

NOTE: MAY 9, 2018 COMMITTEE MEETING MINUTES CAN BE REVISED AT THE NEXT DEFERRED COMPENSATION COMMITTEE MEETING SCHEDULED AUGUST 8, 2018

WASHOE COUNTY DEFERRED COMPENSATION COMMITTEE MEETING MINUTES

Wednesday, May 9, 2018

Committee Members Present

Darrell Craig, Chairman
Cathy Hill, Comptroller
Marcus Hodges, WCDAIA (alternate)
Kendra Materasso, Second Judicial District Court
Russ Morgan, Comptroller (alternate)
Scott Thomas, Vice-Chairman
Scottie Wallace, WCEA

Also Present

Ashley Farmer, Human Resources
Mike Fleiner, &Co
Kristie Harmon, Human Resources
Stephan Hollandsworth, Legal Counsel
Vicki Scott, Human Resources

Committee Members absent

Stephanie Shuman, WCDAIA

MassMutual

Bob Gleason, Relationship Manager
Amy Humphrey, Assistant Vice President, Government
Plans, Client Management

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1. Call to order and roll call
Meeting was called to order at 2:00 p.m. and a quorum was confirmed.
 2. Public comment
None
 3. Approve February 14, 2018 meeting minutes
Chairman Craig called for a motion to approve the minutes as written. Member Wallace moved, Member Thomas seconded; the motion passed unanimously.
 4. Treasurer's Report reviewing the Deferred Compensation Administrative Fund (Cathy Hill)
Member Hill reviewed the Treasurer's Report noting a difference in expenses comparing April of 2017 to April of 2018. She is investigating the discrepancy and further stated that it is a timing issue.
 5. Discussion regarding Committee members participating in the National Association of Government Defined Contribution Administrator's annual conference, held this year from September 23-26, in Philadelphia, PA.
Chairman Craig stated in past years the Committee has passed a motion allowing all committee members and one staff member to attend the annual conference. Member Hill asked that the Committee stay cautious of the balance in the account. Noting, that there were some issues last year surrounding the payment of invoices based upon cash flow. Ashley Farmer agreed, however, she further stated that the reason why the account balance was low last year was because MassMutual missed the 2nd Quarter PERA check due in August 2017.

Member Hill made a motion that the fund covers the expenses for all committee members and one staff member to attend the annual NAGDCA Conference in Philadelphia, PA; Member Thomas seconded. The motion passed unanimously.
 6. Discussion and update on plan administration to include: Auto Enrollment Program, MassMutual Settlor Expense Invoices reconciliation, MassMutual customer service issues and efficiencies, plan-participant feedback about new fee structure. (Ashley Farmer/Bob Gleason)
 - Auto Enrollment Program: Ashley Farmer provided an update on the Auto Enrollment Program stating the contribution file issue is resolved and this item can be closed.
 - MassMutual Settlor Expense Invoice reconciliation: At the last committee meeting, February 14, 2018, the Committee was informed that MassMutual deducted plan expenses from participant 457 accounts. Affected participants received notification; funds were retro-valued and refunded. Subsequent to the last committee meeting, Washoe County was informed that plan expenses were deducted from participant 401(a) accounts affecting 157 participants totaling \$96.62. Letters were sent to the 401(a) participants at the end of March addressing the error and the funds were reimbursed.

Member Hill went on record stating that after further research and discussion with Ashley Farmer, she found the events surrounding the plan expense deductions from participant accounts extremely disturbing. Mr. Gleason added that MassMutual shares Member Hill's concerns. Further stating, it was MassMutual's error and MassMutual takes full responsibility; the County at no point was at fault.

- New Fee structure: Ashley Farmer reported that three participants contacted MassMutual's Participant Information Center and Washoe County Human Resources to express their concerns about the new fee structure.
7. Discussion and review of MassMutual's service and performance under the Administrative Services Agreement, including its removal of its local Regional Education Specialist, and discussion and possible action about options under the Agreement in light of that review, up to and including terminating the Agreement and initiating a request for proposal for a new provider of recordkeeping and administrative services.

Mr. Fleiner reported on a number of administrative issues surrounding the level of service provided by MassMutual citing employee turnover, issues surrounding the conversion to the MassMutual platform, Settlor Expense Invoices and lack of communication culminating in the sudden departure of the local education specialist. Ashley Farmer cited issues surrounding the Participant Information Center; specifically, incorrect information provided to participants, redirecting participants to Washoe County instead of exploring solutions, mishandling PERS Purchase Agreements and 401(a) Plan eligibility.

Chairman Craig referred the Committee to the *Administrative Services Agreement, Exhibit A, Service Guarantees*, outlining the service team MassMutual will provide: Assistant Vice President, Director Relationship Manager, Account Manager and Relationship Education Specialist. He also referred the Committee to a letter signed by the Senior Vice President, dated September 25, 2015, regarding *Hartford Life Insurance Company Group Contract No. 150015, 150037 & 110114 - Washoe County Deferred Compensation Plan* where it states, "MassMutual will commit to an Education Specialist dedicated to servicing Washoe County participants with at least 65 to 70 percent of their time." Chairman Craig commented that every time the Committee went out to bid, the number one priority was that a local dedicated education specialist be available to support participants and that this is a clear violation of our contract. Mr. Gleason responded that MassMutual is committed to continue having representatives call on Washoe County. Adding, MassMutual's solution is to bring in two education specialists and, between the two of them, MassMutual will fulfill the upcoming scheduled employee meetings and, going forward, continue to be available to support participants. Chairman Craig asked how MassMutual was planning to have an education specialist available 65-70% of the time given that they are not local. Mr. Gleason stated that the two education specialists will alternate weeks and that he will put together a plan on how that will work and present it to the Committee.

Amy Humphreys, MassMutual's Assistant Vice President, Government Plans, Client Management addressed the Committee: She apologized stating that MassMutual has not delivered and outlined a few improvement standards that will be implemented detailing what the Committee can expect going forward.

- 1) Premier Call Center: MassMutual is currently piloting a Premier Call Center for governmental plans. This is a special call unit that will provide a survey at the end of the call allowing participants to rate the service. Survey results will be shared with Washoe County.
- 2) Discussed putting together a formal education plan combining in-person meetings and communications going out to participants. Employee meetings and participant interactions will be tracked to ensure MassMutual is delivering on outcomes.
- 3) Improve communication with Washoe County.

The Committee discussed the merits of initiating a request for proposal for a new provider of recordkeeping and administrative services prior to contract termination date of December 31, 2020.

Member Thomas made a motion that the Committee begins the request for proposal process; Member Wallace seconded. Motion carried five to one with Member Hodges abstaining.

8. Discussion and possible action on format of MassMutual Quarterly review materials to be received by Committee members and staff.

Mr. Gleason asked the Committee if, going forward, he could display and present the quarterly reports electronically instead of providing paper copies to committee members.

Chairman Craig called for a motion to allow MassMutual to present the quarterly reports electronically at future meetings. Member Hill moved; Member Materasso seconded. The motion passed unanimously.

9. Quarterly review of MassMutual's account service objectives. (Bob Gleason)

Mr. Gleason provided an overview of the First Quarter 2018 Summary Sheet and the *MassMutual @ Work for You* report highlighting plan and participant activity statistics.

Member Thomas asked if Mr. Gleason could add a subsection on the Summary Sheet to include Auto Enrollment statistics. Mr. Gleason responded that he will revise the Summary Sheet and break out the number of auto enrollments versus traditional enrollments.

10. Report and presentation regarding fund performance update for the most recent quarter, and possible recommendation, discussion, and action to change investment fund lineup. (Mike Fleiner)

Mr. Fleiner reviewed the Investment Performance Review report for period ending March 31, 2017.

11. Comments by Committee or staff members (this item is limited to announcements or topics/issues proposed for future workshops/agendas)

Chairman Craig asked the Committee to review the handout titled *NAGDCA Annual Conference*.

Ashley Farmer referred the Committee to the handout titled *NAGDCA Award Submission*. The award submission was put together by MassMutual on behalf of Washoe County for its communication and education efforts in 2017.

12. Public comment

None

13. Adjournment

Meeting adjourned 3:43 p.m.