeting to discuss Roth additions. HR will verify prior to the meeting that payroll can split pre and post-tax deductions.
10. The committee discussed removing MXMXX from the fund. The money market fund performs poorly compared to Empower's Guaranteed Government Fund (GGF). There are 18 participants with a total balance of \$248,171. The fund return has been close to zero. The committee discussed possible reasons that participants choose to remain in the fund. The only advantage to MXMXX would be during a time of short term interest spikes, however any potential gain would be short lived. It was suggested that the participants in the fund believe that the fund is a "cash-in/cash-out" type of fund. However, the fund is not guaranteed against loss and new government rules could result in negative return. GGF meets the requirements that the committee believes plan participants desire better than MXMXX. The committee discussed possible concerns that participants may have from eliminating a fund that is believed to be the only cash-in/cash-out type of fund option.
11. Empower will personally contact the 18 participants to explain the elimination of the fund if the committee decides to close it.

Brenda Pinion made a motion and Brian Ring seconded it.

MOTION: Close MXMXX and transfer the balances of participants who choose to remain in the plan to GGF.

VOTE: Motion approved unanimously.

Joint Session:

1. The committee has had concerns that the criteria used by ICMA to monitor performance of investment funds may not be consistent with the County's investment policy. ICMA reports that funds are managed by a trust that considers many performance factors. ICMA states that their reports can be tailored to match the county's investment policy.
2. Empower and ICMA would like copies of the county's investment policy. Brian Ring will send copies of the County's investment policy to Empower and ICMA.
3. ICMA has received 8 loan requests and no emergency withdrawal requests to date.
4. There have not been any issues with the information HR has provided to ICMA for loans.
5. Empower suggested that HR add information to leave packets regarding loans and the consequences of default, including taxes. Brian Ring responded that an online signature is required to document understanding of the loan requirements.

ICMA Quarterly Review:

1. ICMA announced that it is lowering fees for Guided Pathways Managed Account Services.
2. ICMA provided fund performance analyses for the quarter ended March 31, 2015 at the meeting.
3. ICMA reports that Mesirow Financial provides investment advisory services. A Fiduciary Framework has been designed to evaluate funds. A list of select funds has been developed and the County can choose funds from the approved list. When a fund is selected from the approved list, the trust shares fiduciary responsibility. Underperforming funds can be eliminated and replacement funds can be selected from the list.
4. ICMA desires to increase the health of the plan by increasing participation and reducing rollouts.
5. Milestone Funds are conservative and tend to underperform in up markets.
6. Vantagepoint Trust shares managers to improve performance.

7. The committee was concerned that some funds do not appear to meet the County's investment criteria. There has been confusion interpreting ICMA's performance analysis. The analysis presented to the County needs to be based on the County's investment criteria. ICMA will provide a list of underperforming funds per the County's criteria prior to a special meeting scheduled by the committee.
8. A special meeting is to be scheduled for the week of August 10th to discuss ICMA funds to be placed on the watch list, funds to be eliminated, and funds to be designated as replacement funds.
9. Once funds to be eliminated are identified, the process takes 60 days.
10. The County has the option of choosing an existing replacement fund from an approved list or creating a custom fund, which requires a consultant's advice.
11. ICMA reports a 92% response rate to their online registration.

Committee Follow-up Discussion:

1. Brian Ring expressed concerns that Dennis Duarte provided differing information during the 1st quarter meeting. The committee explained to ICMA that their analyses were confusing and not easily compared to the County's investment criteria. Dennis Duarte stated that comparative reports could not be provided because it would constitute investment advice. Michele Martin said during the 2nd quarter meeting that comparative reports could be provided.
2. It was suggested that ICMA provide quarterly reports in advance of the meeting to allow the committee to review them prior to discussion.
3. Peggy and Dave will work on a RFP for an investment consultant.

Outstanding Action Items:

- Empower to add Rae to the loan report distribution list.
- Empower to send a secure electronic file to Brian Ring to document part-time employee participants.
 - HR to determine which if any participants on the list are current full time employees and notify Empower.
 - Empower to send a letter to participants on the list explaining their options and requesting that an action be taken.
- Empower to close SSCTX, notify participants and transfer any remaining balances to PLWAX.
- Empower to close LVOAX, notify participants and transfer any remaining balances to PECAX.
- Committee to receive informational video from Empower describing merger with JP Morgan.
- HR to add Roth IRA discussion item to the joint session of the agenda of the next quarterly meeting.
- HR to verify that payroll can split pre and post-tax deductions.
- Empower to close MXMXX, notify participants and transfer any remaining balances to GGF.
- Brian Ring to send copies of the County's investment policy to Empower and ICMA.
- ICMA will provide a list of underperforming funds per the County's criteria prior to the special meeting scheduled for the week of August 10th.
- HR to request that ICMA provide reports prior to regularly scheduled meetings.
- Peggy and Dave to work on a RFP for an investment consultant

Next Meeting: Wednesday, September 2, 2015. HR Conference Room 3A

Meeting adjourned at 5:00 pm.

Meeting Minutes – Deferred Compensation Committee

Date: Wednesday, August 12, 2015
Time: 11:00 – 12:00 p.m.
Room Location: HR Conference Room 3A



Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
A	Eric Schroth	Secretary
A	Raeshell Forrester	HR Representative
A	Peggy Moak	Member
A	Brenda Lagrone	Member

Approval of Prior Meeting Minutes:

N/A

Public Comment:

N/A

Reporting Requirements:

1. ICMA's criteria of lowest 25% quartile for "watch list" is not in agreement with the county's lowest 50% criteria.
2. Michele Martin has not responded to the county's requests for additional information.
3. The committee does not have information from ICMA to compare their investment reporting to the county's policy.

Consulting Services:

1. The committee has fiduciary responsibility, but not the expertise to manage investments.
2. A consultant is needed to help the committee analyze the county's investment policy.
3. The committee has budget for ½ a fiscal year to pay for consulting services, which would allow the committee to start out on a more limited basis.
4. Dave has example copies of RFP's from other agencies.

Single Provider:

1. The committee had a proposal for a single provider several years ago that was not approved by the Board of Supervisors. The political climate may be good to relook at a single provider option. Brian will talk to Paul Hahn.

Outstanding Action Items:

- Dave to provide copies via email of sample RFP's.
- Brian to contact ICMA to provide a list of funds that meet the county's criteria for being placed on a watch list.
- Brian to talk with Paul Hahn to explore the political climate for a single provider option.

Next Meeting: Wednesday, August 26, 2015. HR Conference Room 3A. 1:00 pm

Meeting Minutes – Deferred Compensation Committee

Date: Wednesday, August 26, 2015
Time: 1:00 – 2:00 p.m.
Room Location: HR Conference Room 3A



Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
A	Eric Schroth	Secretary
A	Raeshell Forrester	HR Representative
A	Peggy Moak	Member
A	Brenda Lagrone	Member

Approval of Prior Meeting Minutes:

N/A

Public Comment:

N/A

Emergency Withdrawal

1. Prior to initiating emergency withdrawal authorization through Empower, online deferral authorization must be established. HR will work with payroll.

Reporting Requirements:

1. The committee has had concerns that the criteria used by ICMA to monitor performance of investment funds may not be consistent with the County's investment policy.
2. Eric Schroth made a presentation to the committee comparing the methods of reporting used by Empower and ICMA.
 - a. Empower Reporting Method:
 - i. Analyses are based primarily on 3 performance rankings of broad based market returns indices. A Morningstar rating is also provided.
 - ii. The percentile ranking is on a scale with 100 being best and 0 being worst.
 - iii. The quarterly report summarizes results and flags number of quarters out of 12 that rankings fall below 50%.

- iv. Empower provides information prior to quarterly meetings so that the committee can prepare to discuss the results.
 - v. Empower provides explanations as to why flagged funds are underperforming.
- b. ICMA Reporting Method:
- i. Analyses are based on a Morningstar peer group ranking.
 - ii. The percentile ranking is on a scale with 1 being best and 100 being worst.
 - iii. The last 3 quarters of funds falling below 50% were made available to the committee upon special request. It was noted that the list of funds appeared to only include the lowest 25% of performance. It appears from the main report that over half the funds fell below 50% in the last year.
 - iv. Information is not provided prior to the meeting which does not give the committee time to reflect on the performance prior to discussion.
 - v. Funds to be placed on a “watch list” as defined by the County’s investment policy are not flagged or discussed by ICMA.

Proposed changes for ICMA Reporting:

1. Provide reports prior to quarterly meetings to allow the committee to review analyses and prepare questions.
2. Create a separate line item in the Fund Focus part of the report to show the number of quarters out of the previous 12 in which a fund was below the 50th percentile.
3. Create separate line items in the Fund Focus part of the report for “watch list” funds and label each fund that was below the 50th percentile for:
 - a. 4 or more consecutive quarters; and
 - b. 7 or more quarters out of 12.
4. Come prepared to explain why “watch list” funds are below the 50th percentile.

Consulting Services:

1. A consultant is needed to help the committee address fiduciary issues.
2. Dave has an example RFP.
3. Dave and Eric will form a sub-committee to prepare an RFP for consulting services.

Other:

1. Peggy suggested that Empower’s comments regarding bylaws be forwarded to ICMA for review.

Outstanding Action Items:

- Brenda to provide Eric with template for preparing agendas.
- Brian to contact ICMA regarding proposed changes for reporting prior to next meeting?
- Rae to work with payroll to establish online deferral changes.
- Brian to forward bylaw comments to ICMA?

Next Meeting: Wednesday, September 2, 2015. HR Conference Room 3A Time: TBA

Meeting Minutes – Deferred Compensation Committee



Date: Wednesday, September 2, 2015
Time: 1:15 – 5:00 p.m.
Room Location: HR Conference Room 3A

Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
A	Eric Schroth	Secretary
A	Raeshell Forrester	HR Representative
A	Peggy Moak	Member
A	Brenda Lagrone	Member
A	Dennis Duarte	ICMA - Regional Manager Northern California
A	Mark Tomasini	ICMA - Retirement Plans Specialist
A	Brion Beetz	GW - Client Relations Director
A	Darren Wagerman	GW - Key Retirement Plan Counselor

Approval of Prior Meeting Minutes:

Approved

Public Comment:

None

ICMA Quarterly Review:

1. ICMA will be removing T Rowe Price Sm-Cap Value due to poor performance.
2. The committee discussed the county's policy for placing funds on a "watch list". The policy states that funds are to be placed on a "watch list" if, for two consecutive quarters, the fund's performance is below the 50th percentile of its peer group over both the three-year and five-year rolling periods. Being placed on a "watch list" does not necessarily mean that a fund is being considered for removal. In addition to a "watch list" the committee desires information regarding a fund's longer term performance.
3. The committee identified the following funds to be placed on a "watch list" in accordance with the county's investment policy.
 - a. VT Vantagepoint Inflt'n Focused
 - b. VT Vantagepoint MS Ret Inc.
 - c. VT Vantagepoint Milestone 2010
 - d. VT Vantagepoint Equity Income
 - e. T Rowe Price Sm-Cap Value (being removed as an available fund by ICMA)

Brian Ring made a motion and Peggy Moak seconded it.

MOTION: Funds identified in a. through e. above be placed on a "watch list".

VOTE: Motion approved unanimously.

4. The committee wants ICMA's reporting to more closely follow the County's Investment Policy and made the following requests.
 - a. Provide reports prior to quarterly meetings to allow the committee to review analyses and prepare questions.

- b. Create separate line items in the Fund Focus part of the report for “watch list” funds and label each fund that was below the 50th percentile for:
 - i. 4 or more consecutive quarters; and
 - ii. 7 or more quarters out of 12.
- c. Create a separate line item for 5-year performance.
- d. Come prepared to explain why “watch list” funds are below the 50th percentile and identify any mitigating factors.

Dennis will speak with Michele Martin about modifying the report and get back to the committee.

5. The committee asked ICMA why the Vantagepoint Milestone Funds 2010 through 2050 dropped below the 50th percentile of its peer group after years of being ranked above average. Dennis responded that he would discuss the drop in ranking with ICMA’s analysts and get back to us.
6. The committee requested that information be provided for all funds that fell below the 50th percentile for 3 and 5 year periods to help identify funds that should have earlier been placed on a watch list per the county’s criteria. Dennis responded that he would provide the requested information in 7 to 10 working days.
7. The committee asked how long it would take to remove a fund. Dennis responded that a 30-day notice is required and conservatively estimated 60 days.
8. The committee noted that ICMA’s ranking is based on Morningstar ratings which is different than a ranking based on returns. Morningstar ratings consider more aspects of a fund’s performance than returns.

Joint Session:

1. The committee asked Empower if the county’s policy for placing funds on a watch list was too conservative or in line with industry standards. Brion responded that he was fine with the policy.
2. Empower stated that they were ready to proceed with a Roth investment option and are waiting for the county to implement deferrals through its payroll system.
3. Empower and ICMA discussed types of Roth plans, including strategies and pitfalls of using Roth plans.
4. ICMA requires a signed adoption agreement prior to proceeding with a Roth investment option.
5. There appears to be an error between addresses listed with the county and addresses listed with Empower. Empower is not supposed to allow address changes, but a committee member noted that she was able to change her address on the Empower website. Empower will investigate and resolve the issue.

Empower Quarterly Review:

1. There are 21 loans outstanding. Empower estimates that the number of requests for loans will decrease going forward, as there had been pent up demand.
2. Three funds were closed as approved by the committee at the 7-2-15 quarterly meeting.
3. Royce Total Return K (RTRKX) is shown on Empower’s report as being placed on watch because it failed 2 out of 12 consecutive quarters and its rating fell just below the 25% threshold that Empower uses to determine when a fund is to be placed on watch. Empower and the committee will continue to monitor its performance.
4. Empower states that Great-West Multi-Manager Lg Cp Gr Init (MXLGX) has outperformed its comparative index since 9-1-13 when new managers took over the fund. The fund will continue to show as a warning in the report though until positive returns can overcome the cumulative effect of negative returns prior to 9-1-13. Although the fund does not trigger the county’s policy for being placed on a watch list, Empower will continue to monitor its performance.
5. The committee requested that Empower consider adding an option for an international index fund and mid cap fund to its lineup.

Outstanding Action Items:

- ICMA to respond to the county's request for:
 - Fund report modification.
 - Explanation for drop in ratings of Vantagepoint Milestone funds.
 - Information for funds that fell below the 50th percentile for 3 and 5 year periods.
- County to implement deferrals through payroll system prior to offering Roth investment options.
- County to provide signed adoption agreement for Roth option to ICMA.
- Empower to resolve addressing issue on their website.
- County to implement Empower website sourced actions, such as starts, stops and modifications to payroll deductions, in order to activate the Hardship withdrawal processing on the part of Empower, which is now a contracted service.

Next Meeting: TBA

Meeting adjourned at 5:00 pm.

Meeting Minutes – Deferred Compensation Committee



Date: Wednesday, December 2nd, 2015
Time: 2:00 – 5:00 p.m.
Room Location: HR Conference Room 3A

Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
A	Eric Schroth	Secretary
X	Raeshell Forrester	HR Representative
A	Peggy Moak	Member
A	Brenda Lagrone	Member
A	Dennis Duarte	ICMA – Client Relationship Director
A	Mark Tomasini	ICMA – Key Retirement Plan Counselor
A	Dave Ramirez	Empower – Client Relationship Director
A	Brion Beetz	Empower- Client Relations Director
A	Darren Wagerman	Empower - Key Retirement Plan Counselor

Approval of Prior Meeting Minutes:

Approved

Public Comment:

None

Empower Quarterly Review:

1. Dave Ramirez, Empower’s recently hired Client Relationship Director was introduced to the group.
2. As directed by the committee at the 7-1-15 quarterly meeting, 3 funds were deleted and 2 funds were added to the plan.
 - a. Lord Abbett Value (LVOAX) was mapped to J.P. Morgan Intrepid Mid-Cap (PECAX).
 - b. Ridgeworth Small Cap Growth (SSCTX) was mapped to PNC Multi Factor Small Cap Growth (PLWAX).
 - c. Great-West Money Market (MXMXX) was mapped to the Guaranteed Government Fund (GGF).
3. Fund changes are typically done once a year unless there is a very compelling reason to do one sooner. The next fund replacement cycle will be done based on the 6/30/16 Fund Review Report.
4. The following funds remain on the watch list:
 - a. Royce Total Return (RTRKX) - The long term manager has left, but the fund retains the same investment philosophy. It has a history of low volatility, but with any concentrated fund, can underperform under certain market conditions. Empower analysts believe it should be retained, but the committee may want to consider removing it if it is still underperforming on 6/30/16. The committee asked how many participants were in the fund. Empower said they would provide that information at the next meeting.
 - b. Great-West Multi Manager Large Cap Growth Institutional (MXLGX) - The new managers are doing well and it is improving over time. The warning will probably drop to a pass by the next quarterly meeting.

- c. Great-West T. Rowe Price Equity Income Fund (MXEQX) - The manager just stepped down and T. Rowe Price has replaced him with a top performer. The previous manager was holding cash which lowered return compared with its peers.
5. New index funds will be added for International and Mid-Cap as part of the 6-30-16 new fund lineup
6. On 2-23-23 the risk based Profile Funds were mapped to the Target Date Funds. Four participants and \$110,152.14 mistakenly remained in the Conservative Profile Fund. This funds has been shut off to new participants and deposits. The plan participants will be mapped out of the fund to an age appropriate target date fund. Darren will call the participants to inform them of the change. It is possible that they may voluntarily change funds prior to the next scheduled fund change.
7. The Department of Labor requires that default funds be either risk based, target based or managed accounts. The default fund is currently the Guaranteed Government Fund. The default fund only affects participants going forward. The merits of the three fund types were discussed and a motion was made.

Dave Houser made a motion and Peggy Moak seconded it.

MOTION: Change the default fund to an age appropriate target based fund.

VOTE: Motion approved unanimously.

8. The committee noted that the Conservative Profile Fund should be removed from the Fund Review Report.
9. A Roth feature was added in April/May, but it was noted that there was no participation. It was suggested that the feature be promoted to participants.
10. The committee was provided information regarding loans. The committee requested that Empower provide information regarding the number of loans taken vs. the number of active loans.
11. It was not determined if the address issue with Empower's website was resolved. A participant was reportedly able to change the address of record, which should not be allowed.
12. Empower needs to be a deferral record keeper to process withdrawals on behalf of the county. Currently Brian Ring signs deferral record forms. The county's payroll system is not ready to support withdrawals authorized through Empower's website. With the system in place, information would be entered on Empower's website, Empower would forward the information to the county and the county would upload the records.

Joint Session:

1. ICMA is not a deferral record keeper. The county asked if IMCA would be willing to be a deferral record keeper. ICMA noted that they have no way of knowing if participants are withdrawing from both plans. ICMA can only control withdrawals from their own funds. Empower stated that they will act as a deferral record keeper if the county finds a way to make it happen.
2. ICMA defaults to target dated funds.

ICMA Quarterly Review:

1. ICMA provided information regarding long-term performance as requested in the 9-2-15 meeting. However it was a rough draft that the committee did not have an opportunity to review. ICMA said that they would provide an electronic copy.
2. ICMA requested that the committee authorize ICMA to provide a self-brokerage account and a 457 account for ICMA investors.

3. The committee questioned a discrepancy in fees for VT Invesco Diversified Div. It appears as 0.74% in the Fund Costs and Revenue Report and as 0.88% in the Fund Performance Report. ICMA said that they would provide an answer.
4. ICMA stated that the other reporting changes that were requested are not easily done. However the information can be determined from the existing reports. A new inter-active report is anticipated to be implemented by mid-2016 and they should allow people to access more detail regarding a fund's performance.
5. ICMA prepared a watch list report that identifies funds with performance below the 50th percentile over 3-year and 5-year rolling periods. ICMA is not permitted to provide investment advice, but read from prepared text regarding underperforming funds. Eight funds were identified as underperforming.
 - a. VT Vantagepoint Inflt'n Focused
 - b. VT Vantagepoint MS Ret Inc.
 - c. VT Allianz NFJ Dividend Value
 - d. VT Vantagepoint Equity Income
 - e. VT T Rowe Price Sm-Cap Value
 - f. VT Vantagepoint Select Value
 - g. VT Vantagepoint Aggressive Ops
 - h. Harbor International

Dave Houser made a motion and Brian Ring seconded it.

MOTION: Funds identified in 5a. through 5h. be placed on a watch list.

VOTE: Motion approved unanimously.

6. The committee asked ICMA what would happen if 8 of 20 funds needed to be replaced due to underperformance. ICMA stated that it has no alternatives if a similar fund is not offered.
7. The committee requested that ICMA provide alternative plans for VT Vantagepoint Equity Income Fund and VT Allianz NFJ Dividend Value.
8. The committee questioned why the Vantagepoint Milestone Funds dropped below the 50th percentile of its peer group. ICMA responded that the milestone funds have a conservative glide path that is appropriate for public sector employees, who tend to retire sooner than their private sector counterparts.

Outstanding Action Items:

- Empower to provide information regarding number of participants in Royce Total Return (RTRKX).
- Empower to remove Conservative Profile Fund for the Fund Review Report and Darren to call participants and inform them of change.
- Empower to provide information regarding the number of loans taken vs. the number of active loans.
- Empower verified that participants were not able to change their address through Empower's website subsequent to the meeting.
- County to authorize ICMA to provide a self-brokerage account and a 457 account for ICMA investors.
- ICMA to explain discrepancy in fees for VT Invesco Diversified Div between the Fund Costs and Revenue Report and the Fund Performance Report.
- ICMA to provide alternative plans for VT Vantagepoint Equity Income Fund and VT Allianz NFJ Dividend Value.

Next Meeting: Tentatively scheduled for Wednesday, March 2nd 2016, 2:00 pm, HR Conf. Rm.

Meeting adjourned at 5:00 pm.