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**SAN MATEO COUNTY  
 SPECIAL DEFERRED COMPENSATION COMMITTEE MEETING  
 August 23, 2018 MINUTES**

Committee Attendees	Committee Absentees
Rocio Kiryczun Robert Raw Bridget Love Lilibeth Dames Steve Perry Laurel Finnegan Michael Wentworth	Tiffany Howe (alternate: Timothy San Juan) Victoria Mejia

Staff	MassMutual	SST Benefits
Lisa Okada Jay Castellano Marife Viola	Bob Gleason Jeff Blanchard (by phone)	Paul Hackleman Bill Tugaw Matt Giovinazzo (by phone)

The meeting was convened at 9:06.

Description of Item for Discussion	Action Taken by Committee
1. Approval of Meeting Minutes	The Meeting minutes of May 23, 2018 were unanimously approved. Because there were new Committee participants, a round of introductions was completed.
2. Introduction of New Chair	Rocio Kiryczun was introduced as the new chair.
3. Fee Policy Development	The discussion of a development of a Fee Policy was postponed to November so Jay and others could decide whether a Fee Policy Statement should be a stand-alone policy or integrated into the Investment Policy Statement (IPS).
4. Plan Document	Bob requested this be agendized for November so MassMutual could provide a complete document assessment based on the Tax Cuts & Jobs Act of 2017, including whether the new loan provisions would or would not impact the Plan Document.
5. Discussion of Survey Topics	Bob provided a sample survey for the committee to review and provide feedback/edits. The committee will review and approve the final survey at the November meeting.
6. Quarterly Investment Review	Jeff joined the discussion by phone and shared the quarterly investment review. Jeff stated that Equity returns were mixed for both the second quarter and YTD. The Emerging Market category was down 7.96% for the quarter and 6.66% for the YTD but reminded the Committee that this category was up by over 40% in 2017. The S&P 500, Russell 2000 and NASDAQ were all up for both the quarter and year to date. Fixed Income was slightly negative but very modestly so. Unemployment was

	<p>below 4%. Growth has continued to outperform value. Jeff discussed the specific Sector returns which were mostly positive. The Yield Curve was continuing to flatten but it was too soon to determine if this forecast a recession.</p> <p>Jeff then reviewed the Morningstar information beginning with Investment Style which was broad and diversified. He provided written material on the returns for each of the County's funds</p>
7. Quarterly Plan Review	<p>Bob began his discussion with an Executive Summary covering plan assets which total more than \$461 million. They were up 2% and participant contributions which were up 24%. The number of participants increased by 331 which represented a 5% increase. The average rate of participants was 83% of eligible or 5%(?) up largely based on the continuing impact of the automatic enrollments. Although the average number of investments was up, the average account balance was slightly down.</p> <p>Bob then provided a list of the plan balances by investment for both the 457 and 401(a) plans.</p> <p>Quarter 2 rollovers continue to represent an issue as a total of more than \$4.5m with early \$235 going to SamCERA. The Committee agreed to add Rollovers as a specific discussion for its February, 2019 meeting.</p>
8. Fit Analysis	<p>Because of new Committee members Paul summarized what the Committee had been discussing relative to the FIT Analysis, the DOL basis for its consideration, the educational findings by NFP to date.</p> <p>Matt then provide a review of slides entitled Evaluating and Selecting Target Date Funds (TDFs), covering the increased number of TDFs, the significant variation in glide paths which then created significant disparities in how funds reacted to down markets, notably, 2008. He reiterated the DOL guidelines for review and the results of the County-specific suitability review. He then focused his remarks on the specific Vanguard TDF options the County uses and then provided an overview of Blackrock Lifepath Index and JP Morgan Smart Retirement Options. He then reviewed the additional 3(38) Custom TDF Management that NFP could provide and a comparison of the characteristics and fees of each.</p> <p>It was agreed that NFP would drill down to provide more detailed comparisons of options for the November meeting.</p>
9. Education Policy Review	The EPS was approved for renewal without changes.
10. Due Diligence Review	<p>Many of the items of the special services (e.g. Unforeseen Emergency Withdrawals, Catch-up, QDROs and Loans) were discussed in the earlier Quarterly Plan Review. MassMutual states that each of these special services is being conducted in conformance with requirements. Bob was going to send an attestation to confirm.</p>

11. Reserve Policy and Fund Balance Policy	Because Jay wanted more time for this discussion, this item was postponed to the November meeting.
12. 2018-2019 Budget and Workplan	Because Jay was providing this item, it will be postponed to the November meeting.
13. NAGDCA Attendees / NAGDCA Awards	Paul reviewed the list of NAGDCA attendees and congratulated the Committee on receiving the NAGDCA award which will be accepted at the Philadelphia conference.
14. News and Views	Because of time, Paul referred the Committee to the News and Views but did not review any of the specific items it contained.
15. Other Issues	Lisa asked that the new LMS Education Training System be agendaized for the February, 2019 meeting. The Committee considered a special meeting the week of October 22 regarding the TDF glide paths.

The Committee adjourned at 12:07.