

# WASHOE COUNTY DEFERRED COMPENSATION COMMITTEE MEETING MINUTES

Wednesday, February 8, 2017

## Committee Members Present

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

## Also Present

Ashley Farmer, Human Resources  
Mike Fleiner, &Co  
Steve Gordon, &Co  
Cathy Hill, Comptroller  
Bob Gleason, MassMutual  
Kristie Harmon, Human Resources  
Stephan Hollandsworth, Legal Counsel  
Jacob Peacock, &Co  
Vicki Scott, Human Resources

---

### 1. Call to order and roll call

Meeting was called to order at 2:00 p.m. and a quorum was confirmed.

### 2. Public comment

None

### 3. Approve November 9, 2016 meeting minutes

Chairman Craig called for a motion to approve the minutes as written. Member Wallace moved, Member Thomas seconded; the motion passed unanimously

### 4. Treasurer's Report reviewing the Deferred Compensation Administrative Fund (MarySolorzano)

Member Solorzano reviewed the Treasurer's Report and provided the following information: We received \$31,336.94 from MassMutual for Professional Services Reimbursement. Professional Services Expense was \$26,534.00 which was lower relative to June 30, 2016. Travel and dues were up slightly relative to last year because we had more committee members attend NAGDCA in 2016.

Chairman Craig commented Mary Solorzano will no longer be serving on the Deferred Compensation Committee meeting as she has accepted a new position. Cathy Hill, Comptroller, will be serving as the new Secretary/Treasurer.

### 5. Recognition of the appointment of Cathy Hill (Confidential/Exempt/Management Group), effective February 9, 2017, for a two-year term.

Chairman Craig introduced Cathy Hill and welcomed her to the Committee.

### 6. Update and discussion on plan administration and employee engagement to include: employee communications, employee on-site meetings and presentation, auto enrollment program administration update, and plan document revision. (Ashley Farmer)

Ashely Farmer provided an update on the auto-enrollment program: Currently, there is an issue with the 457 contribution file and SAP. SAP has one 457 Plan and, with the addition of the auto-enrollment program, MassMutual had to create an additional subscriber group in order to differentiate the auto-enrollees from the regular participants. MassMutual is manually mapping the auto-enrollee deferrals to the new subscriber group every pay period.

Chairman Craig inquired if participants need to be separated in two separate groups. Ashley Farmer responded that the groups need to be separated in order for MassMutual to fulfill notification requirements to participants in the auto-enrollment program. Mr. Gleason stated that we need an additional file field that would differentiate the participants in the auto-enrollment group.

Member Solorzano suggested creating a second 457 plan in SAP as a possible solution. However, she stated this could present a problem of tracking participants who are trying to maximize their contribution because they would be split into two plans. If the new plan was created and ready on January 1, 2018, it could potentially mitigate the problem of over-contributing. Mr. Gleason stated that he would ask our account manager if she could continue to manually manage the auto-enrollees until the end of the year. He will report back to the Committee. This option could possibly provide a solution for future bargaining units wanting to participate in the auto-enrollment program.

Ashley Farmer provided an update on MassMutual on-site meetings, presentations and plan document revisions:

- Group presentations were scheduled for February 6, and February 10, 2017. MassMutual provided an informative video and it was sent to all Washoe County employees via email. The video will be posted on the intranet and used at New Employee Orientation.
- Plan document revision for 401(a) Plan: MassMutual provided a White Paper on the Treasury Department's proposed normal retirement age regulations for governmental plans. MassMutual is recommending that we review our Plan's normal retirement age and revise safe harbor language which would apply to employees hired on or after the proposed effective date. The normal age of retirement currently stated in our plan document is age 50. Ashley proposed using safe harbor language similar to PERS retirement age stating it would more accurately mirror our employee population. It will only affect employees hired on or after July 1, 2017. She will report back to the Committee in May.

Chairman Craig asked that an update on auto-enrollment be included as an agenda item for the Deferred Compensation Committee meeting in May, 2017.

7. Quarterly review of MassMutual's account service objectives. (Bob Gleason).

Mr. Gleason provided an overview of the Fourth Quarter 2016 Summary Sheet and the Strategic Plan Review and Action Plan report:

- Increased enrollment activity for 4<sup>th</sup> quarter 2016; 56 new participants
- Participants in the 457 plan increased; 74 new participants
- Participants in the 401(a) plan decreased by two participants
- 457 assets increased \$10.3 million; 401(a) assets increased \$750,000
- 457 average balance is up 4.1%; 401(a) average balance is up 9.8%
- ROTH participants increased 16 participants

Member Hill asked if 2015 YTD totals could be included in the Summary Sheet for comparative purposes. Mr. Gleason will add 2015 YTD totals to the Summary Sheet for the next meeting.

Mr. Gleason reviewed Loan Comparison Report for Washoe County:

- MassMutual compiled information from 12 agencies that have total plan assets between 75 million and 250 million dollars and compared their average loan balances to Washoe County. Average of all plans (excluding Washoe County) is \$8,895.10 compared to Washoe County's average of \$8,431.06.

8. Introduction of representatives from Washoe County's investment advisor AndCo. AndCo was known as Boghdan Consulting LCC when this Committee consented to assigning it the County's current investment advisor agreement at the November 9, 2016 meeting but recently rebranded. Introduction may include short presentation and discussion on general company information, available services, and reporting capabilities. (Mike Fleiner)

Mr. Fleiner introduced Steve Gordon, Executive Director and Jacob Peacock, Director of Retirement Solutions of AndCo. Steve Gordon provided an overview of AndCo and the rebranding process. Jacob Peacock as Director of Retirement Solutions discussed his role in providing and leveraging record keeping and regulatory services.

9. Report and presentation regarding fund performance update for the most recent quarter, and possible recommendation, discussion, and action to change investment fund lineup. (Mike Fleiner)

Mr. Fleiner reviewed the Investment Performance Review report for period ending December 31, 2016:

- 457 Plan ended the quarter with \$144 million dollars of total fund assets
- 401(a) Plan – assets were slightly lower at the end of the quarter compared to the third quarter; \$9.8 million dollars
- Age-based models – new models were implemented and showing utilization in the first quarter
- Total fund average expense ratio is .31% for the 457 Plan
- Total fund average expense ratio is .35% for the 401(a) Plan

Mr. Fleiner pointed out that the Investment Performance Review report will continue to be expanded now that all the data has been transferred to AndCo. Future reports will include information that has been provided in previous reports.

\*10 Comments by Committee or staff members (this item is limited to announcements or topics/issues proposed for future workshops/agendas).

Ashley Farmer stated that all of the committee member appointments, excluding Cathy Hill, will expire this year. Ashley will reach out to the associations for nominations and report back to the Committee.

\*11. Public comment. No action will be taken upon a matter raised under this portion of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. The Committee may ask that a matter be listed on a future agenda during the Public comment periods or during the following item: "Comments by the Committee or staff members." Comments shall be limited to two minutes in duration. Persons may not allocate unused time to other speakers.

None.

\*12. Adjournment

Meeting adjourned at 3:17 p.m.