DEFERRED COMPENSATION COMMITTEE
Wednesday, May 22, 2019

AGENDA

Placer County is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you require additional disability-related modifications or accommodations, including auxiliary aids or services, please contact the Executive Secretary. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Executive Secretary five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated only if time permits.

MEETING LOCATION:
Placer County Assessor’s Office
2nd Floor, Confluence Room
2980 Richardson Drive, Auburn, CA 95650

1:30 PM OPEN SESSION – Call to Order

Roll Call

1. Approve the May 22, 2019 Meeting Agenda

2. Approve the minutes of the February 27, 2019 Regular Meeting
   ABSENT: Vicki Ramsey

Public Comment: Persons may address the Committee on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Committee is not permitted to take any action on items addressed under Public Comment.

3. Receive a quarterly program update – Lincoln Financial Group

4. Receive a demonstration of WellnessPATH financial wellness tool – Lincoln Financial Group

5. Receive an update on the draft 2019 Fiduciary Audit Report and provide direction to staff – Joseph Morgan

7. **Receive an update on the Investment Policy and provide direction to staff** - Joseph Morgan

8. **Receive a review of Committee Bylaws and provide direction to staff** - Kate Sampson

9. **Adjournment to the next Regularly Scheduled Meeting**

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**Deferred Compensation Committee - Upcoming Regular Quarterly Meeting**

*Wednesday, August 28, 2019 at 1:30 PM*  
Placer County Human Resources Department  
Large Conference Room  
145 Fulweiler Avenue, First Floor  
Auburn, CA 95603  
(530) 889-4060
DEFERRED COMPENSATION COMMITTEE

Wednesday, February 27, 2019

MINUTES

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MEETING LOCATION:

Human Resources Large Conference Room
145 Fulweiler Avenue, Suite 100
Auburn, CA  95603
(530) 889-4060

1:30 PM  OPEN SESSION

Roll Call – Ramsey was absent.

I. Agenda Approval

MOTION: Christenson/Sisk
AYES: Sisk, Windeshausen, Christenson, Sampson, Bartholomew, Frederito
ABSENT: Ramsey

II. Approval of Minutes from previous Regular Meetings:

1.   September 12, 2018
    ABSENT: Noah Frederito, Jenine Windeshausen, Kate Sampson

    MOTION: Sisk/Bartholomew
    AYES: Sisk, Christenson, Sampson, Bartholomew, Frederito
    ABSTENTIONS: Windeshausen
    ABSENT: Ramsey

2.   October 10, 2018
    ABSENT: Noah Frederito, Jenine Windeshausen, Andrew Sisk

    MOTION: Sampson/Bartholomew
    AYES: Christenson, Sampson, Bartholomew, Frederito
    ABSTENTIONS: Sisk, Windeshausen,
Absent: Ramsey

3. November 14, 2018, as amended
   Absent: Matt Bartholomew

MOTION: Sisk/Frederito
AYES: Sisk, Christenson, Sampson, Frederito
ABSTENTIONS: Windeshausen, Bartholomew
ABSENT: Ramsey

III. Public Comment: Persons may address the Committee on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Committee is not permitted to take any action on items addressed under Public Comment.

None.

IV. Old Business

1. Received update that Morningstar contract is fully executed and directed staff to return the investment policy to the Committee at a future meeting with relevant updates.

V. New Business

1. Elected Kate Sampson as Committee Chair for two-year term.

MOTION: Windeshausen/Frederito
AYES: Sisk, Windeshausen, Christenson, Sampson, Bartholomew, Frederito
ABSENT: Ramsey

2. Continued biannual review of Committee Bylaws to next meeting.

MOTION: Windeshausen/Christenson
AYES: Sisk, Windeshausen, Christenson, Sampson, Bartholomew, Frederito
ABSENT: Ramsey

3. Received a draft status report on the Fiduciary Audit. Directed staff to remove references to items that are not applicable and further reflect the fiduciary responsibility of Morningstar.

4. Received a quarterly review presentation by Alison Layne and Bob Cowsert of Lincoln Financial Group.

Mr. Cowsert offered that he is able to manually manipulate the data provided in the Lincoln Financial Group’s review to produce additional summary statistics for the Committee. He will provide a Plan Summary dashboard with the two plans combined at the next quarterly review.

Lincoln Financial Group representatives discussed the option of the WellnessPATH tool they offer which aids in helping employees with their financial wellness. The
cost is $10 per participant annually. The Committee noted that they would like to see a demo at a future meeting.

Joe Morgan discussed the ways that Placer County is making employees aware of Lincoln Financial Group and the need to register an online account with updated beneficiary information. E-mails were distributed to participants in January and the County posted a slider on MyPlacer. Employees are also mailed quarterly statements. Mr. Cowsert also discussed his previous and future interactions with Placer County. He is typically here the last week of the month. He plans on attending New Employee Benefit sessions and discussed the possibility of bringing guest speakers to Lunch & Learns. The Committee members agreed that there needs to be more financial education and information available to employees.

VI. Adjournment – 3:05PM

Deferred Compensation Committee – Upcoming Quarterly Meeting

Wednesday, May 22, 2019 at 1:30pm
Placer County Human Resources Department
Large Conference Room
145 Fulweiler Avenue, First Floor
Auburn, CA 95603
(530) 889-4060
# Placer County Deferred Compensation Program
## 2019 Fiduciary Review
### Plan Documents and Administration

<table>
<thead>
<tr>
<th>Document type:</th>
<th>Specimen 457(b) Plan Document</th>
<th>Base Plan Document [DC-BPD #05]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last amendment:</td>
<td>June 21, 2018</td>
<td>December 31, 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1</th>
<th>Confirm that the plan document is up-to-date for all legislative and regulatory requirements (e.g., EGTRAA and PPA amendments). Updates are provided automatically for plans using the Lincoln plan document. For those plans, skip to item 2.</th>
</tr>
</thead>
</table>

- **Document type:** Specimen 457(b) Plan Document
- **Last amendment:** June 21, 2018

<table>
<thead>
<tr>
<th>2</th>
<th>Confirm that the plan’s definition of “eligible employee” is consistent with the administration of the plan.</th>
</tr>
</thead>
</table>

- **Age requirement:** There is no minimum age requirement. [Ref: 457(b) Plan Document Section 2.1]
- **Service requirement:** There is no minimum service requirement. [Ref: 401(k) Adoption Agreement Section 4-1]

<table>
<thead>
<tr>
<th>Excluded employees:</th>
<th>Leased Employees [Ref: 457(b) Plan Document Section 1.1 - Definition: Employee]</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Confirm that compensation is being calculated correctly (as defined in the plan document) and communicated to providers.</th>
</tr>
</thead>
</table>

- **Definition of compensation:** Specimen 457(b) Plan Document
  - Page 2: Compensation
  - Page 4: Includible Compensation

<table>
<thead>
<tr>
<th>4</th>
<th>Confirm that the plan is being administered in accordance with the plan and trust documents (e.g., match formula, distribution options, loan administration and more).</th>
</tr>
</thead>
</table>

- **Match Formula:** ACORN has control table in place that defines which employees are eligible for the match and a control table that limits the overall match to $750. [Ref: Screen shots from ACORN]

<table>
<thead>
<tr>
<th>Distributions:</th>
<th>Reviewed all distributions of active and eligible participants to ensure they meet requirements for In-Service Distributions. All distributions were appropriate. [Ref: Distributions Report]</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Loan Administration:</th>
<th>Loans are not authorized by plan documents. No loans have been approved. [Ref: Loans Report]</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>5</th>
<th>Review the plan’s process for collecting deferral contributions and loan payments.</th>
</tr>
</thead>
</table>

- **Deferral Contributions:** Collected via payroll deduction.
- **Loan payments:** The County’s 457(b) plan does not allow for loans. [Ref: Contributions Report]

<table>
<thead>
<tr>
<th>6</th>
<th>Confirm that deferral contributions and loan payments are being deposited in a timely manner.</th>
</tr>
</thead>
</table>

- **There were a total of 14 payroll deposits in 2018. There were two delayed deposits, payroll dates of 6/22/18 and 7/20/18. The normal procedure at implementation is to review the files for accuracy and there were question on these files that required additional processing thus creating a one business day delay. All other deposits met the processing guidelines for the plan. [Ref: Contribution Report]**

- **In General, payroll files are processed the next business day if it is received before 1:00 pm EST and if it is received after 1:00 pm EST it will be processed within 2 business days.**
## General Requirements

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Confirm the identity of each plan fiduciary and ensure that each understands his or her responsibilities as a plan fiduciary.</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Confirm that regular retirement committee meetings are being held, and document the attendance of all plan fiduciaries, advisors, employee representatives, and service providers. Committee meetings should be conducted in a manner that ensures proper due diligence and facilitates informed decisions making by fiduciaries.</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Evaluate the need for fiduciary liability insurance to protect the plan fiduciaries' personal assets against claims.</td>
</tr>
</tbody>
</table>

### The plan fiduciary is the Placer County Deferred Compensation Committee consisting of the following members: [Ref: BOS Resolution 2016-042 & Committee Bylaws]
- **Auditor-Controller:** Andy Sisk
- **Treasurer-Tax Collector:** Jeanie Windeshausen
- **County Executive Officer:** Jane Christensen
- **Human Resources Director:** Kate Sampson
- **Placer Public Employees Organization Rep.:** Matthew Bartholomew
- **Deputy Sheriffs’ Association Rep.:** Noah Frederito
- **Placer County retired employee Rep.:** Vicki Ramsey

The Deferred Compensation Committee has elected to utilize the services of Morningstar Investment Management LLC to provide advisory services related to the selection and monitoring of investment options to be offered for investment under the County’s plan. ERISA 3(38) level advisory services. Under the attached agreement, Morningstar has agreed to a highest level of fiduciary advise with respect to plan investments. Morningstar is responsible for selecting, monitoring and replacing investment options provided under the plans. This type of advisory relationship shifts the fiduciary risk for investments from the plan sponsor (the County) to Morningstar. Under this type of fiduciary agreement, the County’s risk for investments is limited to monitoring Morningstar to ensure it is properly carrying out its fiduciary investment duties, and if not, to find an adequate replacement. [Ref: Morningstar Agreement]

The relationship with Morningstar does not shift the fiduciary responsibility for all other aspects of the plan. The Deferred Compensation Committee remains responsible for ensuring that the plans remains tax qualified, are administered according to the tax rules and that errors are corrected timely and in accordance with applicable law, etc.

The Deferred Compensation Committee has also developed an Investment Policy Statement that establishes investment principles and a framework for selecting, monitoring and evaluating investment options for the County’s Plan. The Investment Policy Statement is being reviewed to ensure it appropriately outlines the responsibilities of Morningstar and the Committee. [Ref: Investment Policy Statement]

The Placer County Deferred Compensation Committee meets at least quarterly and complies with The Brown Act. Lincoln Financial Group representatives attend and present quarterly plan reviews.

The County maintains a Fiduciary Liability policy through Solidarity Protection Group. Policy Effective from 7/1/2018 through 7/1/2019. Policy Limit: $5,000,000. Retention: $10,000. [Ref: Policy Statement]
The County has established a Deferred Compensation Committee to obtain advice of qualified counsel when appropriate, establish objectives and policies relating to investments, discharge its duties regarding each decision made in administering the Plan, solely in the interests of the Plan. NOTE: Not less than every 12 months, the committee shall consider the advisability of soliciting proposals from qualified providers.

The Deferred Compensation Committee adheres to The Brown Act and all committee meetings include agendas, discussion topics, minutes of decisions made and list of attendees.

The County maintains 27 investment options as well as a Self Directed Brokerage Account and a Stable Value Account with a guaranteed minimum rate of return.

The Deferred Compensation Committee site. [Ref: Investment Policy Statement]

The County has developed an Education Plan that encompasses these topics that was reviewed and approved by the Committee on 11/14/2018. [Ref: Deferred Compensation Committee Minutes – 11/14/18 – Draft]

Additionally, LFG maintains an educational section on their website that participants may access through their account.

The County has a Record Keeping Service Agreement with LFG that meets and or exceeds the requirements of agency filings or to participant or beneficiary disclosures must be retained and kept available for examination for at least six years from the filing date. Records needed to determine benefits must be maintained as long as they may be relevant to the determination of benefit entitlements. For example, plan documents and amendments may need to be retained indefinitely.

The County has a Record Keeping Service Agreement with LFG that meets and or exceeds the requirements of this section. Additionally, Plan Documents and amendments are also maintained electronically by the Human Resources Department.

The SPD is available to participants upon request. Additionally, the SPD is available on the County’s Deferred Compensation Website so participants are able to review on demand. [Ref: Website Printout]

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New Hire packets, open enrollment and periodic educational campaigns include information about eligibility to participate in the County’s plan.

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Investment Policy Statement

Placer County Deferred Compensation Program

May 10, 2017 XXXX XX, 2019
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<th>Contents</th>
<th>Pages</th>
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<td>Policy Purpose</td>
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<td>Investment Objectives</td>
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<td>Selecting Investment Options</td>
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<td>Asset Classes and Investment Options</td>
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<td>Investment Education</td>
<td>113</td>
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<tr>
<td>Amendments</td>
<td>113</td>
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</tbody>
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**Exhibit A – Morningstar’s Investment Process**                             | 12    |
Program Information and Purpose

Placer County (County) sponsors a Placer County Deferred Compensation Program (Program) to provide employees with a vehicle for saving for their retirement. The Program includes both section 401(k) and 457 plans as described by the Internal Revenue Code. The Program is intended to comply with all federal laws and regulations.

The Program was established to provide eligible employees with a means to save monies on a tax-advantaged basis, to assist employees in reaching their financial goals, and to provide additional financial security to Program participants upon retirement. Program participants allocate and direct their individual account balances among the investment options offered by the plan investment provider. The Program provides participants with the opportunity to make their own investment choices and permits them to make changes to their allocation instructions. The plan fiduciary strives to provide a range of investment options that will enable all participants to invest in the way that they feel best suits their long-term investment objectives.

The County currently offers four defined contribution plans and is the Plan Administrator for the Program. The four defined contributions plans are as follows:

- The Retirement Accumulation Plan for the Employees of the Placer County of Placer
- The Placer County 401(k) Plan
- The Placer County Deferred Compensation Plan
- The CaIPERS 457 Deferred Compensation Plan

However, the Board of Administration of CalPERS is fiduciary for the CaIPERS 457 Deferred Compensation Plan and retains exclusive control over administration and investments offered for this plan. As a result, this Investment Policy Statement (Policy) only covers the remaining three plans within the Program.

Policy Purpose

This Policy establishes investment principles and a framework for selecting, monitoring and evaluating investment options under the Program. The Policy defines the Program’s investment objective as well as the roles of those responsible for the Program’s investments. It also establishes investment procedures, measurement standards and monitoring procedures. If this Policy conflicts with the Plan Document, the provisions of the Plan Document will prevail.

The Deferred Compensation Committee will review this Investment Policy Statement annually; and, if appropriate, amend the Policy to reflect changes in the market, Program objectives, or other factors relevant to the Program.

Administration of Plan

The County is the Plan Sponsor and Administrator. The Board of Supervisors has delegated the day to day non-discretionary responsibilities of the Plan Administrator to the Human Resources Department, including serving as staff to assist the Deferred Compensation Committee in meeting its fiduciary obligations with respect to the Program.

To carry out the fiduciary responsibilities involved in the administration of the Program, the Board of Supervisors established a Deferred Compensation Committee (Committee). The responsibilities of the Committee include:

- Oversight of the selection and satisfactory performance of the Program’s trustees and other third
parties retained to help in administration of the Plans, including accountants, record-keepers, purchasing agents, investment managers, investment consultants and legal counsel;

- Oversight of the selection and satisfactory performance of other third parties retained to provide services to the Plans' participants, including advisory services and educational programs for Program participants;
- Evaluation of periodic reports provided by investment managers, investment consultants, legal counsel, auditors, administrative consultants or internal County departments with respect to matters affecting Plan investments, accounting, administrative or compliance matters;
- Periodically report investment and other information to the Board of Supervisors as requested;
- In accordance with the Committee’s Bylaws, selecting and monitoring the Program's investment options in a manner consistent with the prudent person standard;

- Retain professional advisors as needed to assist the Committee in the performance of its responsibilities;
- Developing a sound and consistent investment policy;
- Selecting a suitable investment provider;
- Providing a range of diversified investment options with varying objectives and risk/return characteristics;
- Monitoring and evaluating investment performance and implementing investment option changes as necessary;
- Investigate, negotiate, and monitor investment-related expenses;
- Assuring that employees are provided investment education opportunities to assist them in making their investment decisions;
- Determining the frequency with which participants may exercise control over the assets in their account; and

The Committee has appointed Morningstar as a discretionary investment manager to the Plan. Morningstar will select an appropriate lineup of investment options for the Plan, and will provide ongoing monitoring of investment options. Morningstar's process for selecting and monitoring the investment options available within the Plan is outlined in Exhibit A attached. The responsibilities of the Investment Provider include:

- Providing sufficient information to the Committee and other Program fiduciaries to perform their fiduciary duties;
- Providing Program participants with sufficient information, including, but not limited to, information about fees associated with investments, to make informed investment decisions;
- Recommending investment options that are in line with this Policy and in the best interest of the Program participants, and provide a broad and diverse range of investment within and among investment classes;
- Managing the investment of Program assets in accordance with this Policy, the applicable plan documents, investment prospectuses and in the best interest of the Program participants; and
- Providing investment education to Program participants.

The responsibilities of the Record-keeper include:

- Providing the Plan Sponsor with sufficient information to administer the Program in accordance with the applicable tax rules, including but not limited to the information needed to timely make required minimum distributions and timely pursue remediation of defaulted loans and reporting them as deemed distributions when remediation is not successful;
• Maintaining and updating individual account balances in an accurate and confidential manner; and
• Providing participants with electronic access to account information and transactions, and updating plan contributions as well as withdrawals and distributions; and
• Preparation of quarterly and annual participant statements and provision of various communication materials as described in the service agreement or requested by Plan Administrator.

Investment Objectives

This Policy provides a framework for the types of investment options to be offered, and the procedures for the ongoing review and evaluation of the Program’s investment options.

The County and the Committee recognize that there is risk inherent in all investments. Furthermore, individual participants each have their own level of tolerance as to the assumption of risk in anticipation of achieving potentially higher returns. The Committee recommends that participants seek out appropriate investment advice, as they deem necessary. The dissemination of information and the provision of investment options do not constitute investment advice by the County or the Committee. Pursuant to Government Code Section 53213.5, the County or Committee are relieved of liability for any losses resulting from investment decisions given by a participant.

The number of investment options shall be considered from the participants’ perspective as to the total number of investment options offered by the Program. The number of investment options offered shall be adequately diverse and of sufficient number to facilitate diversification and the opportunity to materially affect potential risk/return. The number of investment options offered shall be limited to avoid unnecessary redundancy and confusion.

All investments must have a liquid market. This means that assets will have a ready market for which the asset is transacted on a day-to-day basis through commonly recognized financial markets without regard to fluctuation in principal value. Liquidations from mutual fund investments shall be accessible within a reasonable period of time. However, since plan assets are self-directed by the participants, there is no minimum requirement for a specific level of asset liquidity (such as a minimum percentage of assets in cash equivalents), nor shall there be any guarantee against market losses due to liquidations.

To the extent possible, transfers among funds within the Plans shall be facilitated daily allowing participants the opportunity to manage risk and return. However, the Securities and Exchange Commission has instituted rules regarding the “trading” of fund shares. Plan funds are not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the securities markets. Each Investment Provider shall develop and communicate to all plan participants their respective policies regarding the purchase and exchange of fund shares.

Selecting Investment Options

The Program intends to provide an appropriate range of investment options that will span the risk-return spectrum and allow Program participants to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk. The Program also intends to provide sufficient information about the investment options to enable participants to make informed investment decisions and exercise control over the assets in their account. There shall be a diverse selection of funds to provide a sufficient level of diversification without having a selection so large as to duplicate and dilute what would otherwise be an advantageous number of funds available.

The primary goal for each investment fund is to produce reasonably competitive results relative to its benchmark, risk characteristics and investment type. In situations where a participant has not provided
investment direction with respect to some or all of the assets allocated to the participant's account, the default investment options for such assets is the target date fund. The most appropriate fund, given the participant's age is the current default investment option; however, from time to time, the Committee may change the default investment option at its sole discretion.

Major asset classes to be offered may include:

- Money Market
- Stable Value
- Bonds
- Equity Index Fund
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity

Additionally, a spectrum of target date funds and a Self-Directed Brokerage Account will be offered.

Participants who wish to follow a disciplined asset allocation strategy require options that stay consistent to their stated investment style. Several style-focused core options, representing the primary asset classes (e.g., stocks, bonds and cash) allow participants to implement and maintain the integrity of their own customized investment strategy. The Plans will also offer target date funds. These options offer a simple means to implement an asset allocation policy by having investment professionals implement and monitor the asset mix. A participant only chooses one target date fund option to implement a chosen investment strategy.

The Committee, after determining the asset classes to be used, evaluates investment providers and chooses a provider to manage the investment options. Each investment provider should meet certain minimum criteria as follows:

- Be an insurance company, bank, investment management company or an investment adviser under the Registered Investment Advisers Act of 1940.
- Be able to provide detailed information on its history, investment philosophy and approach, and its principals, clients, locations, fee schedules and other relevant information.

Investments options will be evaluated based on the following standards:

- Performance equal to or greater than the median return for an appropriate, style-specific benchmark and peer group over a specified time period. The Committee will use multiple time periods and methods to measure each investment option's performance.
- Specific risk and risk-adjusted return measures established by the Committee and within a reasonable range relative to an appropriate, style-specific benchmark and peer group.
- Demonstrated adherence to the stated investment objective.
- Competitive fees compared to similar investments.
- An investment manager that provides all performance, holdings, and other relevant information in a timely fashion, with specified frequency.
- Quality and consistency of the investment option's investment team and other appropriate qualitative characteristics of the investment option.

In an effort to align the investment options for the two plan types as much as possible, the Investment Provider shall offer the same funds in each asset classification for both the 401(k) and 457, whenever possible.
Asset Classes and Investment Options

Target Date Funds

Each Investment Provider shall offer a spectrum of target date fund investment options in each of the two plan types, 401(k) and 457, and shall limit the number of options as specified. Target date funds are comprised of a mix of stocks, bonds and cash or cash equivalents based on risk: return profiles for phases of an individual’s retirement date.

Target date funds are designed to offer a convenient way to invest for a person expecting to retire around a particular date. A target date fund pursues a long-term investment strategy, using a mix of asset classes (or asset allocation) that the fund provider adjusts to become more conservative over time. This adjustment is referred to as the “glide path” moving from a higher concentration in stocks and a lower concentration of bonds and cash or cash equivalents to the converse as the participant nears retirement.

Mutual Funds and Commingled Institutional Funds

Whenever possible the fund choices in each asset allocation class should be the same for both plans. The Investment Provider may offer funds in the following eight asset allocation classes in each plan. At least one investment option should be actively available in each asset class, but the number of investment options offered shall be limited to avoid unnecessary redundancy and confusion. If a fund is frozen/closed a new fund should be identified to replace the frozen/closed fund and balances may be mapped over to a newly active fund in the same asset class.

- **Money market funds**, which invests in cash equivalents securities with maturities of less than one year. The average quality of the portfolio must be A1, P1, or AAA. The objective of the fund is to protect underlying principal value and produce a reasonable level of current income. This option should provide the lowest volatility with the least potential for increase in earnings and growth. This type of fund is considered to be in the lowest risk: return category.

- **Stable value fixed income funds**, which invests primarily in annuities, investment contracts, money market and fixed income investments. The objective of the fund is to provide higher income than a money market fund with no fluctuation in principal value. This type of fund is considered to be in the low risk: return category.

- **Bond investment funds**, which invests in cash equivalents and fixed income securities. The fund should consist of high quality corporate and government bonds. The objective of the fund is to provide longer-term preservation of capital while earning a higher level of current income. This type of fund is considered to be in the low risk: return category. However, principal values are subject to fluctuation over time due to corresponding fluctuations in interest rates.

- **Equity index funds**, which identically reflects the broad domestic equities market, such as the S & P 500 or the Russell 2000 Equity Index Fund, and seeks to duplicate the returns of the index. The management of this fund is considered passive as it does not evaluate stocks based on perceived value or earnings potential, but merely seeks to mirror the holdings of the relative broad market index identified. The objective of the fund is to capture returns that reflect that of the broad market as represented by the index. This type of fund is considered to be in the moderate risk: return category.

- **US large-cap equity funds**, which invest in companies that are generally valued at $1 billion or more (share price X number of shares outstanding). These companies are known to be the largest corporations on a financial basis, and are considered to be more stable and well established. Thus, having less growth potential, but more price stability. This asset class may include investments in both value and growth as deemed by the fund manager. Investment returns may be based both on increased value and on investment increases from reinvestment of earnings. This type of fund is
considered to be in the moderate risk: return category.

- **US mid-cap equity funds**, which invests in companies that are generally valued between $500 million to $1 billion (share price X number of shares outstanding). These companies are known to be less stable than large cap stocks, but more stable than small stocks (see below). Accordingly, they have more growth potential than large cap, but less than small cap with corresponding risk profiles. The fund manager may select stocks as they deem appropriate to invest in companies where they identify value or earnings potential. Investment returns may be based both on increased value and on investment increases from reinvestment of earnings. This type of fund is considered to be in moderate-to-high risk: return category.

- **US small cap equity funds**, which invests in companies that are generally, valued at less than $500 million (share price X number of shares outstanding). These companies are typically newer companies that are known to be less well-established and more susceptible to adverse financial or economic circumstances. Small cap funds have the most potential for increased value and earnings. The fund manager may select stocks as they deem appropriate to invest in companies where they identify value or earnings potential. Investment returns may be based both on increased value and on investment increases from reinvestment of earnings. This type of fund would be considered to be in the high risk: return category.

- **International equity funds**, of which the international fund invests primarily in common stock of established non-US companies. This type of fund is considered to be in the high risk: return category.

Exclusive of the target date funds, the Investment Provider shall offer at least one fund for each asset classification for a minimum of eight different investment options for each plan, but overall, number of investment options offered shall be limited to avoid unnecessary redundancy and confusion.

Investment options should not be limited to a single mutual fund family. A mutual fund or commingled fund would not typically be appropriate as an option if either a front-end or back-end sales load is charged, or if a fund charges a mortality and expense fee, or if it charges a 12.b1 fee. The program offerings will transition away from funds that charge a 12.b1 fee. The expense ratios of the investment options must be competitive with other mutual funds or commingled funds with similar objectives.

Should current Program offerings differ from those specified herein, the Plan Administrator, the Record Keeper, the Committee and the Investment Providers shall work to make an orderly transition from the current investment offerings to those that comply with this policy. In the interim, the current options are not considered to be in violation of the Policy.

**Self-Directed Brokerage Accounts**

Additionally, Investment Providers may also offer "self-directed brokerage accounts". Once established, self-directed brokerage accounts allow the participant to invest in almost any mutual fund offered in the market.

**Investment Monitoring and Reporting**

**Investment Providers**

The Program’s Investment Providers shall provide ongoing monitoring of fund performance and quarterly reports, as described below, to the Committee Chair, who shall forward such reports to the Committee members as soon as possible.

- The reporting shall be fair, objective and based primarily upon statistical analysis.
- The investment options should be rated on a net return basis, after expenses. Full and itemized disclosure of all expenses, costs and fees shall be noted.
• Credit or regulatory issues, deviation from fund descriptions or other material implications that affect the funds, the Program or the Investment Provider shall be disclosed timely and without regard to periodic reporting requirements.

• A benchmark for each fund should be established based on a comparative index for its fund category. A benchmark may take any of the following forms:
  • A well-recognized published index of managed assets
  • A tailored composite of assets (or indexes)
  • A peer group (or “universe”) of similar funds or portfolios as determined by Morningstar and FinancialWeb.

The report shall include a discussion of the fund in relation to its benchmark.

The Investment Provider shall provide to the Committee a copy of its policy for fund monitoring for maintaining, placing on watch status, freezing or closing a fund and justification for replacing or adding a fund. A quarterly report shall include comments for each fund, such as maintaining, placing on watch status, freezing or closing a fund, replacing or adding a fund. The quarterly report shall be provided electronically along with 10 hard copies. The quarterly report shall be provided within 60 days of the close of the reporting period.

• Performance measurements should cover at least five-year periods and should reflect both a net return and risk-adjusted basis.

• The report should contain information on the funds manager’s experience and tenure with the funds they manage.

• The reports and fund evaluations should be concise and relatively easy to understand by the members of the Committee and the participants. Voluminous or highly technical reports are discouraged unless specifically warranted and fully explained.

• The reports should contain any other pertinent information that assists in a participant’s decision to hold, buy or sell a fund.

The Committee

The policies and actions associated with maintaining, watch list status, freezing, closing or adding funds should strive to maintain a stable list of investment options. Policies and actions that cause frequent changes in the investment options available will be considered in evaluating the performance of the Investment Providers. Frequent changes in investment options may be considered in the context of inappropriate marketing or unstable account management practices.

The ongoing monitoring of each investment option must be a regular and disciplined process. Monitoring will occur on a regular basis and utilize the same criteria that were the basis of the investment selection. All chosen investment options will be reviewed at least annually for acceptability under the guidelines outlined in this Policy.

The Committee, assisted by its Investment Providers, will examine periodic statements, proxies and reports distributed by its Investment Providers and other investment consultants as applicable, and/or obtain from such other publicly available sources as the Committee determines advisable, to evaluate each investment option’s performance. This evaluation will consider factors including, but not limited to:

• Current trends and developments in the capital markets and investment management community;
• Current level of diversification provided by the investment classes and funds within each class;
• The degree to which each investment option has satisfied the performance standards, benchmarks and other criteria adopted by the Committee for the class in which it is included;
Consistency of investment management style within each investment option;
Changes, if any, in the asset management staff for the investment option; and
Changes in fees, expenses, and any revenue sharing arrangements charged to, directly or indirectly, or payable on account of assets of the plans invested in the investment option.

Investment Option Termination

With the assistance of its Investment Providers and/or investment consultants, during its periodic reviews, the Committee will note any deviations from the prescribed criteria by any of the investment options. Once identified, the Committee will closely monitor each deviation and place the investment option on a "watch list". Investment options placed on the "watch list" shall be monitored and assessed for removal and replacement.

The Committee may terminate an investment option upon losing confidence in the investment option’s potential to:

- Achieve performance and risk objectives as measured against its benchmark,
- Maintain a consistent investment style, as measured against its benchmark.

There are no hard and fast rules for investment option termination. However, if the investment consistently fails to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance, within a reasonable time, shall be grounds for termination.

Any recommendation to terminate an investment option will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include investment option manager turnover, or material change to investment processes. Considerable judgment will be exercised in the termination decision process.

If the Committee decides to terminate an investment option from the Plans’ investment lineup, the Committee will remove and replace (map assets) to an alternative investment option. Replacement of a terminated option would follow the criteria outlined in the Selecting the Investment Options section of this Policy.

Administrative Review Procedures

The Committee shall develop criteria that it will use to evaluate the performance of the Investment Provider(s), Record-keeper(s) and other Program vendors and consultants on at least an annual basis. The Committee shall then take appropriate action, if necessary, to ensure participants are receiving satisfactory levels of performance from Investment Providers.

Proxy Voting

The Committee may authorize the Trustee/Investment Provider to vote on behalf of the respective Plan for all proxies that are returned. Proxies not voted upon by the Trustee/Investment Provider will be forwarded to the Committee.

Investment Communications to Participants

At enrollment and on an ongoing basis the Investment Provider/Record Keeper provides participant communication materials similar in detail to the annual and quarterly disclosure requirements for participant
directed defined contribution plans under ERISA Section 404(c) and its accompanying regulations so that participants have sufficient information to make informed investment decisions. Information about each investment option will be provided or made available to Participants. The Program shall provide quarterly and annual statements of fund performance to each Participant.

The Investment Providers shall be required to provide account information for both inquiry and transactions over the phone both through voice activated response systems and by live account representatives, over the internet (by both computer and mobile device) and through, at least, quarterly account statements which are normally associated with the review and fees charged by mutual fund companies.

The account statements shall include all investment activity including amounts and dates of such activity and beginning and ending balances for the period.

The Investment Provider will make copies of investment fund prospectuses or similar equivalent information, list of underlying investments for a given fund, and fees available to the Human Resources Department who will make the information electronically available to participants.

**Investment Education**

It is the Committee’s objective to have participants provided with ongoing investment education. The purpose of the investment education program is to provide information and tools to assist in the development of a personal investment strategy for employees and facilitate the achievement of savings and retirement goals.

The County shall at least annually provide an educational program to Plan Participants regarding the assessment and determination of individual risk/return profiles and the appropriate selection of investment options based upon those risk/return profiles. Such program shall address the provisions prescribed by subdivision (c) of Section 1104 of Title 29 of the United States Code.

**Amendments**

The Committee may amend this Policy at any time. Changes will reflect long-term considerations rather than short-term changes in the financial markets.
Exhibit A
Morningstar’s Investment Process

This document is attached to and made a part of the Investment Policy Statement, and outlines the process Morningstar uses to select and monitor the investment options available under the Plan.

Scope of Investment Universe
Plan Sponsor understands that by selecting Morningstar and its Services, the universe of available funds may be limited as part of Service Provider’s administrative offering. This universe of investment options may include options that are both proprietary and non-proprietary investments of Service Provider or its affiliates. From time to time, Service Provider may change the investments available under and as part of the product, contract or platform. Morningstar may or may not make changes to the Morningstar Insight Series Lineup based on these changes. At all times, Morningstar decides on which funds are included in the Morningstar Insight Series Lineup. Plan Sponsor understands that Service Provider’s activities described herein do not cause Service Provider to become a fiduciary to the Plan within the meaning of ERISA or other applicable law.

Investment Selection Process
From the investment universe defined above, Morningstar evaluates quantitative and qualitative factors to select investment options to meet a variety of investment objectives. In addition, Morningstar uses returns-based style analysis and holdings-based style analysis of the investment options to determine the investment’s style over time.

Once investments are placed into their appropriate asset class categories, Morningstar applies a series of screens designed to flag funds that exhibit characteristics that its experience has shown to hinder long-term performance. Next, Morningstar uses a multitude of statistics to begin to assess the overall quality of an investment option and to evaluate investment style, structure, and performance. Some of the factors Morningstar considers in this stage of the process are:

- Fees
- Management tenure
- Style consistency
- Relative alpha
- Volatility
- Fund size
- Asset exposure
- Holding concentration
- Turnover

After this quantitative review, Morningstar reviews investments from a qualitative perspective, to develop a fundamental understanding of the investment and to create an investment thesis that identifies the rationale for selecting the investment, as well as the barometers by which its success is measured. The thesis also identifies the specific factors Morningstar will monitor to ensure the investment continues to meet expectations.

Morningstar reviews a number of characteristics of an investment that could be relevant to it successfully filling its intended role. Morningstar observes which types of markets the investment fares best in, and which types are trouble for the investment’s style, and determines what it is about the investment that explains the pattern. Morningstar uses many factors to evaluate investments, including:

- Investment sub-style
• Manager skill (including history at other funds)
• Impact of asset growth on performance
• Source of investment ideas
• Investment decision-making process
• Actions in previous market environments
• Manager ownership
• Process repeatability
• Performance attribution

Lineup Design
The area of behavioral finance has shown that investors don’t always behave rationally and that the manner in which a problem is posed can impact individual actions. Morningstar is mindful of simple heuristics employed by participants in making investment-related decisions and designs lineups that attempt to drive better action on the part of investors.

The following are several of the concepts Morningstar considers when constructing a lineup:

• Choice Overload – Participants should have options, but they shouldn’t be given so many choices that they become overwhelmed.

• Naïve Allocations – A lineup should be balanced and diverse such that an individual making naïve allocations (equally weighting all investment options is the most common) will still produce a portfolio of reasonable risk-reward tradeoff.

• Loss Aversion – Ensure that the volatility and relative performance of the investment options are appropriate for the given investment category.

Lineup Construction
Using the process outlined above, Morningstar narrows the universe of investment options to create an investment lineup appropriate for the Plan. Morningstar strives to select investments to fill a distinct stylistic role within a lineup, and carefully assesses how each investment can be expected to fit with other investments. To accomplish this, Morningstar relies largely on our holdings-based style analysis (returns-based style analysis plays a more limited role in this process) to deconstruct each investment into its individual holdings. This means drilling down into individual holdings and comparing them with the holdings of other offerings in the lineup. Morningstar evaluates stock overlap and return correlation between investment options. Morningstar® Style Box placement, and how sector exposures complement those of investment options. Morningstar strives to choose funds that are clearly different from one another, rather than similar or redundant. The goal is to establish a specific role for each investment option in the Plan lineup that minimizes holdings overlap and maximizes diversification.

Ongoing Investment Monitoring Process
Morningstar’s investment professionals will continue to monitor and evaluate the specific investment options on an ongoing basis. However, Morningstar is not responsible for the ongoing monitoring of company stock options or self-directed brokerage options within the Plan. Morningstar continues to evaluate the investment options based on the same process used in the review and selection stage, but understands that the ongoing due diligence of an investment option presents different challenges. Morningstar remains objective about a fund that it has already determined to be an appropriate option. As such, Morningstar focuses on specific issues or events that could change its opinion of the investment option and challenges its original investment thesis. The monitoring process focuses on the following issues:
Morningstar performs a fundamental review of any investment options that appear to have strayed from their investment styles, have experienced management and/or organizational changes, have failed one or more of the initial quantitative screens used in selection or have relative declines in their performance or risk rankings.
DATE: May 22, 2019
TO: Deferred Compensation Committee
FROM: Kate Sampson, Director of Human Resources
SUBJECT: Biennial Review of Committee Bylaws

BACKGROUND
The Deferred Compensation Committee (Committee) was created to provide fiduciary oversight for the County’s deferred compensation plans, including a 401(k) and 457(b). Bylaws governing the composition, terms, and responsibilities of the Committee were first adopted by the Board of Supervisors (Board) on February 22, 2000. The bylaws were last amended by the Board on March 8, 2016 in order to further define administrative responsibilities and reflect updated titles mentioned within the document.

Article III, Section 2.g. of the current bylaws provides that the Committee will review and assess the adequacy of the bylaws at least every two years and recommend any proposed changes to the Board for approval.

ANALYSIS

Article I – Name, Purpose
This section identifies the name and purpose of the Committee, which have not altered since the last review. No changes are recommended.

Article II – Membership
This section delineates the composition of the Committee. Two items are recommended for consideration:

A. Committee member training. The first paragraph of this article indicates, “Upon appointment, a Committee member will receive training with respect to the duties and responsibilities of the Committee, including its fiduciary duties.” This requirement is not currently met. Best practice dictates its continued inclusion, although the Committee could recommend elimination of this language.
B. **Designated alternates.** While certain officials are appointed with the option of a desigee, only the representative for retired employees is appointed with a designated alternate member. The Committee may wish to consider proposing designated alternates for more or all membership positions, to best facilitate establishment of a quorum at scheduled meetings. At minimum, the Committee should recommend the Board appoint a designated alternate retiree to maintain compliance with the current bylaws.

**Article III – Discretionary Administrative Functions**
This section describes the primary duties of the Committee in its oversight of the program. These functions are broadly grouped as fiduciary and plan administration responsibilities. Although this section was revised in 2016, recent changes in plan providers warrant review of at least one item:

A. **Investment policies.** With the addition of Morningstar Investment Management LLC performing the fiduciary duties associated with an Employee Retirement Income Security Act (ERISA) §3(38) investment manager, Section 2(j) of the bylaws is recommended for review.

**Article IV – Meetings**
This section specifies administrative meeting details such as frequency, noticing, Committee chair, and vacancies. Three items are recommended for review:

A. **Annual agenda topics.** Section 1 includes a list of topics that will appear on the Committee’s meeting agenda at least annually. This list can be expanded or condensed to address the Committee’s needs.

B. **Alternate members.** Based on the Committee’s recommendation on the subject of designated alternates, Section 8 pertaining to Vacancies may need to be revised accordingly.

C. **Acknowledgment of fiduciary responsibilities.** Section 10, Conflict of Interest, requires that, “All members shall also execute an acknowledgment of fiduciary responsibilities.” To maintain compliance with the bylaws, the Committee should develop and implement such statements of acknowledgment or recommend removal of this language.

**Article V - Amendments**
No changes are recommended to this section, as the Board of Supervisors retains authority over the bylaws.

**ATTACHMENT**
Deferred Compensation Committee Bylaws
ARTICLE I – NAME, PURPOSE

Section 1: The name of the committee is the Placer County Deferred Compensation Committee (Committee).

Section 2: The Placer County Deferred Compensation Program (Program) offers to its employees two types of defined contribution plans: (1) a Placer County 401(k) Plan and (2) a Placer County 457(b) Plan (each a "Plan," and collectively the "Plans" or "Program"). Placer County is the Plan Administrator for the Program.

Section 3: The Plan Administrator, acting through its Human Resources Department, under the supervision of the Director of Human Resources ("Human Resources"), is responsible for the day-to-day nondiscretionary Plan administrative functions, except as described in Article III and to the extent a third-party provider performing recordkeeping and administrative services ("TPA") assumes those functions. Human Resources is also responsible for coordinating and interacting with any TPA with respect to the Program.

Section 4: The Placer County Board of Supervisors appointed the Committee to be the fiduciary with respect to discretionary matters involving Program administration and investments.

ARTICLE II – MEMBERSHIP

The Committee is comprised of the following officials appointed by the County Board of Supervisors, or as otherwise provided in these bylaws. Upon appointment, a Committee member will receive training with respect to the duties and responsibilities of the Committee, including its fiduciary duties.

- The Auditor-Controller or his or her designee
- The Treasurer-Tax Collector or his or her designee
- The County Executive Officer or his or her designee
- The Human Resources Director or his or her designee
- A Representative selected by the Placer Public Employees Organization
- A Representative selected by the Deputy Sheriffs' Association
• A Representative of Placer County retired employees and a designated alternate retiree, appointed by the Board of Supervisors for four (4) year terms.

The County Counsel's office will provide the Committee with legal counsel, as needed.

ARTICLE III – DISCRETIONARY ADMINISTRATIVE FUNCTIONS

The following will be the primary Program functions for and over which the Committee has direct responsibility or oversight. These items are set forth as a guide with the understanding that the Committee may supplement them as appropriate by establishing policies and procedures from time to time as it deems necessary or advisable in fulfilling its responsibilities. In undertaking the responsibilities set forth below, the Committee has full and complete discretionary authority.

Section 1. The Committee and individual members will perform their fiduciary duties with respect to the Program in accordance with California Constitution, Article XVI, Section 17, which includes the following duties:

• Oversee the administration of the Program in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries.

• Discharge duties with respect to the Program solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, and defraying reasonable expenses of administering the Program. The Committee's duty to participants and their beneficiaries takes precedence over any other duty.

• Discharge duties with respect to the Program with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

• Diversify investment options so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

Section 2. In addition, the Committee will:

a. Serve as the Plan Administrator for the Program with respect to the discretionary functions delegated to the Committee by the Board of Supervisors.

b. Oversee the selection and satisfactory performance of the Program's trustees and other third parties retained to help in administration of the Plans, including without limitation, any accountants, record-keepers, purchasing agents, investment managers, investment consultants and legal counsel.

c. Oversee the selection and satisfactory performance of other third parties retained to provide services to the Plans’ participants, including, without limitation, advice services and education for Program participants.

d. Receive, review and evaluate periodic or special reports provided by investment managers, investment consultants, legal counsel, auditors, administrative consultants or internal
County departments with respect to matters affecting Plan investments, financing, accounting, administrative, or compliance matters.

e. Evaluate and approve matters necessary to satisfy the County's fiduciary obligations with respect to the Program.

f. Have the authority to establish subcommittees composed of Committee members and to establish the duties and responsibilities it delegates to any subcommittee.

g. Review and assess the adequacy of these Bylaws at least every two years and recommend any proposed changes to the County Board of Supervisors for approval.

h. Act as an appeals fiduciary to make any determinations in the event of an appeal by a Program participant of a claim for benefits, except as otherwise provided pursuant to the terms of the Plans, applicable service contracts or other County delegations.

i. Interpret and construe the terms of the Plans and, where appropriate, seek the advice of legal counsel to help with the interpretation or construction.

j. Establish and maintain the investment policies for the Plans, and select and replace investment funds for the Plans. The Committee may retain an independent investment consultant to provide advice with regard to the fulfillment of the Committee's duties. Included among the responsibilities assignable to the investment consultant will be:

1. recommendations with respect to the investment policies and the monitoring of compliance with the investment policies, including monitoring of adherence to investment criteria and comparison of investment performance with benchmarks established in the policies;

2. providing relevant investment performance and fee/expense information and guidance to the Committee;

3. providing reports no less than quarterly to the Committee with respect to the funds' investment returns and adherence to benchmarks and criteria in the investment policies or that are otherwise useful to the Committee;

4. recommending new investment funds when appropriate; and

5. attending Committee meetings as reasonably requested by the Committee and reviewing the quarterly performance reports with the Committee at the appropriate meeting.

Once every three years, the Committee will consider the advisability of soliciting proposals from qualified Plan providers, as appropriate.

ARTICLE IV – MEETINGS

Section 1: Quarterly Meeting. The Committee will meet quarterly, as needed, but at least annually. The Chair of the Committee will set the dates of the regular quarterly meetings, as well as the time and place. At least annually, the Committee's meeting agenda will include the
following: (a) a general administrative report from Human Resources, (b) consideration, if applicable, of legal or other developments affecting retirement plans such as those that constitute the Program, (c) review of the expenses associated with the investment funds made available for participant-directed investment, (d) review of the continuing appropriateness of the investment options under the Plans, and (e) review and analysis of the ongoing suitability of the investment policies and any possible changes or modification to the investment policies, such as the number and types of investment funds available with respect to participant-directed investment, the Plans' investment objectives and revisions (if any) to such investment objectives.

Section 2: Special Meetings. The Chair of the Committee or the County Executive Officer may call special meetings at any time if deemed necessary or desirable.

Section 3: Notice and Agenda Posting. Notice of each meeting and posting of the Agenda must comply with the Brown Act, California Government Code Section 54950 et seq.

Section 4: Committee Chair Election. Election of a new chair or re-election of current chair to a subsequent term will occur as the first item of business at the first quarterly meeting of the Committee in the calendar year. The Chair will be elected by a majority vote of the current Committee members.

Section 5: Term. The Chair shall serve a two-year term, and will be eligible for re-election.

Section 6: Quorum. A quorum of at least four of the Committee members must be present before business can be transacted or motions made or passed. If the Chair is not present, the County Executive Officer will act as Chair. If neither the Chair nor the County Executive Officer is present, the Treasurer-Tax Collector, Auditor-Controller, and Human Resources Director will chair, in that order.

Section 7: Recordkeeping. The Director of Human Resources will designate a staff person to act as Secretary for the Committee in support of the Chair. The Secretary will be responsible for keeping records of Committee actions, including overseeing the taking of minutes at all Committee meetings, sending out meeting announcements, posting agendas, distributing copies of minutes and the agenda to each Committee member, and assuring that appropriate records are maintained.

Section 8: Vacancies. When a vacancy on the Committee exists for the Auditor-Controller, Treasurer Tax-Collector, County Executive Officer, or Human Resource Director member, the Board of Supervisors will designate a replacement member. If a vacancy on the Committee exists for the designee of the Auditor-Controller, Treasurer-Tax Collector, County Executive Officer, or Human Resources Director, however, the respective executive will name another designee. When a vacancy on the Committee exists for the retired employee member, the Committee will solicit nominations for a replacement and one alternate for appointment. The retired employee committee members will serve for four-year terms. In the event of an association member vacancy on the Committee, the respective employee association will designate the employee association representatives.

Section 9: Resignation, Termination and Absences. Resignation from the Committee must be in writing and received by the Chair, and confirmed by the Board of Supervisors. Replacement committee members will be appointed as stated above in Section 8: Vacancies.
Section 10:  Conflict of Interest. All members of the Committee are required to regularly file a Statement of Economic Interests pursuant to the Political Reform Act. This public document discloses certain designated financial interests of the Committee member and is filed with the Placer County Clerk-Recorder. All members shall also execute an acknowledgment of fiduciary responsibilities. Committee members will not be compensated for meeting attendance or any other activities related to the Committee. Committee members will be allowed to attend meetings and perform Committee activities on County time.

ARTICLE V – AMENDMENTS

These Bylaws may be amended by the Board of Supervisors.