

**PLACER COUNTY DEFERRED COMPENSATION
COMMITTEE MEETING MINUTES
Wednesday, June 8, 2016
8:30 am – 10:00 am
Auditor-Controller Conference Room
2970 Richardson Drive
Auburn, CA 95603**

Present: Andy Sisk, Auditor-Controller; Andy Heath, Assistant County Executive Officer; Lori Walsh, Human Resources Director; Jenine Windeshausen, Treasurer Tax Collector; Matt Bartholomew, PPEO Representative; Noah Frederito, DSA Representative; Paul Jacobson, Retiree Representative.

Absent: None.

Other Attendees: Jerry Carden, County Counsel; Ann McNellis, Human Resources; Allan Henriques, Smart Investor

Call to Order

Meeting called to order at 8:33 am by Andy Sisk, Chair.

Public Comment

None.

Approval of Deferred Compensation Committee minutes for the May 4, 2016 meeting

Motion by: Jenine Windeshausen; Second: Paul Jacobson. Approved 7-0.

Hardship Requests

Discussion of hardship requests submitted since last meeting

There were no hardship requests since the last meeting.

Board Chair Report

VCP Status – VOYA Loans – Approved by the IRS.

MassMutual Loan Arrears Report – There are three loans on the latest arrears report. One is a posting error and will correct with the next report. The other two are for employees that have left County service. One refused to repay and will be issued a 1099, the other has until the end of the year or they two will be issued a 1099. We currently have seven employees who are not on payroll deduction for repayment.

Jenine suggested we make it mandatory for those on manual payment to go to payroll deduction with a 90 day notice. Lori will prepare a draft 90 day notice for the next meeting. Ann McNellis

asked if we could legally do that. Jerry Carden advised that the employees would have to agree to payroll deduction or default on the loan.

Correspondence to MassMutual – Andy sent the list of questions and the letter to MassMutual on May 23rd, 2016. Bob Gleason of MassMutual has received the material and will be prepared to address all questions at the June 22, 2016 meeting. Bob will also be providing the prospectuses electronically because providing hardcopies for all Committee members would be paper intensive.

Action Plan Next Steps

Discussion of Investment Policy – Andy asked for input from the Committee on the Investment Policy. He distributed a copy of our current Investment Policy Statement of Committee review and noted that he believes the document needs to be updated due to recent changes to our Bylaws as well as industry best practices.

Andy will start working on a draft update, with assistance from the Treasurer, and will bring back to the Committee at a future date. Jenine believes we should write the Investment Policy for where we want to go from here and not just where we are today.

Discussion of RFP for Plan Provider Services – Andy asked for input from the Committee on the RFP for Plan Provider Services. Lori discussed the need for either an additional permanent employee, with a specialized skillset in administering Human Resources tasks or the need for outside consultants. Lori noted that between her staff currently working on this, they equal one full time person.

Lori and Ann both spoke to the frustration they are experiencing in dealing with MassMutual. MassMutual has been very difficult to get information out of to begin with and it is often inaccurate. Most requests for information are met with the statement “Our system is not set up to do that.”

Andy Heath questioned why we would want to deal with a vendor that can’t meet our needs.

Noah thinks a move is overdue. He does not understand why the two plans are so different and why we are trying so hard to be MassMutual’s customer. Especially since the difference in service from VOYA to MassMutual is like night and day. Noah further stated that if we did go out for RFP, we give very detailed information on the service levels we expect.

Matt thinks we should give a formal 90 day notice to MassMutual to bring up their service levels.

Jenine stated that that was the point of the letter we sent in May. Jenine also stated that if we don’t keep MassMutual, we will still have to do something with the employees that are already investing with them. We can move them over but there are consequences, such as the contingent deferred sales charge, especially in the General Account where most of the employee assets lie. She also suggested freezing contributions into the plan but suggested if we were to do that, sooner would be better than later.

Matt noted that the General Account available thru MassMutual is popular with employees and not available thru VOYA. He suggested employee notification and feedback requests before we do anything.

Paul noted that retirees still have money with MassMutual and they would need to be notified and moved too.

Lori handed out a draft RFP plan and noted that Human Resources still needs staff to administer the plan no matter what way we go. The RFP is for consulting services for subject matter expertise for Human Resources. Andy thinks the consultant could be helpful in preparing the RFP for Plan Providers. Jenine believes her department has the subject matter expertise to do the RFP for plan providers.

Lori requested that the Committee look at the RFP Plan she distributed to bring back comments at the next meeting. Andy noted that the June 22nd meeting was dedicated to MassMutual's Annual report and the Committee's questions. He requested that we add to the July agenda instead. It was decided by the Committee to add both RFP discussions (HR Consulting Services and Plan Provider) to the July agenda.

Next Scheduled Meetings

Wednesday, June 22, 2016, 2:30 - 4:00 pm in CEO 1. (Please note time/location change)

Future Meeting Schedule – Andy distributed a draft meeting schedule for the remainder of the year, moving the meetings from quarterly to monthly. He also suggested moving the meeting time to later in the day. Committee members were in favor of the later start time and will get back to him on the dates once they check calendars.

Adjourn

Meeting adjourned at 9:26 AM.