

WASHOE COUNTY DEFERRED COMPENSATION COMMITTEE MEETING MINUTES

Wednesday, September 7, 2016

Committee Members Present

Darrell Craig, Chairman
Heather Potts (Judicial/Probation)
Mary Solorzano, Secretary/Treasurer
Scott Thomas, WCSDA
Scottie Wallace, WCEA

Also Present

Ashley Farmer, Human Resources
Bob Gleason, MassMutual
Kristie Harmon, Human Resources
Stephan Hollandsworth, Legal Counsel
Vicki Scott, Human Resources

Committee Members Absent

Stephanie Shuman, Vice-Chairman

1. Call to order and roll call

Meeting was called to order at 2:05 p.m. and a quorum was confirmed.

For the record, Chairman Craig stated that Stephanie Shuman, Vice-Chairman was absent.

2. Public comment

None

3. Discussion and possible action regarding amending the 457(b) Plan Document and MassMutual Administrative Services Agreement to include the ability to offer and implement an Automatic Enrollment Program.

Stephan Hollandsworth referred the Committee to page forty-two of the Washoe County Deferred Compensation Plan Document stating the first paragraph in section 2.2 (a) replaces the language on page 6, section 2.2 section (a).

Member Solorzano stated that she had one concern regarding employees having an "opt-out" period and whether or not deferrals can be refunded. Member Solorzano stated she is concerned about possible ramifications to payroll. Ashley Farmer explained that the current set up is a 90 day "opt-out" period where the participant can change their deferral back to zero and get their money refunded from MassMutual.

Chairman Craig asked about the setting where the "opt-out" information would be presented to employees. Ashley Farmer responded that currently the Deputies Association is the only association participating in the program and orientation will take place at the department level. She further explained that employees will not fill out a form to "opt-out"; they will need to contact MassMutual directly.

Member Shuman asked if the auto enrollment program is only for the Deputies Association and not available to all new employees. Ashley Farmer responded and referred the Committee to page 42, section 2.2 (a) stating this is general language that allows for any collective bargaining unit to enter and agree upon this program and, at this time, the Deputies Association is the only association electing to participate. Member Shuman stated that the Courts are currently not represented by a union. Stephan Hollandsworth stated the language specifically addresses represented employees. Chairman Craig asked if the language as written was flexible enough to include court employees. Stephan Hollandsworth stated the document would not cover unrepresented employees and we would need to look at amending the document for those instances where a Collective Bargaining Agreement is not in place. He further explained that statutes regulate automatic deferrals requiring employees to agree to the deferral; Collective Bargaining Agreements cover the requirement. Chairman Craig asked about confidential/management employees not covered by a Collective Bargaining Agreement; Stephan Hollandsworth explained that if employees are not covered by a Collective Bargaining Agreement, the provision in section 2.2(a) would not apply. Member Thomas explained that this topic could be reviewed at the legislative level.

Chairman Craig called for a motion to approve the changes to the Plan Document and the Administrative Services Agreement as provided. Member Wallace moved, Member Shuman seconded; the motion passed unanimously.

4. Discussion and possible action regarding amending the 457(b) Plan Document and MassMutual Administrative Services Agreement to change the default investment fund from the General Interest Account to the Washoe County Age-Based Custom Choice Models.

Chairman Craig explained that we are proposing to change the General Interest Account default fund currently stated in our Plan Document to the age-based custom choice models. Member Wallace commented that she has some concern with new participants defaulting to the age-based funds. Member Thomas stated the Deputies Association and bargaining board had lengthy discussions on this topic and they would like to see the General Interest Account continue to be the default investment fund. There is a concern that participants will drop out if their investment is not performing well. Bob Gleason stated that even though we are not subject to ERISA requirements; the age-based portfolios are considered to be qualified default investment alternatives under ERISA.

Chairman Craig called for a motion to retain the General Interest Account as the default investment fund. Member Thomas moved; Member Wallace seconded; the motion passed unanimously.

5. Comments by Committee or staff members

Member Thomas thanked Ashley Farmer and Stephan Hollandsworth for their work on the Auto Enrollment Program.

6. Public comment

None

7. Adjournment

Meeting adjourned at 2:35 p.m.