Deferred Compensation Committee
Friday, July 26, 2019

Special Meeting 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 Human Resources
1st Floor Conference Room
145 Fulweiler Ave., Auburn, CA 95603
3:00PM – 4:30PM

Open Session
Call to Order: 3:00 PM
Roll Call

1. Approve the July 26, 2019 Special Meeting Agenda

2. Approve the minutes of the May 22, 2019 Regular Meeting
   ABSENT: Andrew Sisk, Matt Bartholomew, Vicki Ramsey

Public Comment: This is a special meeting pursuant to Government Code Section 54956. Public comment is limited to items appearing on the agenda. Pursuant to Government Code Section 54954.3, the public shall have the right to comment on any item appearing on the agenda prior to consideration of the item. Public comment on items not appearing on the agenda should be made at a regular meeting of the Committee.

3. Receive a presentation on Financial Education Training Programs - Wendy Brodnick, Sr. Training and Organizational Development Analyst

4. Adjournment to the next Regularly Scheduled Meeting

Deferred Compensation Committee – Upcoming Regular Quarterly Meeting
Wednesday, August 28, 2019 at 1:30 PM
Placer County Human Resources Department
145 Fulweiler Avenue, First Floor Conference Room
Auburn, CA 95603
(530) 889-4060
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MEETING LOCATION:
Placer County Assessor’s Office
2nd Floor, Confluence Room
2980 Richardson Drive, Auburn, CA 95650

OPEN SESSION

Call to Order 1:30PM - Kate Sampson, Chair

Roll Call: Judy McKeig
Members Present: Kate Sampson, Jenine Windeshausen, Jane Christenson, Noah Frederito
Members Absent: Andrew Sisk, Matt Bartholomew, Vicki Ramsey

1. Approve the May 22, 2019 Meeting Agenda
   Motion: Christenson/Frederito/Unanimous 4:0 Vote
   Ayes: Sampson, Windeshausen, Christenson, Frederito

2. Approve the Minutes of the February 27, 2019 Regular Meeting (absent: Ramsey)
   Minutes approved with amendment to item V.4 to include “The Committee specifically requested a speaker on Social Security benefits.”
   Motion: Windeshausen/Christenson/Unanimous 4:0 Vote
   Ayes: Sampson, Windeshausen, Christenson, Frederito

Public Comment: None
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
Presenter: Alison Layne, Lincoln Financial Group

Ms. Layne provided a handout entitled “Quarterly Review as of March 31, 2019,” a copy of which is on file with the Executive Secretary.

Ms. Layne reported that the 457(b) Plan has approximately $80 million in total plan assets; 30% participation rate of eligible employees contributing; 3.1 average number of funds held; investment allocation of 26% stable value and 74% mutual funds; average account balance of approximately $59,079; median account balance $27,812 and 27% participants have a named beneficiary.

The 401(k) Plan has approximately $108 million in total plan assets; 45% participation rate of eligible employees contributing; 2.9 average number of funds held; investment allocation 21% stable value, 78% mutual funds and 1% loans; average account balance of approximately $46,821; median account balance $18,686 and 20% participants have a named beneficiary.

Ms. Layne noted the combined summary listed in the Review has an error regarding the number of active participants contributing to at least one plan. The correct number is 1583 and not 1558 as listed.

Ms. Layne and the Committee briefly discussed Lincoln’s Innovative Technology options. Placer County currently offers Click2Meet but is not interested in Click2Contribute or Omnichannel engagement at this time. The WellnessPATH demo will be shown later in the meeting as a possible add-on. The current focus is on Cybersecurity.

Ms. Layne reported on the plan activity summary. The opening balance at the beginning of the quarter (1/1/19) was approximately $175 million, down 9% from approximately $192 million at the opening balance of the previous quarter (10/1/18). Ms. Layne will investigate the $706 fee listed as Other for this quarter. Quarterly earnings were approximately $14 million. The total ending balance for this quarter is approximately $189.4 million, an increase of 8% over the previous quarter.

Ms. Layne provided a handout entitled “Service level guarantees”, a copy of which is on file with the Executive Secretary. These guarantees provide that if Lincoln does not meet certain performance measures with 99% accuracy, they pay a fine to the County’s expense account. These monies can be used by the County to pay for plan expenses. As of 12/31/18, Lincoln’s system reported 94% in processing certain items generating a $1,000 fine, and 98% in several timeliness items generating another $1,000 fine, both of which have been deposited into the expense account during the quarter ending 3/31/19.

Committee discussion included the percentages of rollovers, new Roth contributions, target date funds and various methods to encourage employees to designate a beneficiary. Possibilities for the latter include additional reminders on MyPlacer, a video created by PIO and during open enrollment. Ms. Layne reported the beneficiary forms did not transition from MassMutual. Ms. Layne will investigate placing a reminder on Lincoln’s website when participants log-in, but the system would allow participants to bypass that step to access their account. Joe Morgan stated HR has the paper beneficiary forms on file from MassMutual, and Ms. Layne confirmed they would accept those forms if the participant has not nominated a beneficiary in their system and a need arises. Ms. Layne will send a custom mailer to the Committee for review.
Public Comment:

1) Sarah Porter, Lore Zuniga and Lisa Doty were present. A member of the public commented that it was not clear you had to nominate a beneficiary in the Lincoln account even if you had previously done so with MassMutual.

4. Receive a demonstration of WellnessPATH financial wellness tool – Lincoln Financial Group
   Presenter: Carmen Bellacasa, Lincoln Financial (via Webex)

Ms. Bellacasa demonstrated various features of the WellnessPATH platform. These include pillars of financial health, and a scoring system with points allocated for various actions taken by the participants based on an initial survey. The more they participate the higher their wellness score. Other features include to-do lists with auto reminders based on participant actions or manual entries. Participants can add accounts outside of Lincoln to create a complete financial picture of all assets and liabilities. Certain account transactions will update in real time. The system will provide a spending breakdown, budget, trends over time, cash flow and net worth. Ms. Windeshausen questioned how the data is updated. Ms. Layne verified if the additional accounts are linked, they will auto sync, but if the account is manually entered then transactions will also have to be manually entered.

Ms. Bellacasa outlined the goals feature of the system for items like college savings. Here the system provides national college data and keeps track of the balance and funds needed, adjusted according to the investment account used and its rate of return. Other features include scheduling appointments with Lincoln advisors, and a custom profile area. The program includes a County dashboard which shows how participants have interacted with the system.

Ms. Layne questioned Ms. Bellacasa if a participant could give someone else access to their accounts and they cannot.

Ms. Christenson questioned how this could be introduced to the organization. Ms. Layne mentioned options like Mr. Cowsert conducting demos, providing flyers and materials. Other possibilities include during onboarding and using Lincoln’s communications consultant for email and marketing campaigns.

The Committee expressed concern employees may feel the program gives the County too much information into their private finances, as well as the cost to the County of $2.50/quarter/active participant. Other financial institutions also provide similar services. Ms. Windeshausen discussed offering educational programs that focus on employee financial wellness like college savings and a home purchase.

Ms. Layne mentioned Lincoln offers independent advisors or life event coaches who work one on one with participants to advise their respective situations and questioned if the County would be interested in providing this service. The Committee expressed concerns like the cost to the County and its fiduciary responsibility for the funds or plans suggested by the independent advisors.

Ms. Christenson, Ms. Windeshausen and Mr. Frederito expressed a desire to offer comprehensive retirement literacy information to employees that includes tying together CalPERS, Social Security benefits, deferred compensation, and insurance benefits.
The Committee discussed how to offer these training programs, through Lincoln and/or through the County’s Learning and Development program. Ms. Layne will revisit Lincoln’s campaign to focus on more training. Ms. Sampson suggested asking Wendy Brodnick from Learning and Development to attend the next meeting. Ms. Sampson discussed if employees could attend these sessions on County time or having to use personal time. The Committee agreed it should be a County wide determination not by department discretion. Ms. Christenson questioned using Lunch & Learns. Ms. Layne mentioned using short brain sharks on the website. Ms. Windeshausen would prefer sessions longer than an hour. Ms. Windeshausen noted that employees have taken a collective $1.6 million in loans against their deferred compensation indicating a financial stress.

Public Comment:
1) A member of the public asked if the WellnessPATH system can print a summary of all information and noted possible security issues with outside entities. Ms. Layne and Ms. Bellacasa were not aware of this as a feature.
2) A member of the public asked if there is a cost to the employee for the WellnessPATH program. Ms. Layne verified it is an employer cost not employee.

5. Receive an update on the draft 2019 Fiduciary Audit Report and provide direction to staff - Joseph Morgan
   Ms. Sampson suggested tabling this item to the next meeting due to time constraints.

6. Receive an update on the Voluntary Compliance Plan - Joseph Morgan
   Ms. Sampson suggested tabling this item to the next meeting due to time constraints.

7. Receive an update on the Investment Policy and provide direction to staff - Joseph Morgan
   Ms. Sampson suggested tabling this item to the next meeting due to time constraints of this meeting. Ms. Windeshausen commented that while the Committee previously agreed to accept Morningstar’s investment policy there are still items the Committee makes decisions on. Ms. Windeshausen suggests a complete review of the policy with the opinion that parts of the policy could belong in a new administrative management policy and would like staff to review. Ms. Windeshausen also requested the Committee retain Nancy Hilu, citing her familiarity with the County’s programs to review any revisions for conflicts with MorningStar, as well as any new policies created.

8. Receive a review of Committee Bylaws and provide direction to staff - Kate Sampson
   Ms. Sampson suggested tabling this item to the next meeting due to time constraints.

At this time Ms. Sampson suggesting calling a Special Meeting prior to the next Quarterly Meeting and directed staff to look for dates in July. The focus of the Special Meeting is financial educational training programs and will include Wendy Brodnick, Sr. Training and Organizational Development Analyst.

9. Adjournment - 3:09PM