

VENTURA COUNTY  
SUPPLEMENTAL RETIREMENT PLAN COMMITTEE  
Channel Islands Conference Room  
December 3, 2020  
2:00 p.m.

Members Present

Kaye Mand  
John Polich  
Shawn Atin  
Jeff Burgh  
Steven Hintz

Members Absent

Also Present

Patti Dowdy  
Wanda Crane  
Amanda Diaz  
Tracy Sewell  
Suzanne Rogers  
Joan Steel  
Jake O'Shaughnessy  
Phil Haslam  
Andrew Kremer  
Kory Hoggan  
Stuart Payment

Ms. Mand called the meeting to order at 3:26 p.m.

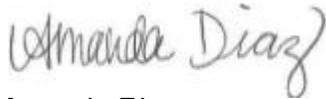
1. **Public Comments:** None.
2. **Committee Member Comments.** None.
3. **Minutes of September 23, 2020.** Mr. Burgh moved, and Mr. Atin seconded, to approve the minutes. The motion carried.

**SRP 457 Plan Investment Option Selection.** Ms. Patti Dowdy, Supplemental Retirement Program Manager, stated that over the last several meetings the Committee had extensively reviewed the design of the new SRP 457 plan but one item remained for the Committee's consideration. That item is the question of what investment option(s) to provide participants in this plan. Ms. Dowdy noted that during prior discussions the Committee was advised that based on staff's research, and the guidance provided by Fidelity, the recommended best practice was to set the investment option for this plan to a stable value fund. As a FICA replacement plan the goal is to provide preservation of capital as this plan is intended to perform as a replacement for Social Security. During this discussion John raised concerns over the fiduciary liability created by the Committee directing the fund that participants contributed to. He advised that this action would make the County responsible for the performance of this fund. Allowing participants to self-direct their investments would remove fiduciary liability. At this time, the Committee directed staff to further review the investment option offering for the plan and return to the Committee for further discussion. Ms. Dowdy then reviewed the analysis conducted regarding the appropriate investment option offering for this plan. She noted that her research included review of multiple plan documents from various other California counties and cities including Cal PERS, County of Sacramento, and the County and City of Los Angeles. All of which offered a stable value fund as their only investment option for their Social Security Replacement plans. She also advised that she had consulted with, Suzanne Rogers, Fidelity Investments VP of Compliance, Tom Peller, legal Counsel with Ice Miller, and members of the National Association of Governmental Deferred Compensation Administrators (NAGDCA). She noted that overall, the analysis of this research does indicate that a capital preservation vehicle (such as a stable value fund) would be the safest investment selection for the SRP 457 plan. This is the recommended best practice from Fidelity and is in keeping with other govt. 457 FICA replacement plans. Ms. Dowdy referred the Committee to staff's memo for a complete summary of findings. Mr. Polich

wanted to bring this information back to the Committee, adding that the legal requirement is to designate only one fund or a menu of stable funds, and the Committee has the discretion to choose only one fund or provide a full menu to participants to select from. He noted that the Safe Harbor Retirement Plan has a default contribution of 7.5%, there are no earnings, no negative earnings and there is not an option of having another option with more risk. If participants chose their own funds in the new DC plan the plan would not be obligated for its performance, the employee would have sole responsibility. Mr. Polich added that there are legal risks either way the Committee decides, whether it's one fund as there may underperformance, or it could be multiple investments and that may pose a risk; however, those would be self-directed. It is up to the Committee, and ultimately the Board of Supervisors, as far as what options participants will have. Ms. Mand asked if there was a difference with the administration of just one fund versus offering a menu of funds to which Ms. Dowdy stated that it is the same regardless of one fund or multiple funds. Mr. Shawn Atin added that this is not an investment, it is a Social Security replacement plan and is a defined amount. There is no risk with the contribution amount, it stays as whole for capital preservation. It is weighing the risks, considering benefits of going with a stable value fund; the only investment option would be a stable value fund. Mr. Atin moved, and Mr. Burgh seconded, to set the SRP 457 plan investment option to only a stable value fund. The motion carried.

Ms. Mand adjourned the meeting at 3:35 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Amanda Diaz".

Amanda Diaz  
Safe Harbor Plan Coordinator