SAN MATEO COUNTY
DEFERRED COMPENSATION COMMITTEE MEETING
NOVEMBER 19, 2015 MINUTES

Committee Attendees: Donna Vaillancourt, Joe Demee, John Kovach, Steve Perry, David Whisman, Bridget Love (by phone), Glenn Kulm (arrived at 10:00) and Michael Wentworth.

Other attendees: Jay Castellano, Lisa Okada, Marife Ramirez, Bill Tugaw and Paul Hackleman (SST Benefits), Bob Gleason, Ed Riley, Lauren Penko, Andee Nusaath (MassMutual).

Absent: Lillibeth Dames

The meeting was convened at 9:08.

<table>
<thead>
<tr>
<th>Description of Item for Discussion</th>
<th>Action Taken by Committee</th>
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<tr>
<td>Review of SST Portal / Navigation</td>
<td>Marife provided a demonstration on how to access the SST Portal and indicated future changes would be made. The Committee revisited briefly the issue of tablets for Committee members and discussed getting Kindle Fires (at $50) for those who could not use or did not have their own device. No action taken.</td>
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<td>Approval of August 13, 2015 Regular Meeting and October 8, 2015 Special Meeting Minutes</td>
<td>Both the regular meeting and the special meeting minutes were approved unanimously.</td>
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<td>Results of RFP</td>
<td>Jay indicated the Board had approved the Committee’s recommendation to retain MassMutual as the sole DC provider and discussed the transition process. Committee members will be notified of the kick-off conference call and may determine from that whether they do / do not wish to participate in the ongoing transition calls. Jay, Marife and the SST Transition Manager will be involved. The Committee also discussed the educational meetings that will need to be held and the communication plan. MassMutual and the County will work on several meetings each for employees and (separately) retirees. The Committee will receive updates throughout the process and the status of the transition will be agendized for the February 18, 2016 meeting.</td>
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<td>Quarterly Investment Review</td>
<td>The selection of MassMutual in the RFP process included a review and replacement of recommend funds, As such, a review of the quarterly investment performance is unnecessary. The Committee agreed that an Investment Review was unnecessary. The Committee requested that the Market Overview and the specific mapping of funds be covered by MassMutual. Ed Riley discussed the change in fund line-up and thought the overall portfolio had been improved in a number of ways. The new small and mid-cap funds were stronger, there was an improved use of passive (index) investments and a 2055 Target Date Fund was added. In terms of Market Overview, he talked about how poorly investments performed in the 3rd quarter and yet had almost entirely recovered by mid-November.</td>
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<td>Quarterly Plan Summary Review</td>
<td>Bob and the Committee discussed the many accomplishments of</td>
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Lauren Penko, who is leaving MassMutual as of November 30. The Committee presented flowers and a card and Bob then reviewed what will hereafter be known as the “Lauren Report”. Bob documented the significant improvements in participation and contribution levels during her six years. He went on to discuss the quarterly numbers. Total plan value compared to a year ago increased from $333 M to $340 M which was significant given the general negative market. Total participants increased from 4,784 to 5,202. Average biweekly contribution increased slightly from $264 to $267. Also, the greatest increase in participants by age were in the 26-35 and 36-45 age ranges. The amount of outstanding loans increased slight by 4.6% while hardships remains fairly level.

### Education Policy Statement Reviews

The Committee reviewed the Education Policy Statement to determine if any changes were recommended. Bob suggested that Sections 2.5 and 2.6 which organizes education by “new employees”; “mid-term employee”; “pre-retiree” and “retiree” be changed to assess the “best next step” The best next step could be to contribute, to increasing contributions, to develop or change asset allocation, etc.). Bob offered to bring a “red-lined” version to the next meeting to ascertain the Committee preferences. These proposed modifications will be discussed at the February, 2016 meeting.

### Payment of Excess Revenues

Jay reported that the $300,00 approved by the Committee for re-distribution to participants had been completed and that the current amount of funds received would continue until the transition was complete at which time the new annual amount would be $70,000. This amount was a little less than anticipated expenses which would slowly draw down the reserves to a more appropriate level.

### Annual Consultant Review

Jay indicated he would begin reviewing the SST contract with the intent of providing a review of SST performance. Mike and Steve agreed to be on a sub-committee with Glenn also volunteering. The sub-committee will provide its findings and recommendations at the February, 2016 meeting.

### NAGDCA Report

SST provided a brief summary of the general sessions. Committee attendees, Bridget, John and Jay also added their comments about the conference as a whole. Paul remarked that individuals should look at their calendars and be prepared in February to request participation at the 2016 conference in Denver on September 18-21, 2016.

### Legislative Update

Paul reviewed the News and Views focusing on the Defending Safety Employees Retirement Act signed into law and effective January 1, 2016.

### Calendar Dates for 2016

The Committee agreed to meet in 2016 on February 18, May 19, August 18 and November 3rd.

### Other Issues

No other issues were raised.

The Committee adjourned at 12:00.