

**VENTURA COUNTY  
DEFERRED COMPENSATION COMMITTEE  
401(k) Shared Savings Plan  
CEO Point Mugu Conference Room – 4<sup>th</sup> Floor  
Hall of Administration, Ventura County Government Center  
800 S. Victoria Avenue, Ventura, CA 93009**

**Meeting Minutes for December 5, 2024  
2:00 p.m.**

**Members present**

Scott Powers  
Tabin Cosio  
Emily Gardner  
Sue Horgan  
Jeff Burgh

**Members absent**

**Also present**

Patty Zoll  
Patti Dowdy  
Jake O' Shaughnessy  
Amanda Diaz  
Tia Scott  
Joan Steele  
Suzanne Rogers  
David Schneier  
Kamil Manuel  
Chris Luongo (Zoom)  
Miles Weiss (Zoom)

**The meeting was called to order by Mr. Powers at 2:02 pm.**

**1. Public Comments**

- a. No public comments were provided.

**2. Committee Member Comments**

- a. Ms. Zoll informed the Committee that Mr. Tabin Cosio has been appointed by Danielle Keys, Assistant County Executive Officer/HR and Labor Relations, as her designee to the Committee.

**3. Minutes of Regular Meeting August 22, 2024**

Motion to approve: 1. **Mr. Burgh** 2. **Ms. Horgan**

Vote: **Motion Carries**

Yes: **Unanimous**

No: N/A

Absent: N/A

Abstain: N/A

#### **4. Cybersecurity of Deferred Compensation Plans**

Ms. Zoll provided an overview of the Fidelity Cybersecurity presentation to the Committee. Points of interest in the synopsis include 26 million Americans being victim to identity theft on an annual basis which results in losses exceeding \$16 billion and that cyber theft comes in the tactical forms of malware, phishing, and social engineering. These are the most common forms and are used to compromise a person's identity or login credentials. In April 2021, the Department of Labor issued guidance on cybersecurity that addresses three focus areas for plan sponsors, recordkeepers, and participants.

Mr. David Schneier, Fidelity's Customer Protection team member, gave review of Fidelity's commitment to proactively protect plan sponsors and their participants from these ongoing cyber threats and the challenges that are faced. One area of interest comes in the realm of AI and Deep Fake, as this is the most common but individually targeted fraud (impersonation, phishing (good emails vs. bad emails), and texting). Mr. Schneier went on to address Fidelity's commitment to cybersecurity by pointing out that there are approximately 1,400 cyber security experts employed by Fidelity and that \$300 million is allocated for this type of security alone. To increase security, Fidelity implemented mandatory two-factor authentication in 2022. Fidelity has begun a campaign to inform participants about multi-factor authentication and that voice authentication is on the horizon. Special note by Mr. Schneier is that Fidelity will "replace" any dollar amount the participant is out due to falling victim to cyber-attacks.

Mr. Kamil Manuel, Chief Information Officer for the County of Ventura, joined Mr. Schneier to give a security analysis from the COV perspective. He shined light on COV's protection efforts within four categories: Notification (vulnerability alerts and periodic scans), Automation (two-factor authentication for remote users, anti-virus and anti-malware), Awareness (phishing testing and security awareness training), and Governance (National Institute of Standards and Technology's [NIST] cybersecurity framework and COV IT policies). He continued by mentioning that the COV partners with authorities on threats, leverages automation tools, ensures backups are utilized to mitigate the impact of attacks, and the IT policies guiding COV practices are, in part, based on the practices developed by the Federal Government. Specifically, to his analysis of Fidelity's cyber security practices, Mr. Manuel concluded Fidelity falls into the "low risk" category when it comes to cyber security and preparedness.

Upon completion of discussion, a motioned was made to receive and file the cybersecurity presentation provided by Fidelity and County of Ventura Information Technology Services.

**A. Action Items: Receive and file the cybersecurity presentation provided by Fidelity and County of Ventura Information Technology Services**

**B. Motion to Receive and File the Cybersecurity Presentations Provided by Fidelity and County of Ventura Information Technology Services.**

Motion to approve: 1. **Ms. Gardner** 2. **Mr. Burgh**

Vote: **Motion Carries**

Yes: Unanimous  
No: N/A  
Absent: N/A  
Abstain: N/A

## 5. SageView Advisory Group Q3 2024 Investment Review

Mr. Jake O'Shaughnessy, Managing Director of SageView Advisory Group, provided a brief explanation to the new Committee members as to SageView's participation and role within the Committee. He started by giving an overview of the current funds on the Watchlist: 1) Fidelity Target Date Fund (TDF) series and 2) Barron Asset Instl. Mr. O'Shaughnessy also provided an overview of how the Watchlist process works in terms of tracking funds and SageViews scoring methodology.

Mr. O' Shaughnessy discussed the current state of the economy with respect to various topics. These topics include fiscal spending, employment data, weakening labor market, government deficits, and general economic standings. Specific to the economic standings, areas are rated as positive, neutral, and negative with the most notable aspects being corporate earnings (positive), inflation (neutral), and fiscal spending (negative).

In addition, he noted that small and mid-cap stocks benefit when rates come down and the Contrafund being up 40%. Also noted was the value to small-cap investments performing very well per Q3, 2024. Regarding the TDF's, SageView takes a collective look at the funds and takes the weighted average to gain perspective on their performance. For Q3, 2024, the TDF's have performed well, Mr. O'Shaughnessy highlighted and has no recommendation to replace these funds at this time.

Mr. O'Shaughnessy also pointed out that the top funds that comprise the largest portion of asset allocation by fund. These funds are the Fidelity Contrafund K6, Fidelity 500 Index, Self-Directed Brokerage, and the Fidelity Freedom 2030 K6, which hold approximately \$465 million of the total market value of the Plan, which stands at roughly \$1.5 billion as of the end of Q3, 2024.

Mr. O'Shaughnessy discussed the following funds and their performance along with his recommendations:

- a. **The funds that remained under the median and should continue to remain on the watch list:**
  - i. Fidelity Target Date Fund series
- b. **The funds that were recommended to be placed on the watchlist:**
  - i. Barron Asset Instl (Mid Cap Growth)

### A. Action Items:

- i: Approve the SageView Watch List summary recommendations for Q3 2024
- ii: Receive and file the information.

### B. Motion to Approve the Sageview Advisory Group Q3 2024 Investment Review and Receive and File the Information.

Motion to approve: 1. **Ms. Horgan** 2. **Ms. Gardner**

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: N/A

Abstain: N/A

## 6. Fidelity Investments Quarterly Service Review

Ms. Suzanne Rogers, Fidelity Senior Vice President Managing Director – Practice Lead, provided the Fidelity Quarterly Service Review and highlighted several topics. Areas noted by Ms. Rogers as of the end of Q3, 2024 were:

- Total plan assets of \$1.5 billion
- Total participant standing of 11,242 of which 7,862 are active and 3,380 are terminated/inactive
- 97% of eligible employees participate in the Plan
- 45% of active employees defer around 8% or more of their compensation to the Plan
- The average total savings rate for active participants with a balance stands at approximately 12%
- 79% of participants are vested in an age-appropriate equity allocation
- The Plan has 86% of active participants contacting Fidelity by phone or through logging into their NetBenefits portal

Ms. Tia Scott, Fidelity Workplace Financial Consultant, provided a synopsis of her interactions with employees. Most notably that there has been a lot of interest in the potential impact of the elections and that there are several employees who have long term strategies to weather any potential storms. Furthermore, she noted that the “Ask Fidelity” series is consistently expanding topics to be inclusive of the most relevant issues in the markets today. An interesting finding Ms. Scott pointed out is that she is seeing more employees who fall into the generation of those who not only care for aging parents but are putting their children through college at the same time.

Upon conclusion of discussion, a motion was made to receive and file the Fidelity Investments Q2-24 quarterly service review.

### A. Motion to Receive and File Fidelity Investments Quarterly Service Review

Motion to approve: 1. **Ms. Gardner** 2. **Ms. Horgan**

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: N/A

Abstain: N/A

## 7. Fidelity Freedom Fund Review

Mr. Chris Luongo began the review by highlighting that Fidelity’s Target Date Funds (TDF) are one of the most important aspects at Fidelity. Prior to elaborating

and completing his review, Mr. Luongo lost his Zoom connection due to a weather related internet outage. Discussion regarding the TDF will be postponed and discussed at the next regularly scheduled Committee meeting

**A. Motion to Receive and File the Information**

Motion to approve: 1. **N/A** 2. **N/A**

Vote: N/A

Yes: N/A

No: N/A

Absent: N/A

Abstain: N/A

**8. Investment Policy Statement Update**

Ms. Zoll provided an overview of the Background and Discussion handout presented to the Committee. In short, Ms. Zoll pointed out one of the fiduciary duties of the Committee is to review of the Investment Policy Statement (IPS) on an annual basis. After detailed review of the IPS, Mr. O'Shaughnessy has made the following changes which are the items of focus for the Committee's approval. These items include:

- Updated appendix section
- The inclusion of fee language to Fund Selection section to point out that fees are considered when selecting funds
- Updated the 'Evaluation Methodology' to be consistent with and refer to appendix B which lists the criteria used based on quantitative metrics
- Addition to the section regarding evaluation of TDF's
- Signature page to reflect current Committee members

Upon summary completion of the IPS update, the action item of deciding whether to approve the updates to the IPS as outlined and discussed by Mr. O'Shaughnessy was addressed by the Committee. A motion was made after a brief discussion to approve the updates to the IPS as outlined and presented to the Co

**A. Motion to Approve the Updates to the Investment Policy Statement**

Motion to approve: 1. **Ms. Horgan** 2. **Mr. Burgh**

Vote: Motion Carries

Yes: Unanimous

No: N/A

Absent: N/A

Abstain: N/A

**9. Information Agenda**

Ms. Zoll provided some background detail on the informational items:

- a. 401(k) Participant Fee Account – Q3 2024

- i. Ms. Zoll spoke to the creation of the 401(k) Participant Fee Account because of the Committee's decision to commence with the participant flat fee structure.
- b. 401(k) Excess Revenue Credit Account – Q3 2024
- c. 401(k) Hardship Withdrawals – Q3 2024
- d. Fidelity Service Level Agreement (SLA) Reporting – Q3 2024
- e. Deferred Compensation Meeting Schedule for 2025

**A. Motion to Receive and File**

Motion to approve: 1. **Mr. Burgh**      2. **Ms. Horgan**

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: N/A

Abstain: N/A

**Mr. Powers adjourned the meeting at 3:48 pm**

Respectfully submitted,



Andrew Gratt  
Benefits/Deferred Compensation Personnel Assistant