

# WASHOE COUNTY DEFERRED COMPENSATION COMMITTEE MEETING MINUTES

Wednesday, May 8, 2019

## Committee Members Present

Darrell Craig, Chairman  
Cathy Hill, Secretary Treasurer  
Kendra Materasso, Second Judicial District Court  
Scott Thomas, Vice-Chairman  
Scottie Wallace, WCEA

## Also Present

Ashley Berrington, Human Resources  
Mike Fleiner, AndCo  
Kristie Harmon, Human Resources  
Stephan Hollandsworth, Legal Counsel  
Vicki Scott, Human Resources

## Committee Members Absent

Lisa Gianoli, Retiree

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1. Call to order and roll call  
Meeting was called to order at 2:01 p.m. and a quorum was confirmed.
2. Public comment  
None
3. Welcome and introduction to retiree member Lisa Gianoli.  
Member Gianoli was absent. Committee introduction will be held over to the next meeting August 14, 2019.
4. Approve February 13, 2018 meeting minutes.  
Chairman Craig called for a motion to approve the minutes as written. Member Thomas moved, Member Materasso seconded; motion passed unanimously.
5. Treasurer's report reviewing the Deferred Compensation Administrative Fund.  
Member Hill reviewed the Treasurer's Report as of April 30, 2019 stating the quarterly ending cash balance is higher compared to June of 2018. Member Hill stated that the fund balance will continue to be monitored to ensure the balance does not increase significantly. Chairman Craig commented, at one time, the goal of the Committee was to maintain a years' balance in reserve. Mr. Fleiner commented that there is a policy which addresses revenues held in reserve and the amount of any excess, at the Committee's discretion, could be distributed to the Plans' participants. The Policy will be provided to the Committee at the next scheduled meeting August 14, 2019.
6. Discussion and possible action regarding Committee members participating in the National Association of Government Defined Contribution Administrator's annual conference, held this year from September 8-11, in New Orleans, LA. 3  
Member Thomas made a motion allowing all interested committee members and one staff member to attend the annual NAGDCA Conference in New Orleans, LA; Member Wallace seconded. The motion passed unanimously.

Member Hill informed the Committee that she is currently working with the District Attorney's Office to revise the travel reimbursement code to require approval of travel requests by the Deferred Compensation Committee. Currently, travel requests are approved by individual department heads.

7. Discussion and possible action regarding transitioning recordkeeping and administration for the County's deferred compensation plans to Voya Financial, including optional plan changes, discussion of implementation progress and timeline, participant meetings and communications, and Plan Sponsor site access.  
Ms. Berrington reported that Voya's compliance confirmed participants are eligible to purchase PERS service credit with funds in their 401(a) account. The change will be made based on the Committee's approval in February 2019.

The Committee discussed/considered two additional plan changes:

1. Administration of 401(a) and 457 residential loans: Currently, 401(a) residential loans allow 57 weeks for repayment and 457 allows 360 months for repayment. Mr. Gleason will provide a report to include current residential outstanding loans. The Committee will review and discuss.
2. IRS Publication 575 allows for a qualified distribution of \$3,000 tax-free for the purposes of health insurance for retired first responders. Currently, the Plan does not allow for this provision.

Member Wallace moved to formally adopt the IRS provision allowing for the qualified distribution of \$3,000 for first responders; Member Thomas seconded. The motion passed unanimously.

Ms. Berrington provided the Committee an update on the progress of implementation to Voya outlining participant communication; employee meeting schedule and Voya's landing page for Washoe County participants. Ms. Berrington noted that Washoe County is working with Washoe County's Technical Services Department and Voya on the Demographic File.

8. Review, discussion and possible action on the Washoe County Deferred Compensation Program Investment Policy. (Mike Fleiner)

Member Hill noted the *Summary of Evaluation Process* section on Page 4 of the Investment Policy references Appendix A; however, Appendix A is not included in the Policy. Mr. Fleiner explained that the reference to Appendix A was mistakenly included. At one time, Appendix A provided a list of investment options with appropriate benchmarks; and, this section was eliminated. Mr. Fleiner will remove the reference to Appendix A. In addition, Mr. Fleiner will include a brief statement to explain how "guarded" and "watched" funds are handled.

The Investment Policy will be held over to the next meeting August 14, 2019.

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

Mr. Gleason provided an overview of the First Quarter 2019 Summary Sheet and the *MassMutual @ Work for You* report highlighting plan and participant activity statistics.

10. Discussion and possible action about the current Washoe County Age-Based (WCAB) custom-investment options, in light of AndCo Consulting ceasing to support these custom options by the end of calendar year 2019; the discussion will include the process of searching for and identifying a suite of Target Date Funds to replace the current WCAB funds by January 1, 2020. (Mike Fleiner)

Mr. Fleiner explained that AndCo Consulting will discontinue offering the custom age-based investment options. AndCo Consulting will conduct a search and provide a recommendation to the Committee for a target-date fund solution to replace the custom models by the end of the year.

11. 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 March 31, 2019.

Chairman Craig requested Mr. Fleiner provide the Annual Asset Class Performance chart for the next meeting.

Mr. Fleiner will provide information on alternatives to possibly replace the current watched funds Lazard Emerging Markets Equity and DFA International Small Cap Value.

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

Ms. Berrington stated updated binder materials will be provided to Committee Members at the next meeting.

Member Wallace asked for a status update on labor negotiations specifically relating to auto-enrollment. Ms. Berrington responded that negotiations are still ongoing and could not provide an update at this time. Ms. Berrington will provide an update at the next meeting if contracts are signed and ratified by the Board of County Commissioners.

13. 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.

Nate Simpson and Isaac Williams were present to provide public comment as part of a government class requirement.

14. Adjournment

Meeting adjourned 3:46 p.m.

Next meeting: Wednesday, August 14, 2019, 2:00 p.m.