

**PLACER COUNTY DEFERRED COMPENSATION  
COMMITTEE MEETING MINUTES  
Wednesday, June 10, 2015  
8:30 am – 10:00 am  
Auditor-Controller Conference Room  
2970 Richardson Drive  
Auburn, CA 95603**

**Present:** Andy Sisk, Auditor-Controller; Andy Heath, Deputy County Executive Officer; Lori Walsh, Personnel Director; Jenine Windeshausen, Treasurer Tax Collector; Matt Bartholomew, PPEO Representative; Paul Jacobson, Retiree Representative

**Absent:** Noah Frederito, DSA Representative

**Other Attendees:** Maryellen Peters, Risk Management; Jerry Carden, County Counsel; Ann McNellis, Personnel; Allan Henriques, Smart Investor; Cathy Keck, Smart Investor

**Call to Order**

Meeting called to order at 8:35 am.

**Public Comment**

None.

**Approval of Deferred Compensation Committee minutes for the March 25, 2015 meeting**

Motion by: Paul Jacobson; Second: Lori Walsh. Approved 6-0.

**Hardship Requests**

There were two hardship requests received in the 1<sup>st</sup> quarter; both were approved by VOYA.

**Board Chair Report**

**VCP Status with IRS**

IRS has reviewed and approved the Voluntary Correction Plan for the Mass Mutual loan defaults. Participants will receive letters and a 1099-R will be issued this calendar year. Andy stated the County will be submitting an additional request to the IRS. VOYA discovered four loans that require corrections.

**Required Minimum Distributions**

Some participants are not taking the required minimum distributions. Seven need to be self-corrected and will be corrected in 2015. Letters will be sent to participants. Jenine Windeshausen suggested providing participants a form to confirm they are taking distributions from somewhere else and that they could be subject to IRS penalty consequences.

## **Fiduciary Practices Review Presentation**

Allan Henriques of Smart Investor presented the CEFEX Report, Best Practices and Recommendations. Allan discussed the General Retirement Plan Trustee responsibilities. He provided an overview of Placer County's Deferred Compensation Plans as of December 31, 2014 reflecting \$144 million in the plans with 39% in CalPERS and 61% in Mass Mutual. Allan explained the higher percentage in Mass Mutual is most likely due to having the plan longer. The current participation rate is 58%, with 50% of participants contributing 4% or less. Younger employees are contributing between 1-2%.

Allan also discussed Investment Options, comparing CalPERS to Mass Mutual, Fiduciary Practice Review, Documentation & Demonstration of Fiduciary Responsibility and Due Diligence, Monitoring & Performance Reporting.

Conclusions of the report state the committee has an overall awareness of responsibilities, but does not have an effective mechanism to determine if plans are achieving the objective at a reasonable cost to the participants. Recommendations in the report include having a fiduciary consultant to the committee to provide on-going prudent expert advice and oversight in addition to having legal counsel to provide advice on potential consolidation and re-design of the current four plan structure as well as other potential technical retirement plan legal issues, including a Roth 401(k), auto enrollment and auto escalation provisions, consolidation of the existing four plans into one 401(k) and one 457, distinguishing benefits between revised plans to optimize participant flexibility and utilization. The report recommends the creation of a subcommittee and a time table for implementation of recommendations.

## **Appointment of Best Practices Subcommittee:**

Andy Sisk recommended the subcommittee be named "Best Practices Subcommittee" with members as Jenine Windeshausen, Treasurer Tax-Collector, Andy Heath, Deputy County Executive Officer and Andy Sisk, Auditor-Controller. Lori Walsh requested that Judy Laporte be included to represent Personnel.

Motion by: Lori Walsh; Second: Andy Heath

Jenine Windeshausen stated that she would like to decline at this time. New motion to modify the subcommittee to three members; Andy Heath, Andy Sisk and Judy Laporte.

Motion by: Lori Walsh; Second: Andy Heath; Abstain: Jenine Windeshausen

Jenine Windeshausen would like consideration to develop an action plan which includes policy at the Board level. She stated she could provide an outline in two weeks. Lori Walsh would like to assist with the action plan.

## **Next Scheduled Meeting**

Wednesday, September 9, 2015 @ 8:30 AM in the Auditor-Controller Conference Room

## **Adjourn**

Meeting adjourned at 9:40 AM.