

# WASHOE COUNTY DEFERRED COMPENSATION COMMITTEE

## MEETING MINUTES

Wednesday, August 14, 2014

### Committee Members Present:

Darrell Craig, Chairman  
Scott Thomas, WCSDA  
Scottie Wallace, WCEA

### Committee Members Absent:

Stephanie Shuman, Vice-Chair  
Vacant, Secretary/Treasurer  
Cindy Fladager, Judicial/Probation

### Also Present:

Sue Sabourin, Human Resources  
Karen Jeffers, Human Resources  
David Watts-Vial, Legal Counsel  
Mike Fleiner, Bidart & Ross  
Robert Trenerry, MassMutual  
Paul McArthur, Comptroller

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#### 1. Call to order and roll call

Meeting was called to order at 2:03 p.m. and a quorum was confirmed.

#### 2. Public comment

None

#### 3. Approval of May 14, 2014 meeting minutes

Motion to approve was made, seconded; passed unanimously.

#### 4. Treasurer's report

Paul McArthur, new Washoe County Comptroller, was introduced to everyone and briefly went over the financial report for the period ending June 30, 2014. We have received the annual administrative reimbursement from MassMutual of approximately \$33,000 and the fund's cash balance is currently \$80,200. Paul will research the jump in professional services expenditures from \$41,327 in 2013 to \$46,572 in 2014 and will report back at the next meeting.

#### 5. Discussion and possible action regarding participation in NAGDCA's 2014 annual conference held September 14-17, 2014 San Antonio, Texas

Chairman Craig, Member Thomas, Member Wallace and Ms. Sabourin are attending this year. Mr. Trenerry will be sending out invitations for MassMutual activities. Ms. Sabourin will send Mr. McArthur a NAGDCA link for his review. After the conference, the participants will report their experiences back to the other Committee members.

#### 6. Discussion of the 2014 NAGDCA National Survey Summary report

Ms. Sabourin reported that Vice-Chair Fladager had served on a committee which conducted a national survey of all public plans participating in NAGDCA. Washoe County did respond to the survey in regard to the 457 plan, and Vice-Chair Fladager wanted to share the results of the National Survey Summary with the other Committee members as an informational item only.

#### 7. Discussion and possible action regarding the 2014 National Save for Retirement Week

Ms. Sabourin advised the Committee that Caitlyn Wiesgerber, Communication Consultant with MassMutual, had provided her with an email sample to use for National Save for Retirement Week (NS4RW). Tom Verducci, Sharon Brannon's replacement as the local MassMutual representative, has met with approximately eight different groups of employees throughout the County. The next group of deferred compensation meetings will be held during NS4RW. Ms. Wiesgerber sent Ms. Sabourin a link to a YouTube video which she will send to Committee members. Ms. Wiesgerber will also provide us with some

flyers for NS4RW. Information regarding NS4RW will also be included in the upcoming fall Bidart & Ross newsletter.

**2:15 Robert Trenerry joined the meeting.**

**8. Topic/Article ideas for DCC Fall newsletter**

The Committee discussed several articles they would like to include in the fall newsletter, such as the changes to the age-based models and how those models work; a short article on Tom Verducci if he remains our local representative; and the importance of contributing to a deferred compensation plan and what that contribution level should be. Mr. McArthur asked about an article on the tax savings advantages of participating in the plan, which he felt was particularly important because County employees already have a rich pension plan. Member Wallace asked about the possibility of an article on the Windfall provision and how it impacts employees on Social Security. The Committee agreed it would be good to give general information about the Windfall provision and caution employees to do their research (i.e. financial advisor or Social Security) before planning their retirement. Mr. Trenerry also suggested a reminder on checking and updating beneficiary information. Mr. Fleiner will send an email with a short list of topics and get consensus from the Committee to see which ones we want to use.

**9. Discussion and possible action regarding a Request for Information (RFI) for possible RFP for Record-Keeping and Administrative Services of Retirement Savings Plan**

Chairman Craig explained our five-year contract with MassMutual expires December 2015. Mr. Fleiner has given this a lot of thought, and thinks we should do a full RFP this time. During the last two renewal cycles, we only conducted RFI's rather than full RFP's and he would like to do more due diligence this time. It will mean more work for us, but an RFP is a deeper dive into back office operations, technology, pricing structure, etc. and he thinks we should launch at the beginning of 2015. He believes it will come down to three or four strong candidates who will want to make a bid for our business and we could have a vendor selected by the middle of next year which will give us six months to transition if necessary. If we stay with MassMutual, it will give us time to convert to their new platform. Mr. Fleiner will have a draft RFP ready for the next meeting. Five areas the RFP will touch on: Technology, Record Keeping, Communication, Education, Investment Architecture and Fees. A motion was made to give Bidart & Ross approval to proceed in preparing a draft RFP. Motion seconded; passed unanimously.

**10. Quarterly review of MassMutual's account service objectives**

Mr. Trenerry went over the summary sheets for the second quarter of 2014. There has been a drop off in meetings due to the lack of a full-time local rep; however, Tom Verducci is picking up the pace and has met with more than 100 employees in the past few weeks. He expects these numbers to look much differently in the third quarter. He also pointed out the average participant balance is more than double the national average.

Mr. Trenerry will let us know in the next month or so if MassMutual will be replacing Sharon Brannon, or if Tom Verducci will be our new permanent rep.

The Committee touched on auto enrollment but state law doesn't allow for that since Nevada is a non-garnishment state. Mr. Trenerry advised the only way around the state law would be to include this in a collective bargaining agreement. Mr. Fleiner and Mr. Watts-Vial confirmed that this is more of a collective bargaining issue and Darrell suggested we try to educate the Associations about auto enrollment in the future.

**2:50 p.m. Mr. McArthur excused himself from the meeting.**

**11. Report and presentation regarding fund performance update for the most recent quarter, and possible recommendation, discussion and action to change investment fund lineup**

Mr. Fleiner indicated that from a market prospective, we had a solid second quarter, although we did start to see some softening in the more aggressive areas of the market, especially the small cap market. Part of that volatility is driven by overseas issues. It may also be that some investors are worried that the market is peaking so they are making some changes and rolling some money out.

Some highlights of his review:

- We've seen very good annualized returns, especially in the US markets.
- The feds are almost done unwinding their mortgage buying program so interest rates will probably rise next year.
- Sixteen funds are passing criteria; three are in guarded status; one in watch status.
- The Lord Abbett Mid Cap Fund will be closed on September 3, 2014; those remaining assets will be mapped to the Hotchkiss & Wiley Mid Cap Fund.
- Total 475 plan assets at the end of June totaled \$135M
- Total 401(a) plan assets at the end of June totaled \$8.8M
- Total participants in the age-based portfolios have increased to 181.
- The 457 plan balance at the beginning of the year was \$127M, which increased to \$133M by the end of the second quarter--a 4.3% rate of return.
- Our total expense ratio, including the general account, is 38 basis points.

**12. Comments by Committee or staff members**

Chairman Craig asked about updating web permissions for Committee members; Sue advised she would research this and would let him know who has what permissions and we will update as/if necessary.

**13. Public comment**

None

**14. Adjournment**

Meeting adjourned at 3:40 p.m.