



# County of Fresno

## Deferred Compensation Management Council

### September 26, 2019 Agenda

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**THE MEETING WILL BE HELD AT 1:30 P.M. IN ROOM 301 OF THE HALL OF RECORDS,  
2281 TULARE STREET, FRESNO, CA 93721**

1. Call to Order.
2. Public Comment – At this time, members of the public may comment on any item, within the jurisdiction of the Deferred Compensation Management Council, not appearing on the agenda. Please limit comments to 3 minutes or less.
3. Approve the September 26, 2019 Agenda.
4. Approve the Action Summary Minutes from the May 23, 2019 meeting.
5. Receive and File and Approve Actions related to the County of Fresno Deferred Compensation Plan Budget.
  - a. Receive and File the 2018-19 Fiscal Year-End Deferred Compensation Plan Budget Report, prepared by County staff;
  - b. Approve a pro rata distribution of \$79,951 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2019.
6. Approve Actions related to the ongoing Deferred Compensation Plan Record-keeper RFP process.
  - a. Approve the Ad-Hoc RFP Subcommittee's recommendation to retain Nationwide Retirement Solutions as the Deferred Compensation Plan Record-keeper on a three (3) year service agreement with two (2) one-year renewals.
  - b. Pursuant to Section 8.02 of the County of Fresno 457(b) Deferred Compensation Plan Document, direct staff to negotiate a service agreement with Nationwide Retirement Solutions for submission to the Board of Supervisors for approval.

7. Approve the proposed amended Deferred Compensation Management Council Bylaws (5 vote requirement) and direct staff to submit the proposed amended Bylaws to the Board of Supervisors for approval.
8. Receive a Verbal Report on the 2019 National Association of Government Defined Contribution Administrators conference by Member Seymour, County staff, and Northwest Capital Management.
9. Receive and File and Approve Actions related to Participant Outreach and Education.
  - a. Receive and File a Plan Outreach Report, prepared by County staff and Nationwide Retirement Solutions.
  - b. Approve a Retiree Outreach Luncheon Action Plan, as recommended or with amendments, and direct staff and Nationwide to host an event in the first half of 2020.
10. Receive and File and Approve Actions related to Deferred Compensation Plan Investments.
  - a. Receive and File the Deferred Compensation Plan Investment Review as of June 30, 2019, prepared by Northwest Capital Management;
  - b. Approve placement of the Ivy International Core Equity Fund – Class N on the Watch List.
11. Receive and File the Deferred Compensation Plan Review as of June 30, 2019 prepared by Nationwide Retirement Solutions.



## ITEM 4

### Deferred Compensation Management Council May 23, 2019 Action Summary Minutes

Meeting was held at 1:30 p.m. in the Hall of Records, Room 301  
2281 Tulare Street, Fresno, CA 93721

**Members Present:** Robert Bash, Kari Gilbert, Donald Kendig, Paul Nerland, Lawrence Seymour

**Members Absent:** Jean Rousseau, Oscar Garcia

1. Call to Order.

**ACTION:** The meeting was called to order at 1:31 p.m.

2. Public Comment Period.

**There were no comments from the public.**

3. Approve the May 23, 2019 Agenda.

**ACTION:** The Agenda was unanimously approved as recommended.

4. Approve the Action Summary Minutes from the March 21, 2019 meeting.

**ACTION:** The Minutes were unanimously approved as recommended.

5. Receive and File the 2018-19 Fiscal Year Third Quarter Deferred Compensation Plan Budget Report, prepared by County staff.

**ACTION:** The Report was received and filed.

6. Approve Actions related to the Fiscal Year 2019-20 Deferred Compensation Plan Budget.

a. Approve the FY 2019-20 discretionary administrative fee of 0.09%.

**ACTION:** The FY 2019-20 discretionary administrative fee was unanimously approved as recommended.

b. Approve the FY 2019-20 budget, either as submitted or with amendments.

**ACTION:** The FY 2019-20 budget was unanimously approved as recommended. The Council directed staff to bring a detailed plan for the initial retiree luncheon as an agenda item at the September 26, 2019 meeting.

- c. Select up to three (3) members of the Deferred Compensation Management Council and/or County staff to represent the Deferred Compensation Plan at the 2019 National Association of Governmental Defined Contribution Administrators conference, in New Orleans, LA, September 8-11.

**ACTION: Member Seymour, Hollis Magill, and David Joseph were selected to attend the 2019 NAGDCA conference.**

7. Receive and File a Plan Outreach Report, prepared by County staff and Nationwide Retirement Solutions.

**ACTION: The Report was received and filed.**

8. Receive and File the Deferred Compensation Plan Review as of March 31, 2019 prepared by Nationwide Retirement Solutions.

**ACTION: The Report was received and filed.**

9. Receive and File the Deferred Compensation Plan Investment Review as of March 31, 2019, prepared by Northwest Capital Management.

**ACTION: The Report was received and filed.**

10. Approve and Authorize the Chair to execute the Second Amendment to the Investment Guidelines for the County of Fresno Deferred Compensation Plan Stable Asset Fund.

**ACTION: The Second Amendment to the Investment Guidelines for the County of Fresno Deferred Compensation Plan Stable Asset Fund was unanimously approved as recommended.**

**The meeting was adjourned at 2:30 p.m.**



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 5

DATE: September 26, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

SUBJECT: 2018-19 Fiscal Year-End Budget Report & Distribution of Surplus Funds

#### BACKGROUND

Pursuant to Section 8.02 of the County of Fresno 457(B) Deferred Compensation Plan Document, your Council shall determine the reasonable Deferred Compensation Plan (Plan) expenses, such as third-party administration, consulting, legal and County staff costs. In addition, your Council shall determine the administrative fee charged to Participants to pay for such reasonable Plan expenses, on an annual basis. For Fiscal Year 2018-19, that fee was 0.19%.

#### ISSUE

Staff has prepared a 2018-19 Fiscal Year-End budget report for the twelve-month period that ended June 30, 2019 (Attachment A); the approved FY 2018-19 budget is detailed in Attachment B. As stated on Attachment A, there was a surplus of approximately \$94,951 in FY 2018-19. Staff would like to note and explain the causes of this surplus:

1. **Total revenues were higher than what was projected.** Plan revenues were higher than what was projected due to higher than expected Plan assets; staff based FY 2018-19 revenues on approximately \$240 million in Plan assets, whereas actual Plan assets were in excess of \$268 million as of June 30, 2019.
2. **Expenses were less than what was budgeted.** Staff costs were less than what was budgeted, due primarily to fewer hours spent by staff working on the Plan than what was projected. In addition, the contingency budget has not been needed, although the approved FY 2018-19 budget allocated an additional \$15,000 to this line item in anticipation of one-time fees related to the current Plan Record-keeper RFP process.
3. **Record-keeping fees were higher than projected.** Record-keeping fees were higher than projected due to higher than expected Plan assets; staff based FY 2018-19 revenues on approximately \$240 million in Plan assets, whereas actual Plan assets were in excess of \$268 million as of June 30, 2019.

Distribution of Surplus Funds

As your Council is aware, in previous fiscal years where Plan revenues exceeded Plan expenses, your Council has approved a pro rata distribution of funds to participants based on each participant's percentage of Plan assets. As stated on Attachment A, there was a surplus of approximately \$94,951 in fiscal year 2018-19. Pursuant to the FY 2019-20 budget approved by your Council on May 23, 2019, \$15,000 of that surplus is allocated to the 2019-20 FY budget to pay for consulting fees related to the current Plan Record-keeper RFP process.

Therefore, staff is recommending that your Council approve a pro rata distribution of \$79,951 of these surplus funds to current participants who had a Plan account balance as of June 30, 2019. Each participant's share of the distribution will be based on their June 30, 2019 Plan account balance. As of June 30, 2019, the Plan Expense Account balance was \$164,858.

**RECOMMENDED ACTION**

**Approve a pro rata distribution of \$79,951 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2019.**

Item 5 - Attachment A

**County of Fresno Deferred Compensation Plan**

**Fiscal Year 2018-19 Revenue & Expenses as of June 30, 2019**

Revenue	Approved	Year to Date	Surplus (Deficit)
Administrative Fees	\$ 202,000	\$ 232,195	\$ 30,195
<b>Totals:</b>	<b>\$ 202,000</b>	<b>\$ 232,195</b>	<b>\$ 30,195</b>

Discretionary Expenses	Approved	Year to Date	Surplus (Deficit)
County Staff	\$ 107,000	\$ 82,313	\$ 24,687
Consultant	\$ 40,000	\$ 40,000	\$ -
Fiduciary Liability Insurance	\$ 11,000	\$ 10,134	\$ 866
Off-Site Training	\$ 9,000	\$ 4,798	\$ 4,202
Contingencies	\$ 35,000	\$ -	\$ 35,000
<b>Totals:</b>	<b>\$ 202,000</b>	<b>\$ 137,244</b>	<b>\$ 64,756</b>

<b>Surplus (Deficit):</b>	<b>\$ 94,951</b>
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Mandatory Expenses	Approved	Year to Date	Surplus (Deficit)
Record-keeping Fees	\$ 240,000	\$ 254,608	\$ (14,608)

## Item 5 - Attachment B

### Approved FY 2018-19 Deferred Compensation Plan Budget

#### Discretionary Items

Revenue Source	2018-19 Budget	% of Revenue	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Administrative Fee	\$202,000	100%	\$192,000	\$10,000	5%
<b>Total Revenue:</b>	<b>\$202,000</b>	<b>100%</b>	<b>\$192,000</b>	<b>\$10,000</b>	<b>5%</b>
<b>Expense</b>					
Expense	2018-19 Budget	% of Expenses	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
County Staff	\$107,000	53%	\$102,000	\$5,000	5%
Consultant	\$40,000	20%	\$40,000	\$0	0%
Fiduciary Liability Insurance	\$11,000	5%	\$11,000	\$0	0%
Off-Site Training	\$9,000	4%	\$7,000	\$2,000	29%
Contingencies	\$35,000	17%	\$20,000	\$15,000	75%
<b>Total Expenses:</b>	<b>\$202,000</b>	<b>100%</b>	<b>\$192,000</b>	<b>\$10,000</b>	<b>5%</b>

#### Mandatory Items

Revenue Source	2018-19 Budget	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Nationwide Fee	\$240,000	\$230,000	\$10,000	4%
<b>Expense</b>				
Expense	2018-19 Budget	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Record-keeping	\$240,000	\$230,000	\$10,000	4%



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 6

DATE: September 26, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager Hollis Magill

SUBJECT: Recommendation of the Ad-Hoc Deferred Compensation Plan Record-keeper RFP Subcommittee

#### Discussion

On April 26, 2019, the County of Fresno released Request for Proposals (RFP) #19-071, for Administrative, Recordkeeping and Participant Education Services related to the Deferred Compensation Plan. Five (5) vendors responded to the RFP: Nationwide Retirement Solutions (Nationwide), Prudential Retirement Insurance and Annuity Company (Prudential), Empower Retirement (Empower), ICMA-RC, and Massachusetts Mutual Life Insurance Company (Mass Mutual). All of the bids met the minimum qualifications and were evaluated.

With direction from County staff, Northwest Capital Management (NWCM), the Plan's consultant, evaluated each bid on the following criteria, which were based on the Award Criteria section of the RFP:

1. Organization
2. Recordkeeping, Administration and Education Services
3. Transition Management
4. Investments
5. Trust/Custody Services
6. Additional Services
7. Cost Proposal

Each question received a score of 1-5 (5 being the highest score). Each section of the bids were equally weighted. If a bidder provided a response that was standard for the marketplace, they would receive a score of 3. If their response was unique or more compelling than the industry standard, the bidder received a higher score. Responses that were less compelling or inferior to the industry standards would receive lower scores. A detailed summary of each bid is contained in Attachment "A" and the overall scores and rankings are included in Table 1 below.

**Table 1 – Rank and Score Summary**

	<u>Nationwide</u>	<u>Prudential</u>	<u>Empower</u>	<u>ICMA-RC</u>	<u>Mass Mutual</u>
Organization	2	5	2	1	2
Recordkeeping, Administration and Education Services	1	2	3	5	4
Transition Management	1	3	5	2	4
Investments	4	1	2	3	5
Trust/Custody Services	3	1	1	4	4
Additional Services	2	2	1	2	2
Cost Proposal	1	2	4	2	5
<b>Weighted Average Score</b>	<b>3.19</b>	<b>3.04</b>	<b>3.04</b>	<b>3.00</b>	<b>2.87</b>
<b>Overall Rank</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>5</b>

At the March 21, 2019 Deferred Compensation Management Council meeting, your Council appointed Robert Bash, Oscar Garcia, and Donald Kendig to an Ad-Hoc Subcommittee, which was given the following responsibilities:

- Review NWCM’s vendor evaluations;
- Conduct finalist interviews, if applicable; and
- Make a final recommendation to your Council.

On July 29, 2019, the Ad-Hoc RFP Subcommittee met to discuss NWCM’s evaluations. The Subcommittee concurred with NWCM’s recommendation to retain Nationwide as Plan Record-keeper and determined that finalist interviews were not necessary, for the following reasons:

- Nationwide has the platform capabilities and service offerings necessary to provide recordkeeping services to the Plan;
- They offer the most competitive fees of all the respondents;
- They provide a dedicated participant education representative for the County; and
- Retaining Nationwide would allow the County to avoid any potential disruption that may occur from transitioning the Plan to another provider.

**Recommended Actions**

1. Approve the Ad-Hoc RFP Subcommittee's recommendation to retain Nationwide Retirement Solutions as the Deferred Compensation Plan Record-keeper on a three (3) year service agreement with two (2) one-year renewals.
2. Pursuant to Section 8.02 of the County of Fresno 457(b) Deferred Compensation Plan Document, direct staff to negotiate a services agreement with Nationwide Retirement Solutions for submission to the Board of Supervisors for approval.

**Recordkeeping and Administration**  
Vendor RFP Analysis

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**County of Fresno**



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# Executive Summary

# Scope of Project

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In April of 2019, the County of Fresno (the County) retained the services of Northwest Capital Management, Inc. (NWCM) to assist with a request for proposals (RFP) for recordkeeping and administration services, inclusive of proposal review, evaluation, and the potential transition of the Plan.

Nationwide, the incumbent provider, has been servicing the County's 457(b) plan since 2015. The primary goal of this project is to ensure the services being provided to the County and plan participants (and the fees associated for said services) are competitive with the marketplace.

RFP responses were due June 12, 2019. **Five vendors responded to the RFP:**



**NWCM evaluated each vendor's response for the following sections:**

- Organization
- Recordkeeping, Administration and Education Services
- Transition Management
- Investments
- Trust/Custody Services
- Additional Services
- Cost Proposal

Each question received a score 1-5 (5 being the highest score). Each section of the responses were equally weighted. If a vendor provided a response that was standard for the marketplace, they would receive a score of 3.

If their response was unique or more compelling than the industry norm, they would receive a higher score. Responses that were less compelling or inferior to the industry standards would receive lower scores.

# NWCM Recommendation

Based on review of the proposals received, **NWCM recommends the County retain Nationwide as the service provider for the 457(b) deferred compensation plan.**

As shown in the table below, Nationwide has the platform capabilities and service offerings necessary to successfully recordkeep the plan, while offering the most competitive fees of all the respondents. They also provide a dedicated participant education representative for the County. Additionally, retaining Nationwide would allow the County to avoid any potential disruption that may occur from transitioning the plan to another provider.

Detailed section summaries are provided on the following pages.

	Your Organization	Recordkeeping, Administrative and Education Services	Transition Management	Investments	Trust / Custody Services		Fee Proposal		Additional Services *		Final Ranking		
<b>Best</b>  <b>Worst</b>	ICMA-RC		Nationwide	Nationwide	Prudential	Empower	Prudential	Nationwide		Empower		Nationwide	
	Nationwide Empower MassMutual	Prudential	ICMA-RC	Empower	ICMA-RC			Nationwide	Prudential	ICMA-RC	MassMutual	Prudential	Prudential
		Empower	Prudential	ICMA-RC		Nationwide	Empower		ICMA-RC	Nationwide	ICMA-RC		ICMA-RC
		MassMutual	MassMutual	Nationwide	MassMutual			ICMA-RC			MassMutual	ICMA-RC	Nationwide
	Prudential		ICMA-RC	Empower	MassMutual	MassMutual	ICMA-RC	MassMutual		ICMA-RC	Nationwide	MassMutual	
<b>Weight</b>	14%		14%	14%	14%	14%		14%					
<b>Category Winner</b>	ICMA-RC		Nationwide	Nationwide	Prudential	Empower	Prudential	Nationwide		Empower		Nationwide	

\* MassMutual, Prudential, ICMA-RC, and Nationwide tied for second in the additional services category

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# Section Summaries

# Section Summary

## Your Organization

ICMA-RC is unique in that they are 100% dedicated to the public sector DC space. All other vendors have multiple lines of business. ICMA-RC also does not segment their service to clients based on asset size. They, along with Nationwide, provide the same base service to all clients. Additional resources are available as the clients' needs change.

Nationwide currently provides a dedicated contact to the County for participant education and has proposed to continue this service. Mass Mutual proposed hiring a dedicated contact, but does not have someone currently on staff to service The County. None of the other vendors offered a dedicated contact.

Overall, Empower, MassMutual and Prudential provided very similar responses in this section. However, Prudential has the least experience with a 457(b) plan the size of the County's plan and did not provide enough information for indemnification against cyber and fraud attempts.

Your Organization			
ICMA-RC			3.16
Nationwide	Empower	MassMutual	3.05
Prudential			2.95

## Recordkeeping, Administration and Education Services

Recordkeeping, Administration and Education Services	
Nationwide	3.09
Prudential	3.06
Empower	3.04
MassMutual	2.97
ICMA-RC	2.90

Nationwide earned the highest score in this category, because they provided the most comprehensive responses and offer all the services requested by the County. Nationwide excels in participant education, payroll services, and call center accessibility. Additionally, they have not had any system security breaches in the past 5 years.

Prudential earned the second-highest score, because their responses were thorough, and they satisfy nearly all of the County's requirements except for providing additional services to participants with large balances. Although Prudential's responses were adequate, they did not excel in as many areas as Nationwide.

ICMA-RC received the lowest score, because they are unable to provide some of the services requested by the County. They do not allow the plan sponsor to create plan-specific video education sessions, and they do not actively notify the plan sponsor of contribution changes or participants eligible for catch-up contributions.

# Section Summary – Cont.

## Transition Management

Nationwide stands out in this category as the incumbent provider, therefore no transition and no disruptions to participants or the County.

While vendors have a defined process for plan transition, ICMA-RC stood out in this category due to their comprehensive conversion process targeting all classes of employees.

Empower did not score well here due to transition communication, website availability and lack of provided information related to disclosure fulfillment services.

Transition Management	
Nationwide	4.00
ICMA-RC	3.06
Prudential	2.82
MassMutual	2.71
Empower	2.65

## Investments

Investments	
Prudential	3.02
Empower	3.00
ICMA-RC	2.97
Nationwide	2.94
MassMutual	2.84

Prudential, Empower, and ICMA-RC excelled with their managed account solution, and their willingness to get agreements for the County's preferred lineup. Despite Prudential's inability to hold the County's stable value product on an ongoing basis, their managed account option, revenue share crediting flexibility and self-directed brokerage offerings were compelling enough to give them the most points in this section.

At the other end, MassMutual's incomplete answers, high fees, and inability to utilize managed accounts as the QDIA hurt their performance. Nationwide already holds the County's current lineup, however their supplemental options such as managed accounts and self-directed brokerage were less than compelling solutions with higher costs relative to other vendors.

## Section Summary – Cont.

### Trust/Custody Services

All vendors were extremely similar in this category. Both Empower, and Prudential earned the highest scores for their detailed descriptions of the check distribution processing and their extensive experience with their custodians and public DC assets. ICMA-RC’s inability to break out the amount of public DC assets proved detrimental, while MassMutual failed to provide an adequate response regarding the check distribution processing. Nationwide had the benefit of already holding the County’s preferred lineup and has a moderate amount of public DC assets and experience relative to other vendors

Trust / Custody Services		
Empower	Prudential	3.50
Nationwide		3.25
MassMutual	ICMA-RC	3.00

### Additional Services

Additional Services		
Empower		3.00
MassMutual	Prudential	2.75
ICMA-RC	Nationwide	

The Additional Services category includes ROTH administration, in-plan ROTH conversions and qualified ROTH rollovers. Empower earned the highest score in this category, because they were the only vendor to provide an adequate response to every question.

All other vendors tied for second-place. Nationwide and ICMA-RC scored lower than Empower, because they did not describe their processes for in-plan ROTH conversions. MassMutual scored lower than Empower, because they only offer in-plan ROTH conversions if a participant has a distributable event or is over age 59 1/2. Prudential scored lower than Empower, because they do not allow participants to allocate ROTH deferrals differently than pre-tax deferrals.

# Section Summary – Cont.

## Fee Proposals

Scores in this section were based on fee quote #1 and questions 4-15 from the RFP. Questions 1-3 related to fee quote #2, which was provided to the County for informational purposes.

Nationwide is the least expensive provider with a bid of 0.10%, which includes most transaction fees such as QDROs, distributions, etc. for no additional cost. Prudential had the second lowest recordkeeping expense, however additional fees for SDBA, IRA and participant transaction fees lowered their score. ICMA-RC's stated recordkeeping fee was the third cheapest, however their participant transaction fees, and additional services were cheaper than their competitors putting it on level terms with Prudential. MassMutual received a lower score because of their higher recordkeeping expense and additional fees for miscellaneous services such as mailing, managed accounts, and transaction fees.

Fee quote #1 was provided under the assumption of open architecture for the Plan's investment line-up and the continued utilization of the County's preferred lineup. **The proposed prices for fee quote #1 are displayed in the table below.**

Fee Proposal		
Nationwide		3.23
Prudential	ICMA-RC	3.15
Empower		3.00
MassMutual		2.77

Vendor	Three Year Contract		Five Year Contract (if different)	
	Per Participant Bid (Estimated % of Assets)	% of Assets Bid	Per Participant Bid (Estimated % of Assets)	% of Assets Bid
Nationwide	\$43 (0.115%)	0.100%		
Prudential	\$40 (0.107%)	0.110%	\$38 (0.102%)	0.105%
ICMA-RC	\$54 (0.145%)	0.132%	\$51 (0.137%)	0.124%
Empower	\$67 (0.180%)	0.180%		
MassMutual	\$75 (0.201%)	0.190%		

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# Conclusion

# Overall Section Summary

- Nationwide’s responses regarding Recordkeeping, Admin, Education, Transition Management, and Fees made them the most competitive vendor despite relative weaknesses in the Investments and Trust & Custody categories.
- Prudential, ICMA-RC, and Empower had minimal differences in overall rank and capabilities.
- MassMutual was the least competitive vendor overall.

	Your Organization	Recordkeeping, Administrative and Education Services	Transition Management	Investments	Trust / Custody Services		Fee Proposal	Additional Services *		Final Ranking		
<b>Best</b>  <b>Worst</b>	ICMA-RC		Nationwide	Nationwide	Prudential	Empower	Prudential	Nationwide		Empower	Nationwide	
	Nationwide Empower MassMutual	Prudential	ICMA-RC	Empower	ICMA-RC			Nationwide	Prudential	ICMA-RC	MassMutual	Prudential
		Empower	Prudential	ICMA-RC		Nationwide	Empower		ICMA-RC	Nationwide	ICMA-RC	Nationwide
		MassMutual	MassMutual	Nationwide	MassMutual			ICMA-RC				
	Prudential		ICMA-RC	Empower	MassMutual	MassMutual	ICMA-RC	MassMutual	ICMA-RC	Nationwide	MassMutual	
<b>Weight</b>	14%		14%	14%	14%	14%	14%	14%				
<b>Category Winner</b>	ICMA-RC		Nationwide	Nationwide	Prudential	Empower	Nationwide	Empower		Nationwide		
						Prudential						

\* MassMutual, Prudential, ICMA-RC, and Nationwide tied for second in the additional services category

# Conclusion

Based on review of the proposals received, **NWCM recommends the County retain Nationwide as the service provider to the 457(b) plan.**

Nationwide has the platform capabilities and service offerings necessary to successfully recordkeep the plan, while offering the most competitive fees of all respondents. They also provide a dedicated participant education representative dedicated to servicing the County's plan. Additionally, retaining Nationwide would allow the County to avoid any potential disruption that may occur from transitioning the plan to another provider

Over the past 18 months, Nationwide has experienced significant turnover regarding the service team assigned to the County. Unfortunately, these changes led to a few services disruptions and increased work for County Staff. That said, Nationwide's senior management has taken swift action in implementing changes to the service team. NWCM is optimistic that the new service team will be able to fulfill the County's service expectations, as the initial service team had done.

It should be noted that over the course of Nationwide's first contract period, reflective of contributions from both the County's benefit staff and the Nationwide service team, participation rates in the 457 plan has increased from 36% to 54%.

Final Score		
Nationwide		3.19
Prudential	Empower	3.04
ICMA-RC		3.00
MassMutual		2.87

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# Appendix

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# Vendor Category Scores

# Your Organization

Section Score	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
	3.1	3.2	3.1	3.1	2.9	
<b>Your Organization</b>						
Q1	Provide a simple chart showing the structure of your organization, including where and how the retirement plan business fits within your company model.					Vendor with the highest score is 100% dedicated to DC space. Vendor with the low score did not provide firm chart.
	3	4	2	3	3	
Q2	Describe any significant changes to structure or leadership, specifically within the retirement plan business, in the past three years, or any anticipated changes in the foreseeable future.					Most vendors experience change regularly. Vendor with high score had the least.
	3	3	3	4	3	
Q3	Provide summaries of insurance coverages your firm maintains. Include occurrence/per claim and aggregate limits for each policy of insurance. Provide explanatory memoranda regarding coverages, endorsements, policy language, and self-insured or deductible retentions to the extent necessary to help the County understand your firm's insurance program.					All vendors provide appropriate coverage.
	3	3	3	3	3	
Q4	Disclose any current and pending litigation, sanctions or administrative actions against your firm, including any affiliate companies, in the past five years.					All vendors have been named in some sort of case.
	3	3	3	3	3	
Q5	What is your company's privacy policy regarding sharing client or account information?					All vendors have a privacy policy that prevents that sharing of data
	3	3	3	3	3	
Q6	Describe your company's indemnification policy for cyber and fraud events.					Vendors with the low score did not provide policy into specific to cyber and fraud events
	3	3	3	2	2	
Q7	Describe in detail the fiduciary responsibility your firm assumes as a service provider.					All vendors provide oversight to transaction they approve. Some also provide oversight to platform investments,
	3	3	3	3	3	
Q8	Describe any exceptions your firm has with the Model County Contract in Exhibit A (if applicable)					All vendors had exceptions to the County language
	3	3	3	3	3	
Q9	Please complete the following table:					Most vendors have common number of plans of the size of the County
	3	3	3	3	2	
Q10	If you segment the marketplace differently for services and staffing capabilities, please describe your firm's segmentation methodology and provide details on how services and staffing differ.					Vendors with the highest score focus on consistent service across the sectors or as client need defines
	4	4	3	4	3	

# Your Organization

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q11	Describe the types of plans that comprise "other plans" as identified in A8, if applicable.					All vendors used "other" for similar purposes
	3	3	3	3	3	
Q12	How many clients have you won or acquired (and continue to maintain) in the past three years?					All vendors have added 100+ plans over the past 3 years
	3	3	3	3	3	
Q13	Complete the following table listing the number of Plans that have terminated services with your firm in the past three years. Indicate which plans left due to merger or plan termination.					All but one vendor lost less than 5 plans the size of the County plan
	3	3	3	2	3	
Q14	Populate the information regarding the proposed service team in the following table:					All vendors have low client to contact ratios, those with the high scores provided a dedicated contact to the County
	3	3	4	4	3	
Q15	Provide references for the proposed team.					All vendors provided references
	3	3	3	3	3	
Q16	Would any of the on-site team members be bilingual?					All vendors provide one or both on-site or telephone bi-lingual services
	3	3	3	3	3	
Q17	What credentials, certifications and licensing will field representatives have? Specifically, will the County's field representatives hold CFP or CFA designations?					Vendors with the highest score provide additional support from CFP's
	3	4	4	3	4	
Q18	Representatives that have contact with participants will not be permitted to cross-sell other services such as insurance, IRAs, annuities, brokerage services, etc. How will your process ensure this restriction is in place?					All vendors either prohibit cross-selling or allow County to forbid it. Reps are paid on a comp basis, some with incentive bonuses
	3	3	3	3	3	

# Recordkeeping, Administration and Education Services

Section Score	Empower 3.0	ICMA-RC 2.9	MassMutual 3.0	Nationwide 3.1	Prudential 3.1	Comments
<b>Recordkeeping, Administrative and Education Services</b>						
Q1	Do you provide fiduciary training and committee best practice education to plan sponsors? (Yes/No) If so, provide details including the frequency of training and education that would be offered.					All vendors provided adequate responses.
	3	3	3	3	3	
Q2	Describe website or report generation training available to County staff.					Vendors with higher scores provided more comprehensive descriptions of resources and gave specific education contacts.
	3	4	3	4	3	
Q3	The County would like to adhere to ERISA "best practices". Describe how annual and ongoing participant communications and disclosures are handled (e.g. fund, provision, and fee changes). List provided notices and disclosures, include who is responsible for fulfillment, along with any additional fees that apply.					All vendors provided adequate responses.
	3	3	3	3	3	
Q4	Do you provide 408(b)(2) compliant fee disclosure reports to your governmental clients? Yes/No If no, what fee disclosures do you provide?					All vendors provided adequate responses.
	3	3	3	3	3	
Q5	Describe the quarterly and annual demographic reports and notifications available to plan sponsors. Can a sponsor set up certain reports to be pushed to them? (Yes/No) If yes, list the reports available.					Vendors with lower scores provided incomplete answers or cannot have reports pushed to plan sponsor.
	3	2	2	3	3	
Q6	How do you report key plan metrics and plan financial information to the plan sponsor?					All vendors provided adequate responses.
	3	3	3	3	3	
Q7	Provide demo access to your plan sponsor website in the chart below:					All vendors provided adequate responses.
	3	3	3	3	3	
Q8	Describe the key features of your plan sponsor website.					All vendors provided adequate responses.
	3	3	3	3	3	
Q9	Does your recordkeeping platform monitor participant annual contribution limits? (Yes/No) If so, and an issue is detected, how is the sponsor notified?					Vendors with lower scores place more burden on plan sponsor to monitor contribution limits.
	3	2	2	3	3	
Q10	Does the system identify participants eligible for catch-up contributions? (Yes/No) If so, and an issue is detected, how is the sponsor notified?					ICMA received the lowest score because they do not actively notify plan sponsor.
	3	2	3	3	3	

# Recordkeeping, Administration and Education Services

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q11	Describe how the system handles participants utilizing the "special catch-up" contribution deferrals, including monitoring limits and eligibility.					All vendors provided adequate responses.
	3	3	3	3	3	
Q12	Confirm you can service the plan with an outside document provider.					All vendors provided adequate responses.
	3	3	3	3	3	
Q13	Do you provide plan design technical support to assist the County when looking at plan design changes?					All vendors provided adequate responses.
	3	3	3	3	3	
Q14	What legal resources are available to your firm to obtain legal opinions or interpretations of regulations and plan compliance issues?					All vendors provided adequate responses.
	3	3	3	3	3	
Q15	What support do you provide for plan audits, as well as regulatory audits? Include any additional costs that may apply.					All vendors provided adequate responses.
	3	3	3	3	3	
Q16	Do you provide additional professional services (e.g. plan design)? (Yes/No) If so, please list services and indicate if the services are included in your bid, or are they charged separately.					All vendors provided adequate responses.
	3	3	3	3	3	
Q17	Based on the County's objectives outlined in the Ongoing Participant Experience (page 7), provide a 12-month (first year) participant education and communication calendar. Provide a detailed summary of the participant education initiatives your firm would seek to accomplish. Be sure to create a separate calendar for any transition education and communications.					Vendors with lower scores provided less comprehensive information and no calendar. Vendors with higher scores provided more detailed information and calendars.
	3	2	3	3	4	
Q18	Do you offer plan sponsors the ability to create and record video education sessions specific to their plan? (Yes/No) If so, describe what resources are available and the logistics involved in the process.					Vendors with lower scores do not have this ability. Vendors with higher scores have more sophisticated programs.
	3	2	2	4	4	
Q19	How does your firm ensure the information and guidance offered to participants on-site and virtually, is consistent and accurate?					All vendors provided adequate responses.
	3	3	3	3	3	
Q20	How would your ongoing participant education improve participation, deferral rates, appropriate asset allocation and other "plan health" metrics? Please provide a case study (preferably similar in size to the County's Plan) that supports your education capabilities.					All vendors provided adequate responses.
	3	3	3	3	3	

# Recordkeeping, Administration and Education Services

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q21	How does your firm measure the effectiveness of its education and communication initiatives?					Vendors with higher scores described additional tools.
	3	3	4	3	4	
Q22	Do you provide a monetary guarantee for the quality and effectiveness of meeting "plan health" related metric goals? (Yes/No)					Vendors with higher scores offered more specific guarantees and put more at risk. Vendors with lower scores gave less specific guarantees.
	2	3	4	4	3	
Q23	Does your firm conduct satisfaction surveys at the participant level? (Yes/No) If so, please provide a recent survey.					All vendors provided adequate responses.
	3	3	3	3	3	
Q24	Do you provide additional services (e.g. financial planning) for participants with larger account balances?					Prudential received the lowest score because they do not offer additional services to participants with large balances.
	3	3	3	3	2	
Q25	What mediums of participant communication are available (e.g. statement stuffers, email, video, etc.)? Which are available bilingually?					All vendors provided adequate responses.
	3	3	3	3	3	
Q26	Can you support targeted communications (e.g., life stages, savings rates, asset allocations, etc.)? (Yes/No) Is this integrated into your annual education initiatives or does the plan sponsor need to initiate segmented communication campaigns?					All vendors provided adequate responses.
	3	3	3	3	3	
Q27	What services, tools and functionality does your firm specifically offer to participants post-retirement?					All vendors provided adequate responses.
	3	3	3	3	3	
Q28	What kind of customization does a sponsor have over participant-initiated service forms such as, hardship, in-service, loan, etc.?					All vendors provided adequate responses.
	3	3	3	3	3	
Q29	Provide demo access to your participant website in the chart below:					All vendors provided adequate responses.
	3	3	3	3	3	
Q30	Describe the key features of your participant website.					All vendors provided adequate responses.
	3	3	3	3	3	

# Recordkeeping, Administration and Education Services

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q31	Is balance, deferral rate, rate of return, investment allocation, future monthly income or % of retirement goal, and suggested changes or next best steps, visible on the participant landing page? (Yes/No) If not, which of these are captured?					All vendors provided adequate responses.
	3	3	3	3	3	
Q32	How many clicks does it take to view the investment menu? How does your website display custom models within the investment menu section of the website?					Vendors with higher scores require the fewest clicks.
	4	3	3	4	4	
Q33	Are there any anticipated enhancements or updates scheduled in the next 12-24 months? (Yes/No) If so, please describe.					All vendors provided adequate responses.
	3	3	3	3	3	
Q34	Provide a detailed list of historical data which can be exported by plan participants (e.g., performance, transactions, balances etc.).					All vendors provided adequate responses.
	3	3	3	3	3	
Q35	Describe in detail the capabilities of your mobile experience:					Vendors with higher scores have more robust capabilities. Vendors with lower scores have less robust capabilities.
	5	4	2	3	3	
Q36	What are the call center hours of operation?					Vendors with higher scores have longer hours and Saturday availability.
	4	3	3	4	3	
Q37	Describe how the call center will be able to answer 'County-specific' questions from plan participants.					All vendors provided adequate responses.
	3	3	3	3	3	
Q38	Are calls recorded in the event there is a dispute? (Yes / No) If so, how long are recordings archived? Do you make recorded conversations available for the sponsor to review?					All vendors retain phone call recordings for 2-7 years.
	3	3	3	3	3	
Q39	Does your firm offer web upload/download capabilities? (Yes/No) If so, please describe.					All vendors have upload/download capabilities.
	3	3	3	3	3	
Q40	Please provide a sample (as an appendix) of your payroll layout that will allow the plan sponsor to maximize the capabilities of your platform.					Vendors with lower scores either did not provide payroll layout or provided more limited file.
	3	2	1	3	3	

# Recordkeeping, Administration and Education Services

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q41	If this data is submitted with each payroll, what services can your system provide to assist plan sponsors?					Vendors with higher scores provided a more comprehensive list of services. MassMutual's response did not explicitly answer the question.
	4	3	2	4	3	
Q42	Describe your participant statement delivery process, include delivery methods and timing.					All vendors provided adequate responses.
	3	3	3	3	3	
Q43	Would the plan sponsor be able to customize statements? (Yes/No) If so, describe what types of customizations are available.					Empower offers additional customization options over other vendors.
	4	3	3	3	3	
Q44	Would the plan sponsor be able to provide information or communication that could be included in a statement mailing? (Yes/No)					All vendors provided adequate responses.
	3	3	3	3	3	
Q45	Provide a sample participant statement that includes details on participant fees and credits.					All vendors provided adequate responses.
	3	3	3	3	3	
Q46	Describe your ability to integrate Defined Benefit, Social Security, 457(b), 401(a) and any additional assets on participant statements.					Vendors with lower scores either do not provide the requested integration or did not answer the question. Vendors with higher scores provide more comprehensive integration.
	3	2	4	2	3	
Q47	Does the statement include any information regarding the Participant's "retirement readiness"? (Yes/No) For example, percentage towards retirement goal? How is this information displayed on the website?					All vendors have some info on "retirement readiness" either online or in the participant statements.
	3	3	3	3	3	
Q48	Describe your participant enrollment process. Include information on mobile, online and quick enroll methods.					All vendors have an adequate participant enrollment process.
	3	3	3	3	3	
Q49	Does your system track and report contribution changes? (Yes/No) Are those changes pushed to the plan sponsor? (Yes/No)					ICMA received a lower score, because they do not push changes to plan sponsor.
	3	2	3	3	3	
Q50	Can you support automatic enrollment and/or automatic increases?					All vendors have this capability where state laws permit.
	3	3	3	3	3	

# Recordkeeping, Administration and Education Services

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q51	Can participants manually elect automatic increases and rebalancing?					All vendors provided adequate responses.
	3	3	3	3	3	
Q52	Describe how beneficiary information is obtained from the participant?					All vendors provided adequate responses.
	3	3	3	3	3	
Q53	Briefly describe your participant loan process. Include details from request through receipt of loan funds. Please also include any required interaction from the plan sponsor.					All vendors provided adequate responses.
	3	3	3	3	3	
Q54	Do you offer paperless loans? (Yes/No)					All vendors offer paperless loans.
	3	3	3	3	3	
Q55	Briefly describe how participant hardship requests are processed. Include information related to tracking and reporting to the plan sponsor.					Vendors with lower scores did not describe process. Vendors with higher scores have more thorough, automated processes.
	2	3	4	3	4	
Q56	How long does it take for a hardship to be processed?					Vendors with higher scores process hardships more quickly.
	3	3	4	3	3	
Q57	Briefly describe how you process participant in-service requests.					ICMA received a lower score, because they did not describe their process.
	3	2	3	3	3	
Q58	Do you offer paperless in-service requests? (Yes/No)					All vendors provided adequate responses.
	3	3	3	3	3	
Q59	Describe the expected processing time for participant in-service requests.					All vendors provided adequate responses.
	3	3	3	3	3	
Q60	Do you offer paperless terminated participant distributions? (Yes/No)					MassMutual received a lower score because they do not have this capability.
	3	3	2	3	3	

# Recordkeeping, Administration and Education Services

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q61	Can the plan sponsor fully outsource the processing and approval of terminated participant distributions to your firm? (Yes/No)					All vendors provided adequate responses.
	3	3	3	3	3	
Q62	Can your system handle installment distributions? (Yes/No)					All vendors provided adequate responses.
	3	3	3	3	3	
Q63	The County handles QDRO processing. Briefly describe how The County will interact with your firm to complete the distributions, include timing.					All vendors provided adequate responses.
	3	3	3	3	3	
Q64	Populate the following table describing performance standards and any monetary penalties your firm is willing to risk for failures:					MassMutual received a higher score because they put more dollars at risk.
	3	3	4	3	3	
Q65	Complete the following table indicating service availability and processing:					MassMutual received a lower score because they do not offer transfers to current elections by specific dollar.
	3	3	2	3	3	
Q66	Is your current recordkeeping software proprietary? (Yes/No) If it is non-proprietary, what software and version are utilized?					All vendors provided adequate responses.
	3	3	3	3	3	
Q67	Who is responsible for keeping the system compliant with current regulations?					All vendors provided adequate responses.
	3	3	3	3	3	
Q68	Describe any specific enhancements for the system that are planned in the next 12 months.					All vendors provided adequate responses.
	3	3	3	3	3	
Q69	Briefly describe your maintenance and backup procedures. Include information on daily backups, retention timetables, and off-site backup storage routines. Also, include a description of how access to participant data (current and archived) is controlled and monitored (i.e., who specifically can view participant account data, who can print this data, who can remove this data from your facility either on a laptop, memory stick, CD or as a printed report).					All vendors provided adequate responses.
	3	3	3	3	3	
Q70	Provide the number of outages that have occurred in the past five years. Provide details regarding each outage and a description of the final resolution to fix the issue(s).					Vendors with higher scores have had no outages in the past 5 years. Empower received the lowest score because they provided an incomplete answer.
	2	3	4	4	3	
Q71	Briefly describe your information security protocols.					All vendors provided adequate responses.
	3	3	3	3	3	

# Transition Management

Section Score	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
	2.6	3.1	2.7	4.0	2.8	
<b>Transition Management</b>						
Q1	Why is your transition process better than your competitors? What differentiates it?					All vendors have well defined transition processes. Incumbent does not require transition.
	3	3	3	4	3	
Q2	Are you willing to include a performance guarantee for your conversion process? (Yes/No)					All vendors provide guarantees. Incumbent does not require transition.
	3	3	3	4	3	
Q3	Do you provide education and training support for the plan sponsor, specific to a plan conversion? (Yes/No)					All vendors provide education. Incumbent does not require transition.
	3	3	3	4	3	
Q4	Based on the County's objectives outlined in the ONGOING PARTICIPANT EXPERIENCE REQUIREMENTS section, provide a detailed summary of the participant education initiatives your firm would seek to accomplish during the conversion.					Vendors with the lowest score did not provide detail specific to a transition. Others provided clear thorough information that was inclusive of all participants classifications or groups. Incumbent does not require transition.
	3	4	3	4	2	
Q5	Provide a detailed transition communication plan.					Vendors with the low scores did not provide detailed information for all sections of the transition detail. Vendors with the higher score provided comprehensive information for all areas. Incumbent does not require transition.
	2	4	2	4	2	
Q6	Based on the County's unique demographics and geographic locations, complete the following table:					Vendors with the highest scores provided the most accessible schedule with number of reps to support the process. Incumbent does not require transition.
	3	3	1	4	2	
Q7	Describe any training available for County staff on payroll and census data submissions. When is this training typically completed (i.e., how far in advance of a conversion date)?					All but one vendor define training offered. Incumbent does not require transition.
	3	3	2	4	3	
Q8	What transactions are prohibited during the blackout period?					Vendor with the highest score allows for some account access during transition. Incumbent does not require transition.
	3	3	3	4	4	
Q9	Describe how participant historical investment performance would be handled in the conversion.					All vendors can handle historical data IF it can be provided at transition. Incumbent does not require transition.
	3	3	3	4	3	
Q10	Describe how current beneficiary information would be handled at conversion.					All vendors can import bene data if provided by prior provider. Incumbent does not require transition.
	3	3	3	4	3	

# Transition Management

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q11	How are installment distributions already in process handled?					Vendor with the low score did not provide details. All other vendors will work with installment schedule. Incumbent does not require transition.
	2	3	3	4	3	
Q12	How are existing loans handled?					All vendors have a process to handle existing loan records. Incumbent does not require transition.
	3	3	3	4	3	
Q13	Can you support participant re-enrollment and /or strategic mapping to a QDIA (if participant fails to provide investment direction) at conversion?					Vendors with the low score did not provide appropriate detail. Incumbent does not require transition.
	2	2	3	4	3	
Q14	Do you provide a conversion website? (Yes/No) If so, please provide a demo user ID and password:					All but one vendor provide transition website. Incumbent does not require transition.
	2	3	3	4	3	
Q15	Provide a detailed overview of the team assigned to this conversion.					All vendors have a team assigned to transition. Incumbent does not require transition.
	3	3	3	4	3	
Q16	Describe the experience of the conversion project manager that will be assigned, including the number and size (assets and headcount) of the conversions completed over the past 3 years.					Vendors with the low score did not provide experience detail. Incumbent does not require transition.
	2	3	3	4	2	
Q17	Provide references for the conversion team that would be assigned to this account. References should include industry, length of relationship, plan type, services provided. References should be similar in size to the County's plan.					Vendors with the low score did not provide thorough reference detail. Incumbent does not require transition.
	2	3	2	4	3	

# Investments

Section Score	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
	3.0	3.0	2.8	2.9	3.0	
<b>Investments</b>						
Q1	Are you willing to provide the services requested in this RFP without the use of proprietary investments? (Yes/No)					Empower needs to clarify their proposals
	3	3	3	3	3	
Q2	The County currently uses a white label stable value fund via Great West.					All vendors provided similar answers
	3	3	3	3	3	
Q3	How many fund families does your firm have trading agreements with?					Prudential and Empower can both do >18000 funds
	4	3	3	3	4	
Q4	Do you have trading agreements with the County's preferred fund families outlined in the "PREFERRED LINEUP" section immediately preceding question D95? (Yes/No)					Nationwide and Empower can retain the preferred lineup. MassMutual is willing to get additions. Prudential and ICMA-RC say they can not do either the Stable Value or Target Date Fund
	4	2	3	4	2	
Q5	Would the County be able to use the preferred target date families on your platform? (Yes/No)					ICMA-RC says the GW trusts are only available on the GWL platform. MassMutual and Prudential are willing to work with the fund companies to get agreements.
	4	2	3	4	3	
Q6	Describe how these funds would be incorporated into enrollment kits, communication materials and the participant website (specifically address how they are displayed and characterized).					All vendors provided similar answers
	3	3	3	3	3	
Q7	Do you provide a proprietary managed account service? (Yes/No)					Everyone has one provider that they use for managed accounts
	3	3	3	3	3	
Q8	Describe what makes your managed account program unique in the industry.					All vendors provided similar answers
	3	3	3	3	3	
Q9	Would you permit the County to utilize a third-party managed account provider, such as Financial Engines, Morningstar, ProManage, etc.? (Yes/No)					Prudential utilizes Morningstar, but also offers "GoalMaker" portfolios where the County can select the advisor of its choice to create custom portfolios.
	3	3	3	3	4	
Q10	If you contract with a third-party managed account provider, how much of the managed account service fee do you receive as the recordkeeper?					All vendors provided similar answers
	3	3	3	3	3	

# Investments

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q11	What are the fees for the managed account options available on your platform?					ICMA-RC-RC, Empower, & Prudential are cheaper than Nationwide and MassMutual
	4	4	3	3	4	
Q12	How are the fees for this service disclosed to participants? Does it appear on their statements or any other disclosure after the initial enrollment?					Empower and Prudential don't mention fee disclosures
	2	3	3	3	2	
Q13	Describe the portfolio construction process incorporating a plan's unique investment line - up.					Empower not very descriptive. ICMA-RC & Prudential use Morningstar which is best process, MassMutual ERS process is decent, Nationwide's Wilshire process is weaker
	3	4	3	2	4	
Q14	How does the managed account service handle a participant who is enrolled in a target date fund when signing up for the service? Does it sell them out of the fund? (Yes/No)					All vendors provided similar answers
	3	3	3	3	3	
Q15	Describe the methodology used to allocate between active and passive investments in its model creation.					Prudential, Empower, ICMA-RC detailed response, Nationwide made no mention of Active/Passive
	4	4	3	1	4	
Q16	Describe any ongoing management that is applied to the portfolios.					All vendors provided similar answers
	3	3	3	3	3	
Q17	Who serves as 3(38) advisor on these services?					All vendors provided similar answers
	3	3	3	3	3	
Q18	Describe the complete participant experience for this service.					All vendors provided similar answers
	3	3	3	3	3	
Q19	Describe your methodologies in working with individual plan participants and address both the accumulation and the decumulation (participant distribution) phases.					Nationwide didn't describe the methodology
	3	3	4	2	3	
Q20	How do you document performance results using your methodology to the plan sponsor?					ICMA-RC doesn't track managed account metrics unless requested
	3	2	3	3	3	

# Investments

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q21	Describe the plan sponsor reporting capabilities of this service.					ICMA-RC doesn't track managed account metrics unless requested. MassMutual provides detailed reporting capabilities
	3	2	4	3	3	
Q22	Provide 1, 3, and 5-year annualized returns for plans using your service.					All vendors provided similar answers
	3	3	3	3	3	
Q23	What are the benefits to participants who utilize your managed account services?					All vendors provided similar answers
	3	3	3	3	3	
Q24	Provide justification for the value participants receive relative to the cost for the service.					Empower missed this question, Nationwide provided the best justification
	1	3	3	4	3	
Q25	Can this service be used as a QDIA? (Yes/No) If so, would there be a fee reduction for the managed account services?					Empower didn't say if it will reduce cost. MassMutual and Prudential can't use as QDIA
	2	3	2	3	2	
Q26	What census data does the County need to provide to leverage the full potential of your managed account services?					Providers only provided the minimum, ICMA-RC provided minimum and recommended datapoints
	2	3	2	2	2	
Q27	Describe how this service is integrated into the website and statements. Please provide a sample participant statement for this service.					ICMA-RC didn't provide a participant statement with Managed Account
	3	2	3	3	3	
Q28	Describe how participant information is obtained/solicited to ensure one is allocated to the most appropriate portfolio (e.g., participant enters data online, meets with a representative in-person, call center, etc.).					Empower and MassMutual don't explain how they reach out to participants to update information or how often information is reviewed
	2	4	2	3	3	
Q29	How many unique portfolios would participants be potentially allocated to? Please provide a portfolio allocation for review.					Empower didn't answer question, Nationwide didn't provide an allocation, Prudential has the most portfolios and provided a sample
	1	3	3	2	4	
Q30	Describe in detail what factors are considered, and their respective weighting, when calculating a specific allocation for a participant.					Nationwide only utilizes a 5 question risk tolerance quiz. All other providers use more datapoints
	3	3	3	2	3	

# Investments

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q31	Describe how your managed account service makes contribution recommendations.					Nationwide does not make contribution recommendations
	3	3	3	2	3	
Q32	Is there a call center available to assist participants with managed account questions? (Yes/No)					MassMutual call center reps don't hold securities licenses.
	3	3	2	3	3	
Q33	Is the amount of revenue received by your organization for managed accounts disclosed on both the 408(b)(2) and the 404(a)(5), or equivalent disclosure? (Yes/No)					Nationwide provides much detail on the revenue, Empower does not disclose
	2	3	3	4	3	
Q34	Do you offer self-directed brokerage services? (Yes/No)					All vendors provided similar answers
	3	3	3	3	3	
Q35	What institutions do you support?					All vendors provided similar answers
	3	3	3	3	3	
Q36	What fees are associated with opening a brokerage account?					MassMutual is \$100/yr, others are \$50/yr, ICMA-RC has no annual fee
	3	4	2	3	3	
Q37	Could this service restrict usage to only account balances over a minimum value determined by the County?					All vendors provided similar answers
	3	3	3	3	3	
Q38	Do you require participants to maintain minimum balances in the "core" menu to utilize the SDBA service? (Yes/No)					Nationwide can customize the minimum balance
	3	3	3	4	3	
Q39	What information do you provide participants on linked brokerage accounts?					MassMutual, Prudential, Empower have single sign on capability or detailed information
	4	3	4	3	4	
Q40	Is your recordkeeping fee assessed against assets held in self-directed accounts? (Yes/No)					ICMA-RC and Nationwide use SDBA assets when calculating the fee
	3	2	3	2	3	

# Investments

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q41	What information is displayed on participant fee disclosures regarding self-directed accounts?					Prudential provides the most information, MassMutual says it may cost fees to disclose information
	4	3	2	3	4	
Q42	Describe how your firm handles participant notices relating to investment changes?					Prudential does not send out notices, only provides a template to the plan sponsor to distribute
	3	3	3	3	2	
Q43	Describe your firm's fund change process.					Empower and ICMA-RC provide detailed response with short time frames
	4	4	3	3	3	
Q44	Is there a limit to the number of fund changes that can be made without incurring additional fees?					Empower may have additional fees for non-standard funds
	2	3	3	3	3	
Q45	Post conversion, are you willing to add funds if a trading agreement isn't already in place?					ICMA-RC has operational requirement (daily price by 3pm) that must be met
	3	2	3	3	3	
Q46	Operationally, are there any limits to what a plan sponsor can designate as the QDIA?					MassMutual's managed accounts can't be used as QDIA
	3	3	2	3	3	
Q47	Describe how your firm handles revenue sharing received from fund families.					Prudential and MassMutual use either an expense account or simply use revenue share to offset admin fees
	3	3	2	3	2	
Q48	How do you communicate to advisors and plan sponsors when revenue sharing agreements are renegotiated (i.e., increase or decrease in revenue sharing) and/or when lower cost share classes become available on the platform?					ICMA-RC provides information quarterly but it is not presented by an RM. Prudential, MassMutual, and Empower present information on an annual basis. Nationwide does not do this.
	3	3	3	2	3	
Q49	Does your platform permit revenue sharing to be credited back at the participant level—specifically to those participants that held the fund where revenue sharing was received?					All providers can credit revenue share pro-rata to participants
	3	3	3	3	3	
Q50	Are there additional fees associated with this pricing methodology?					All vendors provided similar answers
	3	3	3	3	3	

# Investments

	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Q51	How is levelized pricing shown on participant statements?					ICMA-RC can break out revenue share credits or roll them into earnings. Other vendors just have one option
	3	4	3	3	3	
Q52	How is levelized pricing shown on the participant website?					All vendors provided similar answers
	3	3	3	3	3	
Q53	What is the frequency participant accounts are credited with revenue sharing reimbursements?					MassMutual credits revenue share annually, Empower and ICMA-RC do it monthly, Nationwide and Prudential do it quarterly
	4	4	2	3	3	
Q54	Where is the revenue sharing held until it's credit back to participants' accounts?					Empower can specify which fund to hold the rev share in.
	4	3	3	3	3	
Q55	Does the plan earn interest on these dollars while they are waiting to be credited back to participants?					Empower can specify which fund to hold the rev share in and gets interest from the fund
	4	3	3	3	3	
Q56	What happens when a participant leaves the plan prior to receiving their rebate?					ICMA-RC and Prudential don't credit the participant if the participant leaves prior to receiving their rebate.
	3	2	3	3	2	
Q57	Describe the process for correcting trade errors?					Empower had a detailed response with multiple options for correcting errors
	4	3	3	3	3	
Q58	Describe how your platform notifies a participant when a trade is being placed that a redemption fee will apply?					All vendors provided similar answers
	3	3	3	3	3	
Q59	Does your system flag equity wash rule violations?					MassMutual does not flag equity wash rule violations
	3	3	2	3	3	
Q60	Are all the above funds available on your platform? (Yes/No) If not, please identify.					Prudential can't use the stable value, MassMutual and ICMA-RC need agreements with the fund companies, Empower and Nationwide can use the lineups
	4	3	3	4	2	

# Investments

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q61	Provide expense ratio and revenue sharing currently in place for the plan's preferred lineup in the table provided above.					MassMutual has the least revenue share. Other vendors have similar amounts of revenue share
	3	3	2	3	3	
Q62	Does your platform offer cheaper share classes of these funds? (Yes/No) If yes, clearly indicate where applicable.					Empower didn't answer the question. MassMutual does not offer cheaper products
	1	3	2	3	3	
Q63	Does your firm have a financial relationship with any of the investment options requested in the preferred lineup table? (Yes/No) If so, please describe.					ICMA-RC didn't provide an adequate answer
	3	1	3	3	3	
Q64	Does your platform have the ability of limiting a participant's allocation to certain percentage (e.g., 10%) to certain investment options offered in the core menu?					MassMutual & Empower only provide prospectus, other vendors provide additional disclosure with Prudential providing the most detail
	2	3	2	3	4	

# Trust / Custody Services

Section	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
Score	3.5	3.0	3.0	3.3	3.5	
<b>Trust / Custody Services</b>						
Q1	For the Trust/Custody services you propose, what is the name of the provider, the total number of years that they have been in operation, and the assets under custody, as of December 31, 2018?					Empower & MassMutual have no restrictions, lots of experience with current Custodian and some Public DC experience. Prudential has lots of experience with the current Custodian and Public DC plans, but has investment restrictions. ICMA-RC can't disclose public DC numbers
	4	2	4	3	3	
Q2	Confirm that you will trustee outside investment funds.					Nationwide already has all funds. Others are willing to add funds to custodian
	3	3	3	4	3	
Q3	Please fully describe your check distribution process, including frequency. Are you able to rush off-cycle checks for special situations? If so, are there additional fees for rush services?					Prudential provided an extremely detailed explanation with varying types of distributions. MassMutual partly answered the question.
	4	4	2	3	5	
Q4	Will the County be required to execute a separate custodial agreement with your custodial trustee or will the custodial trustee services be part of the contract with the County?					All vendors provided similar answers
	3	3	3	3	3	

# Fee Proposal

Section Score	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
	3.0	3.2	2.8	3.2	3.2	
<b>Fee Proposal</b>						
Q0	Overall cost using fee quote #1					Nationwide is the cheapest. Prudential and ICMA are slightly more expensive. Empower and MassMutual are quite a bit more expensive.
	2	3	2	5	4	
Q1	Describe the proprietary product being used in the fee quote including the following:					Empower: Transfer is conducted at market value, with a 75 day written notice. Nationwide's Guaranteed Fund uses an MVA (from disclosure), unless they withdraw assets over a 5 yr period. MassMutual's SAGIC can either do MVA or Book value over period of max ten years. Prudential's proprietary option is a GIC with less transparency, likely single wrapper, and unknown fees (based on spread), however it can be distributed using a 12 mo put at Book Value
	N/A	N/A	N/A	N/A	N/A	
Q2	Are any service offerings contingent on the use of the proprietary product? (Yes/No)					For fee quote #2, service offerings are not contingent on the use of the proprietary product.
	N/A	N/A	N/A	N/A	N/A	
Q3	The County would like the following contingent language included in the service agreement if they choose to utilize a proprietary product:					Prudential didn't answer and Empower reserves the right to renegotiate fees if the stable value is removed.
	N/A	N/A	N/A	N/A	N/A	
Q4	Using a per-participant pricing model, would your platform support a tiered system (e.g., participants with account balances from \$1-\$5,000 pay "x", participants with account balances from \$5,001-\$25,000 pay "y", and participants with balances over \$25,000 would pay "z"? (Yes/No)					Nationwide and Empower don't support a tiered structure
	2	3	3	2	3	
Q5	Would your platform allow the County to assess a specific line-item fee to cover internal— County specific—plan related expenses? (Yes/No)					Nationwide didn't explain how it would appear on the website and statements
	3	3	3	2	3	
Q6	Would the County be able to assess plan related fees (using a formula similar to that described in question F3) to assets held in the SDBA? (Yes/No)					Prudential can assess plan related fees using formula to assets held in SDBA, no ne else can
	3	3	3	3	4	
Q7	Provide a complete list of non-asset based fee assessed to participants. For example, loans, QDRO, distributions, wire transfers, etc. Expand the table if necessary.					Prudential, MassMutual are most expensive, Nationwide includes most fees, Empower and ICMA-RC include some fees
	3	3	2	4	2	
Q8	Provide a complete list of plan sponsor related fees.					MassMutual charges for mailings and has additional fees, Prudential charges for audit support, all others include everything else (some limits on plan document generation/maintenance)
	4	4	2	4	3	
Q9	Provide details on all the fees associated with your SDBA service:					Nationwide and ICMA-RC provided complete answers with initiation, maintenance fees, and trading fees.
	2	3	2	3	2	
Q10	Provide a list of all fees associated with your de minimis IRA services:					Prudential and MassMutual have additional fees
	3	3	2	3	2	

# Fee Proposal

	<b>Empower</b>	<b>ICMA-RC</b>	<b>MassMutual</b>	<b>Nationwide</b>	<b>Prudential</b>	<b>Comments</b>
Q11	Provide a summary of fees associated with your proposed managed accounts services.					Nationwide and MassMutual are more expensive
	4	4	3	3	4	
Q12	If offered, summarize fees associated with County employees receiving comprehensive financial planning services?					ICMA-RC charges for additional planning, others do not
	4	3	4	4	4	
Q13	Does the fee proposal provided cover all travel related expenses from ALL employees over the course of the contract? (Yes/No)					All vendors incorporate travel expenses in their fee proposal
	3	3	3	3	3	
Q14	Please identify any additional service offerings not covered in this RFP along with their associated fees.					Prudential has additional plan sponsor analytics for an additional fee. MassMutual has additional investment services, admin services, and regulatory services for a fee. Others did not provide additional info
	3	3	4	3	4	
Q15	If required by the County, would you document in writing all sources of revenue received by your firm, and any affiliated organizations, resulting from being awarded this contract? (Yes/No)					All vendors would document all sources of revenue.
	3	3	3	3	3	

# Additional Services

Section Score	Empower	ICMA-RC	MassMutual	Nationwide	Prudential	Comments
	3.0	2.8	2.8	2.8	2.8	
<b>Additional Services</b>						
Q1	The County is planning on offering ROTH 457. Please describe your platform's capabilities regarding ROTH administration.					All vendors provided adequate responses.
	3	3	3	3	3	
Q2	Would participants be able to allocate ROTH source money differently than pre-tax deferrals?					Prudential received the lowest score because they do not have this capability.
	3	3	3	3	2	
Q3	Does your platform offer ROTH in-plan conversions? (Yes/No) If yes, describe the process, including applicable tax reporting.					ICMA and Nationwide received scores of "2" because they did not describe the process. MassMutual received a "2" because their process does not satisfy the County's objective.
	3	2	2	2	3	
Q4	Would participants be able to roll qualified ROTH assets into the County's plan?					All vendors provided adequate responses.
	3	3	3	3	3	



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 7

DATE: September 26, 2019  
TO: Deferred Compensation Management Council  
FROM: Hollis Magill, Human Resources Manager *Hollis Magill*  
SUBJECT: Amendment of the Deferred Compensation Management Council Bylaws

#### **BACKGROUND**

At its December 11, 2012 meeting, the Board of Supervisors approved the Deferred Compensation Management Council Bylaws (the "Bylaws"). Since that time, the Board of Supervisors amended and restated the County of Fresno 457(b) Deferred Compensation Plan Document (the "Plan Document") on June 4, 2019, which updated the duties and responsibilities of your Council. In addition, staff has proposed updates to the Bylaws that will remove any inconsistencies with the Fresno County Ordinance Code. Finally, staff is proposing updates based on the Director of Personnel Services' title change to Director of Human Resources.

#### **ISSUE**

Staff has attached a relined version (Attachment B) and a final version (Attachment A) of the proposed amended Bylaws, as well as copies of Chapter 2.68 of the Fresno County Ordinance Code (Attachment C) and the Plan Document (Attachment D) for reference. Staff would like to note and explain the proposed amendments to the Bylaws:

**1. Duties and Responsibilities of the Deferred Compensation Management Council (Section 2.2 of Attachment A)**

Pursuant to Article 8 of the Plan Document, this Section 2.2 in the Bylaws delineates your Council's duties with regard to establishing Plan policies, determining reasonable Plan expenses, and setting the administrative fee charged to participants.

**2. Definitions (Section 3.0 of Attachment A)**

Staff added definitions for Appointed Council Member, Non-appointed Council Member, and CAO to add clarity throughout the Bylaws.

**3. Title Changes (Sections 4.1 and 5.6 of Attachment A)**

Sections 4.1 and 5.6 were updated pursuant to the title change from Director of Personnel Services to Director of Human Resources.

**4. Vacancies in the office of a member of the Deferred Compensation Management Council (Sections 4.3 and 4.4 of Attachment A)**

The purpose of the changes to these Sections 4.3 and 4.4 in the Bylaws are to:

- a. Clarify the differences between non-appointed and appointed Council members, with respect to vacancies;

- b. Conform with Chapter 2.68 of the Fresno County Ordinance Code, which governs Board-appointed committees, such as your Council, as well as the Plan Document; and
- c. Provide a procedure for replacing members upon vacancy.

**5. Subcommittee Rules (Section 7.0 of Attachment A)**

Staff made minor changes to clarify that the more formal rules of Standing Subcommittees only apply to Ad-Hoc Subcommittees if the Ad-Hoc Subcommittee has four (4) or more members.

**RECOMMENDED ACTION**

**Approve the proposed amended Deferred Compensation Management Council Bylaws (5 vote requirement) and direct staff to submit the proposed amended bylaws to the Board of Supervisors for approval.**

# **Item 7 – Attachment A**

# **County of Fresno**

## **Deferred Compensation Management Council**

### **Bylaws**

Adopted by the Board of Supervisors December 11, 2012

As Amended xx/xx/20xx

## **1. FORMATION**

- 1.1. The Deferred Compensation Management Council was created by Resolution 12-154 by the Fresno County Board of Supervisors on April 17, 2012.

## **2. PURPOSE**

- 2.1. The purpose of the Council is to exercise administrative oversight of the County of Fresno 457(b) Deferred Compensation Plan.
- 2.2. Pursuant to Article 8 of the Plan Document, the Council has the following duties and responsibilities:
  - 2.2.1. Interpretation and construction of Trust and Plan policies and procedures;
  - 2.2.2. Establish all policies, procedures, and guidelines necessary or advisable to carry out the purpose of the Plan;
  - 2.2.3. Establish an investment policy or guidelines to ensure the prudent selection and monitoring of Plan investments;
  - 2.2.4. Selection and review of any investment currently offered or under consideration to be offered as an investment option under the Deferred Compensation Plan;
  - 2.2.5. Make recommendations to the Board of Supervisors, as appropriate, regarding the appointment of such agents, advisors, and counsel, including a third-party administrator as necessary for the administration and operation of the Deferred Compensation Plan; and
  - 2.2.6. Determine the reasonable Plan expenses and the administrative fee charged to Participants to pay for reasonable Plan expenses on an annual basis.

## **3. DEFINITIONS**

- 3.1. "Appointed Council Member" refers to members appointed by the CAO or the Board, as described in paragraphs 4.1.5 and 4.1.6, below.
- 3.2. "Board" means the County of Fresno Board of Supervisors.
- 3.3. "Brown Act" refers to the Ralph M. Brown Act (Sections 54950 – 54963 of the California Government Code) which governs public meetings.
- 3.4. "CAO" means the County Administrative Officer.
- 3.5. "Council" means the Deferred Compensation Management Council.
- 3.6. "County" means the County of Fresno.

- 3.7. "Non-appointed Council Member" refers to members who serve on the Council while they hold one of the positions listed in paragraphs 4.1.1 through 4.1.4, below.
- 3.8. "Participant" means an employee or a former employee who has entered into a participation agreement and who has a balance in their investment accounts.
- 3.9. "Plan" refers to the County of Fresno 457(b) Deferred Compensation Plan.
- 3.10. "Staff" refers to employees within the County providing support to the Council in its administration of the Plan.

## **4. MEMBERS**

- 4.1. The Council shall consist of seven (7) voting members as follows:
  - 4.1.1. Auditor-Controller / Treasurer-Tax Collector
  - 4.1.2. CAO
  - 4.1.3. Director or Deputy Director of Human Resources
  - 4.1.4. Retirement Administrator or Assistant Retirement Administrator
  - 4.1.5. One (1) department head appointed by the CAO
  - 4.1.6. Two (2) members at-large appointed by the Board of Supervisors; the two members at-large appointed by the Board of Supervisors must be Participants in the Plan
- 4.2. Appointed Council Members (paragraphs 4.1.5 and 4.1.6 above) shall serve one (1) 3-year term. Appointed Council Members may be reappointed at the end of the designated term.
- 4.3. Vacancies in the office of a member of the Council.
  - 4.3.1. Vacancies in the office of a Non-appointed Council Member shall occur due to any of the following events:
    - 4.3.1.1. As provided in Fresno County Ordinance Code Chapter 2.68. For purposes of this subsection 4.3.1.1 only, any Council Member serving pursuant to paragraphs 4.1.2 through 4.1.4, above, shall be deemed appointed by the Board under the aforementioned Chapter 2.68.
    - 4.3.1.2. The member is removed by the Board, pursuant to Article 8.01, Paragraph C of the Plan.
    - 4.3.1.3. Separation from County employment/service, or, vacating the County office listed in paragraphs 4.1.1 through 4.1.4 above.

- 4.3.2. Vacancies in the office of any Appointed Council Member shall occur due to any of the following events:
  - 4.3.2.1. As provided in Fresno County Ordinance Chapter 2.68. For purposes of this subsection 4.3.2.1 only, the Council Member appointed under paragraph 4.1.5 above shall be deemed appointed by the Board under the aforementioned Chapter 2.68.
  - 4.3.2.2. The member is removed by the Board, pursuant to Article 8.01, Paragraph C. of the Plan.
  - 4.3.2.3. Resignation from the office of Council member by the member, or, in the case of a department head (as described in paragraph 4.1.5, above), vacating that department head position.
- 4.3.3. The Council member ceasing to discharge the duties of his or her office for a period of three (3) consecutive months (except with the consent of the Council) shall be, by affirmative vote of the Council and which vote shall not include the subject Council member, referred to the Board.
- 4.3.4. The Council member being convicted of a felony or of any offense involving a violation of his or her official duties shall be, by affirmative vote of the Council and which vote shall not include the subject Council member, referred to the Board.
- 4.3.5. The death of the Council member.
- 4.4. If any of the events described in Section 4.3, above, apply, the following will happen:
  - 4.4.1. For Non-appointed Council members, the interim department head or interim Retirement Administrator shall temporarily assume duties.
  - 4.4.2. For CAO-appointed members, the CAO shall appoint a new member as soon as administratively feasible.
  - 4.4.3. For Board-appointed members, the Secretary or designee will immediately notify the Clerk of the Board so that the Board may appoint a new member.
- 4.5. No Council member shall receive compensation for their attendance at Council meetings or for any other purpose or purposes.

## **5. OFFICERS**

- 5.1. The officers of the Council shall be a Chair, Vice-Chair and Secretary.
- 5.2. The Chair and the Vice-Chair shall be elected by the members of the Council at the first meeting of each calendar year.

- 5.3. The Chair shall preside at all Council meetings and shall have other powers and duties as may be prescribed from time to time by a vote of the Council.
- 5.4. The Vice-Chair shall have all powers and duties of the Chair in the event of the absence or disability of the Chair.
- 5.5. In the event of the absence or disability of the Chair and Vice-Chair, at any meeting or hearing of the Council, the Council shall elect one of its members as Chair Pro Tempore to preside over such meeting or hearing.
- 5.6. The Secretary of the Council shall be the Director of Human Resources or their designee.
- 5.7. The Secretary or their designee shall have the following powers and duties:
  - 5.7.1. Schedule all meetings of the Council.
  - 5.7.2. Post meeting agendas as required pursuant to the Brown Act.
  - 5.7.3. Attend all meetings and hearings of the Council or of standing subcommittees, and keep a record or minutes of all that transpires at such meetings or hearings.
  - 5.7.4. Keep and have custody of all records of the Council.

## **6. MEETINGS**

- 6.1. The Council shall meet at least two (2) times per year, and shall set its meeting schedule as far in advance as possible.
- 6.2. Special meetings of the Council may be called at any time by the Chair, or by a majority of Council members, whenever in their opinion the business of the Council requires it.
- 6.3. Four (4) Council members shall constitute a quorum, provided that no action shall be taken without the affirmative vote of at least three (3) Council members.
- 6.4. Agenda items to be presented to the Council at regular meetings shall be given or delivered to the Secretary at least ten (10) business days in advance of the Council meeting, and agenda items to be presented to the Council at special meetings shall be given or delivered to the Secretary at least seven (7) business days in advance of the special Council meeting.
- 6.5. All meetings of the Council shall be called, held and conducted in accordance with the provisions of the Brown Act.
  - 6.5.1. Public Comment – Matters not on Agenda. Members of the public may comment on any item not appearing on the agenda. No person shall be permitted to speak unless he or she is recognized by the Chair and given permission by the Chair to speak. Matters presented under public comment cannot be discussed or acted upon by the Council at that time, with the following exceptions:

- 6.5.1.1. A Council member may briefly respond to statements made or questions posed by persons exercising their public testimony rights.
- 6.5.1.2. A Council member may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities.
- 6.5.1.3. A Council member or the Council itself may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.
- 6.5.2. Public Comment – Agenda Items. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Council consideration. Upon being recognized by the Chair, such person may speak or present evidence relevant to the matter being heard.
- 6.5.3. Right to Speak. No person shall be denied the right to speak because he or she declines to disclose their name, address or telephone number.
- 6.5.4. Time Limit. Any person addressing the Council will be limited to a maximum of three (3) minutes per agenda item. However, the Chair, in their discretion, may extend such time as they may find reasonable under the circumstances or may further limit the time if the time anticipated to complete the agenda is unusually long.
- 6.6. Minutes shall include the time and place of each Council or standing subcommittee meeting, the names of the members present, all official acts of the Council, votes given by Council members except where the action is unanimous, and when requested, a member’s dissent or approval with their reasons. The minutes shall be presented for approval at the next regular Council meeting. The minutes, or a true copy thereof, approved by the Council and signed by the Chair, shall form part of the permanent records of the Council.
- 6.7. No proxy or substitute may vote in place of a Council member.

## **7. SUBCOMMITTEES**

- 7.1. The Council shall have the power to create one or more subcommittees from time to time which shall serve at the pleasure of the Council. The members of the subcommittees shall be appointed by the Chair with the approval of the Council.
- 7.2. Standing Subcommittees. The Council shall have the power to create one or more standing subcommittees in order to assist the Council in its decision-making related to the administration, interpretation and application of the Plan by performing such functions as conducting research, developing reports, making recommendations or providing other assistance as determined by the Council. The Secretary shall post the agenda for any standing subcommittee meeting in accordance with Section 5.7 above.

- 7.3. Quorum for Standing Subcommittees. A quorum to conduct subcommittee business shall consist of two (2) members, but a lesser number may constitute a quorum for the purpose of adjourning a meeting or adjourning a meeting to a stated time. In any case in which a subcommittee takes action on any matter with only two members present, the subcommittee's report to the Council shall reflect the number of members actually voting.
- 7.4. Officers of Standing Subcommittees. Each subcommittee shall have a Chair and Vice-Chair, and such other officers as may be required who shall be selected by, and serve at the pleasure of, the subcommittee. Such officers shall have such powers and duties as the subcommittee may from time to time determine.
- 7.5. Ad Hoc Subcommittees. The Chair of the Council shall have the power, with the approval of the Council, to appoint such ad hoc subcommittees as are necessary for the purpose of furthering the objectives of the Council. If the Ad-Hoc Subcommittee has four (4) or more members, then the provisions in Section 7.2, above, shall apply.
- 7.6. Attendance. Each member of a subcommittee shall attend meetings of the subcommittee as scheduled. If a member of a standing subcommittee fails to attend two (2) consecutive meetings, the member may be replaced by appointment of a replacement member by the Chair of the Council with the approval of the Council, or, in the case of absence from two (2) consecutive meetings of an ad hoc subcommittee, the replacement member may be appointed by the Chair.

## **8. AMENDMENT OF BYLAWS**

- 8.1. Approval by the Council. An amendment to these Bylaws may be proposed at any time. At least five (5) members of the Council must vote in favor of the amendment in order for it to be approved.
- 8.2. Adoption by the Board. If the Council approves an amendment to the bylaws, the amendment shall be submitted to the Board. The amendment shall become effective immediately upon adoption by the Board.

# **Item 7 – Attachment B**

# County of Fresno

## Deferred Compensation Management Council

### Bylaws

Adopted by the Board of Supervisors December 11, 2012

As Amended xx/xx/20xx

## **1. FORMATION**

- 1.1. The Deferred Compensation Management Council was created by Resolution 12-154 by the Fresno County Board of Supervisors on April 17, 2012.

## **2. PURPOSE**

- 2.1. The purpose of the Council is to exercise administrative oversight of the County of Fresno 457(b) Deferred Compensation Plan.
- 2.2. Pursuant to ~~Section 11~~Article 8 of the Plan Document, the Council has the following duties and responsibilities:
  - 2.2.1. Interpretation and construction of Trust and Plan policies and procedures;
  - ~~2.1.1. Direction of the third-party administrator on behalf of the County to make disbursement of Deferred Compensation Plan benefits;~~
  - 2.2.2. Establish all policies, procedures, and guidelines necessary or advisable to carry out the purpose of the Plan;
  - 2.2.3. Establish an investment policy or guidelines to ensure the prudent selection and monitoring of Plan investments;
  - ~~2.2.2.~~2.2.4. Selection and review of any investment currently offered or under consideration to be offered as an investment option under the Deferred Compensation Plan;
  - ~~2.2.3.~~2.2.5. Make recommendations to the Board of Supervisors, as appropriate, regarding the appointment of such agents, advisors, and counsel, including a third-party administrator as necessary for the administration and operation of the Deferred Compensation Plan; and
  - 2.2.6. Determine the reasonable Plan expenses and the administrative fee charged to Participants to pay for reasonable Plan expenses on an annual basis.

## **3. DEFINITIONS**

- 3.1. "Appointed Council Member" refers to members appointed by the CAO or the Board, as described in paragraphs 4.1.5 and 4.1.6, below.
- ~~1.1.3.2.~~ "Board" means the County of Fresno Board of Supervisors.
- ~~1.2.3.3.~~ "Brown Act" refers to the Ralph M. Brown Act (Sections 54950 – 54963 of the California Government Code) which governs public meetings.
- 3.4. "CAO" means the County Administrative Officer.
- ~~1.3.3.5.~~ "Council" means the Deferred Compensation Management Council.

~~1.4.3.6.~~ "County" means the County of Fresno.

~~3.7.~~ "Non-appointed Council Member" refers to members who serve on the Council while they hold one of the positions listed in paragraphs 4.1.1 through 4.1.4, below.

~~1.5.3.8.~~ "Participant" means an employee or a former employee who has entered into a participation agreement and who has a balance in their investment accounts.

~~1.6.3.9.~~ "Plan" refers to the County of Fresno 457(b) Deferred Compensation Plan.

~~1.7.3.10.~~ "Staff" refers to employees within the County providing support to the Council in its administration of the Plan.

## **4. MEMBERS**

4.1. The Council shall consist of seven (7) voting members as follows:

4.1.1. Auditor-Controller / Treasurer-Tax Collector

~~4.1.1. County Administrative Officer~~

4.1.2. CAO

~~4.1.2.4.1.3.~~ Director or Deputy Director of ~~Personnel Services~~Human Resources

~~4.1.3.4.1.4.~~ Retirement Administrator or Assistant Retirement Administrator

~~4.1.4.4.1.5.~~ One (1) department head appointed by the ~~County Administrative Officer~~CAO

~~4.1.5.4.1.6.~~ Two (2) members at-large appointed by the Board of Supervisors; the two members at-large appointed by the Board of Supervisors must be Participants in the Plan

4.2. ~~The~~ Appointed Council Members (paragraphs 4.1.5 and 4.1.6 above) shall serve one (1) 3-year term. Appointed Council Members may be reappointed at the end of the designated term.

4.3. Vacancies in the office of a member of the Council ~~shall occur upon such member's absence from two (2) regular meetings within a twelve (12) month period unless excused by the Council, or if any of the following events occur before the expiration of their term of office:~~

~~4.1.2. Resignation of the member.~~

4.3.1. The Vacancies in the office of a Non-appointed Council Member shall occur due to any of the following events:

4.3.1.1. As provided in Fresno County Ordinance Code Chapter 2.68. For purposes of this subsection 4.3.1.1 only, any Council Member serving pursuant to paragraphs 4.1.2 through 4.1.4, above, shall be deemed appointed by the Board under the aforementioned Chapter 2.68.

4.3.1.2. The member is removed by the Board, pursuant to Article 8.01, Paragraph C of the Plan.

4.3.1.3. Separation from County employment/service, or, vacating the County office listed in paragraphs 4.1.1 through 4.1.4 above.

4.3.2. Vacancies in the office of any Appointed Council Member shall occur due to any of the following events:

4.3.2.1. As provided in Fresno County Ordinance Chapter 2.68. For purposes of this subsection 4.3.2.1 only, the Council Member appointed under paragraph 4.1.5 above shall be deemed appointed by the Board under the aforementioned Chapter 2.68.

4.3.2.2. The member is removed by the Board, pursuant to Article 8.01, Paragraph C. of the Plan.

4.3.2.3. Resignation from the office of Council member by the member, or, in the case of a department head (as described in paragraph 4.1.5, above), vacating that department head position.

4.3.1-4.3.3. The Council member ceases to discharge the duties of his or her office for a period of three (3) consecutive months (except with the consent of the Council) shall be, by affirmative vote of the Council and which vote shall not include the subject Council member, referred to the Board.

4.3.2-4.3.4. The Council member being convicted of a felony or of any offense involving a violation of his or her official duties- shall be, by affirmative vote of the Council and which vote shall not include the subject Council member, referred to the Board.

4.3.3-4.3.5. The death of the Council member.

4.4. Any inability of any of the member to carry out their events described in Section 4.3, above, apply, the following will happen:

4.1.1-4.4.1. For Non-appointed Council members, the interim department head or interim Retirement Administrator shall temporarily assume duties.

4.4.2. For CAO-appointed members, the CAO shall appoint a new member as soon as administratively feasible.

4.4.3. For Board-appointed members, the Secretary or designee will immediately notify the Clerk of the Board so that the Board may appoint a new member.

4.4.4.5. No Council member shall receive compensation for their attendance at Council meetings or for any other purpose or purposes.

## **5. OFFICERS**

- 5.1. The officers of the Council shall be a Chair, Vice-Chair and Secretary.
- 5.2. The Chair and the Vice-Chair shall be elected by the members of the Council at the first meeting of each calendar year.
- 5.3. The Chair shall preside at all Council meetings and shall have other powers and duties as may be prescribed from time to time by a vote of the Council.
- 5.4. The Vice-Chair shall have all powers and duties of the Chair in the event of the absence or disability of the Chair.
- 5.5. In the event of the absence or disability of the Chair and Vice-Chair, at any meeting or hearing of the Council, the Council shall elect one of its members as Chair Pro Tempore to preside over such meeting or hearing.
- 5.6. The Secretary of the Council shall be the Director of ~~Personnel Services~~Human Resources or their designee.
- 5.7. The Secretary or their designee shall have the following powers and duties:
  - 5.7.1. Schedule all meetings of the Council.
  - 5.7.2. Post meeting agendas as required pursuant to the Brown Act.
  - 5.7.3. Attend all meetings and hearings of the Council or of standing subcommittees, and keep a record or minutes of all that transpires at such meetings or hearings.
  - 5.7.4. Keep and have custody of all records of the Council.

## **6. MEETINGS**

- 6.1. The Council shall meet at least two (2) times per year, and shall set its meeting schedule as far in advance as possible.
- 6.2. Special meetings of the Council may be called at any time by the Chair, or by a majority of Council members, whenever in their opinion the business of the Council requires it.
- 6.3. Four (4) Council members shall constitute a quorum, provided that no action shall be taken without the affirmative vote of at least three (3) Council members.
- 6.4. Agenda items to be presented to the Council at regular meetings shall be given or delivered to the Secretary at least ten (10) business days in advance of the Council meeting, and agenda items to be presented to the Council at special meetings shall be given or delivered to the Secretary at least seven (7) business days in advance of the special Council meeting.
- 6.5. All meetings of the Council shall be called, held and conducted in accordance with the provisions of the Brown Act.

- 6.5.1. Public Comment – Matters not on Agenda. Members of the public may comment on any item not appearing on the agenda. No person shall be permitted to speak unless he or she is recognized by the Chair and given permission by the Chair to speak. Matters presented under public comment cannot be discussed or acted upon by the Council at that time, with the following exceptions:
- 6.5.1.1. A Council member may briefly respond to statements made or questions posed by persons exercising their public testimony rights.
  - 6.5.1.2. A Council member may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities.
  - 6.5.1.3. A Council member or the Council itself may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.
- 6.5.2. Public Comment – Agenda Items. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Council consideration. Upon being recognized by the Chair, such person may speak or present evidence relevant to the matter being heard.
- 6.5.3. Right to Speak. No person shall be denied the right to speak because he or she declines to disclose their name, address or telephone number.
- 6.5.4. Time Limit. Any person addressing the Council will be limited to a maximum of three (3) minutes per agenda item. However, the Chair, in their discretion, may extend such time as they may find reasonable under the circumstances or may further limit the time if the time anticipated to complete the agenda is unusually long.
- 6.6. Minutes shall include the time and place of each Council or standing subcommittee meeting, the names of the members present, all official acts of the Council, votes given by Council members except where the action is unanimous, and when requested, a member’s dissent or approval with their reasons. The minutes shall be presented for approval at the next regular Council meeting. The minutes, or a true copy thereof, approved by the Council and signed by the Chair, shall form part of the permanent records of the Council.
- 6.7. No proxy or substitute may vote in place of a Council member.

## **7. SUBCOMMITTEES**

- 7.1. The Council shall have the power to create one or more subcommittees from time to time which shall serve at the pleasure of the Council. The members of the subcommittees shall be appointed by the Chair with the approval of the Council.

- 7.2. Standing Subcommittees. The Council shall have the power to create one or more standing subcommittees in order to assist the Council in its decision-making related to the administration, interpretation and application of the Plan by performing such functions as conducting research, developing reports, making recommendations or providing other assistance as determined by the Council. The Secretary shall post the agenda for any standing subcommittee meeting in accordance with Section 5.7 above.
- 7.3. Quorum for **Standing Subcommittees.** A quorum to conduct subcommittee business shall consist of two (2) members, but a lesser number may constitute a quorum for the purpose of adjourning a meeting or adjourning a meeting to a stated time. In any case in which a subcommittee takes action on any matter with only two members present, the subcommittee's report to the Council shall reflect the number of members actually voting.
- 7.4. Officers of **Standing Subcommittees.** Each subcommittee shall have a Chair and Vice-Chair, and such other officers as may be required who shall be selected by, and serve at the pleasure of, the subcommittee. Such officers shall have such powers and duties as the subcommittee may from time to time determine.
- 7.5. Ad Hoc Subcommittees. The Chair of the Council shall have the power, with the approval of the Council, to appoint such ad hoc subcommittees as are necessary for the purpose of furthering the objectives of the Council. If the Ad-Hoc Subcommittee has four (4) or more members, then the provisions in Section 7.2, above, shall apply.
- 7.6. Attendance. Each member of a subcommittee shall attend meetings of the subcommittee as scheduled. If a member of a standing subcommittee fails to attend two (2) consecutive meetings, the member may be replaced by appointment of a replacement member by the Chair of the Council with the approval of the Council, or, in the case of absence from two (2) consecutive meetings of an ad hoc subcommittee, the replacement member may be appointed by the Chair.

## **8. AMENDMENT OF BYLAWS**

- 8.1. Approval by the Council. An amendment to these Bylaws may be proposed at any time. At least five (5) members of the Council must vote in favor of the amendment in order for it to be approved.
- 8.2. Adoption by the Board. If the Council approves an amendment to the bylaws, the amendment shall be submitted to the Board. The amendment shall become effective immediately upon adoption by the Board.

# **Item 7 – Attachment C**

# FRESNO COUNTY ORDINANCE CODE

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## A Codification of the General Ordinances of the County of Fresno, California

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Reformatted December 2010 by  
Municipal Code Corporation

### Chapter 2.68 - BOARDS, COMMISSIONS, COMMITTEES AND COUNCILS

#### 2.68.010 - Member attendance at meetings.

Except as otherwise specifically provided by this ordinance code, a nonelected member of any board, commission, committee or council appointed by the board of supervisors shall be deemed to have resigned his or her membership for absences in excess of the following:

- A.  
Two regular meetings in a calendar year if the board, commission, committee or council has six or fewer regular meetings per calendar year; or
- B.  
Two consecutive regular meetings or three regular meetings in a calendar year if the board, commission, committee or council has from seven to twelve regular meetings per calendar year; or
- C.  
Three consecutive regular meetings or five regular meetings in a calendar year if the board, commission, committee or council has thirteen or more regular meetings per calendar year.

(Ord. 06-006, § 1 (part); Ord. 02-029, § 1 (part); Ord. 88-003, § 1; Ord. 0-83-022, § 1; Ord. 605, § 1, 1979)

#### 2.68.030 - Notice.

The secretary to the board, commission, committee or council shall give prompt written notice to a member who will be deemed to have resigned his or her membership upon the occurrence of one additional absence. Such notice shall contain a statement advising the member of the absences and the consequences thereof together with a copy of this chapter of the ordinance code. Failure of the secretary to give notice or failure of the member to receive notice shall not alter the automatic resignation provisions of [Section 2.68.010](#).

(Ord. 06-006, § 1 (part); Ord. 02-029, § 1 (part))

## **2.68.035 - Waiver.**

Where a member has been absent from meetings such that one additional absence will result in an automatic resignation, that member may petition the board of supervisors for a waiver of one or more of the prior absences. Such petition may only be made once per calendar year. The granting of such petition shall be based on good cause as determined in the sole discretion of the board of supervisors.

(Ord. 06-019, § 1)

## **2.68.040 - Special meetings of the board of retirement.**

For purposes of this chapter, special meetings of the board of retirement of the county shall also be deemed to be regular meetings.

(Ord. No. 13-001, § 1, 3-12-2013; Ord. 02-029, § 1 (part))

## **2.68.041 - Special meetings of the civil service commission.**

For purposes of this chapter, special meetings, including adjudicatory hearings, of the civil service commission of the county shall also be deemed to be regular meetings, except that each adjudicatory hearing shall be considered one regular meeting regardless of the number of hearing days. Further, the reference in [section 2.68.010\(C\)](#) to "Three consecutive regular meetings" shall not apply to the civil service commission of the county.

(Ord. No. 13-001, § 1, 3-12-2013)

- **2.68.050 - Preemption.**

This chapter shall supersede any approved bylaw, rules or regulations relating to absences by members of such boards, commissions, committees or councils.

(Ord. 02-029, § 1 (part))

# **Item 7 – Attachment D**

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF FRESNO  
STATE OF CALIFORNIA

IN THE MATTER OF AMENDING AND	)	RESOLUTION AMENDING AND
RESTATING THE COUNTY OF FRESNO	)	RESTATING THE COUNTY OF FRESNO
457(b) DEFERRED COMPENSATION PLAN	)	457(b) DEFERRED COMPENSATION PLAN

WHEREAS, Section 457 of the Internal Revenue Code provides that employers may offer a retirement savings plan which allows its officers and employees to defer compensation presently earned to a future date, thereby deferring the payment of taxes until the compensation is actually received, and

WHEREAS, on January 20, 1976, the County of Fresno adopted Resolution No. 76-102 which established the terms and conditions of the County of Fresno 457(b) Deferred Compensation Plan (hereinafter referred to as "the Plan"), and

WHEREAS, on April 17, 2012, the County of Fresno adopted Resolution No. 12-154, which amended and restated the Plan, and

WHEREAS, the County of Fresno has conducted an extensive review of the Plan and the Board of Supervisors is desirous to amend and restate the Plan to incorporate changes which will ensure compliance with the Internal Revenue Code and all other applicable regulations, and

///

///

///

///

///

1 NOW, THEREFORE BE IT RESOLVED THAT:

2 1. The amended and restated County of Fresno 457(b) Deferred Compensation Plan,  
3 attached hereto as Attachment A, is hereby approved effective June 4, 2019.

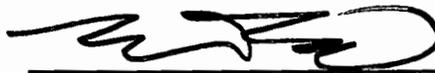
4 THE FOREGOING, was passed and adopted by the following vote of the Board of  
5 Supervisors of the County of Fresno this 4<sup>th</sup> day of June, 2019, to wit:

6  
7 AYES: Supervisors Brandau, Magsig, Mendes, Pacheco, Quintero

8 NOES: None

9 ABSENT: None

10 ABSTAINED: None

11 

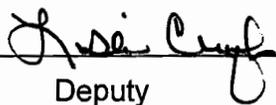
12 \_\_\_\_\_  
13 Nathan Magsig, Chairman of the Board of  
Supervisors of the County of Fresno

14 **ATTEST:**

15 Bernice E. Seidel

16 Clerk of the Board of Supervisors

17 County of Fresno, State of California

18 By:  \_\_\_\_\_  
19 Deputy

**COUNTY OF FRESNO  
457(b) DEFERRED COMPENSATION PLAN**

**Originally Effective as of January 20, 1976**

**Amended and Restated as of June 4, 2019**

**COUNTY OF FRESNO  
457(b) DEFERRED COMPENSATION PLAN**

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COUNTY OF FRESNO  
457(b) DEFERRED COMPENSATION PLAN

County of Fresno ("Employer" or "County") hereby amends and restates the County of Fresno 457(b) Deferred Compensation Plan (Plan), effective as of June 4, 2019, for the exclusive benefit of its eligible employees and their beneficiaries.

RECITALS

Whereas:

The Employer first established for the benefit of its employees the Plan as a deferred compensation plan that qualified as a deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986 (Code) under which the eligible employees may defer a portion of their compensation, effective January 20, 1976;

The Employer certifies that it is an employer who is eligible to sponsor the Plan under the terms of section 457(b) of the Code;

The Employer most recently amended and restated the Plan, under section 457(b) of the Code of 1986, as amended, and the regulations thereunder, effective April 17, 2012;

The Employer intends that the Plan comply with the requirements of section 457(b) of the Code and the Treasury regulations pertaining to Code section 457(b) plans as may be amended from time to time, and California laws ("State Law");

The Employer or its designee is authorized and directed to act on behalf of the Employer and to develop appropriate procedures and to install necessary controls to insure that the Plan is operated in conformance with the Code and State Law;

The Employer's primary purpose of the Plan is to attract and retain personnel by permitting them to enter into agreements with the County that will provide for deferral of payment of a portion of their current compensation until death, retirement, termination of employment, or other events as provided herein, in accordance with the provisions of sections 53212 – 53214 of the Government Code of the State of California, section 457(b) of the Code, the Treasury regulations promulgated under section 457(b) of the Code and other applicable sections of the Code;

Effective as of June 4, 2019, the Employer desires to amend and restate the Plan further to continue a deferred compensation plan that is an eligible deferred compensation plan pursuant to Code section 457(b), under which the eligible employees may defer a portion of their compensation and comply with the requirements of section 457(b) of the Code and the Treasury regulations pertaining to Code section 457(b) plans as may be amended from time to time, and State Law.

## OPERATIVE PROVISIONS

Now, therefore, the Employer hereby adopts the Plan upon the following terms and conditions:

### **ARTICLE 1 – GENERAL**

1.01. Plan Name.

The name of this Plan is the "County of Fresno 457(b) Deferred Compensation Plan."

1.02. Effective Date.

The effective date of this amended and restated Plan is June 4, 2019.

1.03. Exclusive Benefit.

It is the intention of the Employer that the Plan and the Trust are created and maintained for the exclusive benefit of the eligible Employees and their Beneficiaries.

1.04. Income Tax And ERISA Status.

The Plan is intended to qualify as a governmental plan that is exempt from the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). However, the Plan is subject to the fiduciary standards set forth in Article 16 of the California Constitution and in the California Government Code applicable to Code section 457(b) plans.

1.05. Assets Held In Trust.

In accordance with Code section 457(g), all amounts of compensation deferred under this Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights, shall be held in trust, in a custodial account described in Code section 401(f), or an annuity contract described in Code section 401(f) for the exclusive benefit of the participating Employees and their Beneficiaries.

1.06. Defined Terms.

All initially capitalized terms (other than headings) are defined terms and will be defined in the General Definitions article, below.

1.07. Tax Status Not Guaranteed.

The Employer, the Council, and the Administrator, do not, and cannot, represent or guarantee that any particular federal and state income, payroll, or other tax consequences will occur by reason of an Employee's participation in this Plan. The Participant shall consult with his own attorney or other representative regarding all tax or other consequences of participation in this Plan.

**ARTICLE 2 – GENERAL DEFINITIONS**

For purposes of this Plan, the following definitions shall apply:

2.01. Account.

"Account" means the following separate accounts maintained by the Trustee on behalf of a Participant:

A. Elective Deferred Compensation Account.

"Elective Deferred Compensation Account" means the Participant's Pre-Tax Account, the Participant's Post-Tax Roth Account, and the Participant's In-Plan Roth Conversion Account as defined below:

1. Pre-Tax Account.

"Pre-Tax Account" means the account maintained by the Trustee for each Participant representing Pre-Tax Contributions, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

2. Post-Tax Roth Account.

"Post-Tax Roth Account" means the account maintained by the Trustee for each Participant representing Post-Tax Roth Contributions by the Participant, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

3. In-Plan Roth Conversion Account.

"In-Plan Roth Conversion Account" means the account maintained by the Trustee for each Participant representing the amounts, if any, that the Participant has converted to Roth contributions described in Code section 402A pursuant to the In-Plan Roth Conversions section, below, adjusted for withdrawals, income,

expenses, and realized and unrealized gains and losses attributable thereto.

B. Nonelective Deferred Compensation Account.

"Nonelective Deferred Compensation Account" means the account maintained by the Administrator for each Participant representing Nonelective Deferred Compensation, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

C. Rollover Account.

"Rollover Account" means the account maintained by the Trustee for each Participant representing the rollover of distributions received by the Participant from another plan, if any, or the direct transfer of an Eligible Rollover Distribution (excluding rollover contributions from a Roth elective account) from another plan, if any, adjusted for withdrawals, income, expenses and realized and unrealized gains and losses attributable thereto.

D. Roth Rollover Account.

"Roth Rollover Account" means the account maintained by the Trustee for each Participant representing the direct transfer of an Eligible Rollover Distribution that consists of Roth contributions described in Code section 402A from another plan, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

2.02. Administrator.

"Administrator" means the Director of Human Resources or his/her designee.

2.03. Alternate Payee.

"Alternate Payee" means any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

2.04. Beneficiary.

"Beneficiary" means any one or more person(s) entitled under the provisions of this Plan to receive benefits after the death of a Participant.

2.05. Code.

"Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

2.06. Compensation.

"Compensation" means the total of all amounts which would be paid by the County to or for the benefit of an Employee (if he were not a Participant in the Plan) for services performed during the period that the Employee is a Participant, including any amounts that may be credited to the Participant's Account. Compensation shall be taken into account at its present value and its amount shall be determined without regard to any community property laws. Compensation also includes differential pay, if any is paid by the County, that 1) is made by the County to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) while on active duty for a period of more than 30 days; and 2) represents all or a portion of the wages the individual would have received from the County if the individual had remained actively employed. Compensation shall also include amounts referenced in the Deferral Of Sick Pay, Vacation Pay And Back Pay and Contributions After Severance From Employment sections, below.

2.07. Council.

"Council" means the Deferred Compensation Management Council that has been delegated by the Employer to make certain decisions with respect to the Plan as described herein. Membership shall include: County Administrative Officer, Auditor-Controller/Treasurer-Tax Collector, Retirement Administrator (or Assistant Retirement Administrator), Director of Human Resources (or Deputy Director of Human Resources), One (1) department head appointed by the County Administrative Officer (three (3)-year term), two (2) members at-large appointed by the Board of Supervisors (three (3)-year term). The two (2) members at-large appointed by the Board of Supervisors may be current or former employees and must be Participants in the Plan.

2.08. Deferred Compensation.

"Deferred Compensation" means the amount of the Participant's compensation, not yet earned by the Participant that the Participant designates as the amount that shall be deferred in accordance with the provisions of this Plan. Deferred Compensation may consist of Pre-Tax Contributions or Post-Tax Roth Contributions. Deferred Compensation may also consist of Nonelective Compensation.

2.09. Designated Beneficiary.

"Designated Beneficiary" relates to the Required Minimum Distributions section and means the individual who is designated as the Participant's Beneficiary and is the designated beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-4.

2.10. Distributee.

"Distributee" means an Employee or former Employee who receives a distribution from the Plan. "Distributee" also means (i) the Employee's or former Employee's surviving spouse, (ii) the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p), with regard to the interest of the spouse or former spouse, and (iii) the Employee's designated Beneficiary who is not the Employee's spouse.

2.11. Distribution Calendar Year.

"Distribution Calendar Year" relates to the Required Minimum Distributions section and means a calendar year for which a minimum distribution is required under Code section 401(a)(9), the Treasury regulations promulgated thereunder, and the provisions of the Plan that implement these requirements. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under the Payment Of Death Benefits section, below.

2.12. Domestic Relations Order.

"Domestic Relations Order" means a domestic relations order described in section 414(p)(1)(A)(i) of the Code.

2.13. Eligible Retirement Plan.

"Eligible Retirement Plan" means a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a), an annuity contract described in Code section 403(b), an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A, an individual retirement annuity described in Code section 408(b) other than an endowment contract, or an eligible deferred compensation plan described in Code section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State and that agrees to separately account for amounts

transferred into such plan from this Plan, that accepts the Distributee's Eligible Rollover Distribution.

However, in the case of an Eligible Rollover Distribution to a designated Beneficiary who is not the Employee's surviving spouse, an Eligible Retirement Plan shall be (i) an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A, or an individual retirement annuity described in Code section 408(b) other than an endowment contract and (ii) a direct trustee-to-trustee transfer is made to such an account or annuity.

2.14. Eligible Rollover Distribution.

"Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee; provided, however, that an Eligible Rollover Distribution does not include:

- A. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten (10) years or more;
- B. Any distribution to the extent such distribution is required under Code section 401(a)(9);
- C. Any distribution that is a deemed distribution under the provisions of Code section 72(p); or
- D. Any distribution that is made upon hardship of the Employee.

2.15. Employee.

"Employee" means an individual who is employed by the Employer as a common law employee of the Employer on a permanent, full-time or part-time basis. "Employee" does not mean seasonal and extra-help employees, independent contractors, and contract employees whose specific contract does not provide for participation in the Plan.

2.16. Employment Period.

"Employment Period" means a period from January 1 through December 31 of the same year, except that the first Employment Period of an Employee hired on any date other than January 1 shall be the period beginning with the date of employment and ending on December 31 of the same year.

2.17. Employer.

"Employer" means the County of Fresno.

2.18. ERISA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

2.19. Includible Compensation.

"Includible Compensation" means the Employee's "compensation" as determined under Code section 415(c)(3). Compensation also includes differential pay, if any is paid by the County, that 1) is made by the County to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) while on active duty for a period of more than thirty (30) days; and 2) represents all or a portion of the wages the individual would have received from the County if the individual had remained actively employed. Includible Compensation shall also include amounts referenced in the Deferral Of Sick Pay, Vacation Pay And Back Pay and Contributions After Severance From Employment sections, below.

2.20. Nonelective Deferred Compensation.

"Nonelective Deferred Compensation" means the amount, if any, of Compensation deferred by the Employer under the Plan for the Participant that is not subject to an election by the Participant to receive such amount in cash or property.

2.21. Normal Retirement Age.

"Normal Retirement Age" relates to Code section 457(b)(3) and means the date a Participant attains age seventy and one-half (70-1/2) or, at the election of the Participant, any earlier date that is no earlier than the earliest age at which the Participant would have the right to retire under the County's pension plan based on their membership status and benefit tier, and to receive immediate retirement benefits calculated without actuarial or similar reduction because of retirement before some later specified age. Normal Retirement Age Ranges by Retirement Benefit Tier are included in Appendix A.

2.22. Participant.

"Participant" means any Employee or former Employee who has met the Plan's eligibility requirements, commenced participation in the Plan, and is or may

become eligible to receive a benefit under the Plan, or whose Beneficiary(ies) may be eligible to receive any such benefit.

2.23. Plan.

"Plan" means the Code section 457(b) eligible deferred compensation plan as set forth herein and any amendments hereto.

2.24. Post-Tax Roth Contribution.

"Post-Tax Roth Contribution" means a Participant's elective deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Post-Tax Roth Contributions under §402A by the Participant in his or her participation agreement. A Participant's Post-Tax Roth Contributions, and any investment gains or losses thereon, will be accounted for separately from the Participant's Pre-Tax Contributions and will be held in the Participant's Post-Tax Roth Account.

2.25. Pre-Tax Contribution.

"Pre-Tax Contribution" means a Participant's elective deferrals that are not includible in the Participant's gross income at the time deferred. A Participant's Pre-Tax Contributions, and any investment gains or losses thereon, will be accounted for separately from the Participant's Post-Tax Roth Contributions and will be held in the Participant's Pre-Tax Account.

2.26. Required Beginning Date.

"Required Beginning Date" relates to the Required Minimum Distributions section, and means April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age seventy and one-half (70-1/2) or (ii) the calendar year in which the Participant retires.

2.27. Rollover Contribution.

"Rollover Contribution" means a direct rollover to this Plan of an Eligible Rollover Distribution, of pre-tax amounts, made on behalf of a Participant by an Eligible Retirement Plan.

2.28. Severance From Employment.

"Severance From Employment" means the Employee ceases to be an Employee of the Employer within the meaning of Code section 457(d)(1)(A)(ii). A Participant shall be deemed to have severed employment with the Employer for purposes of this Plan on the date the employee's termination of employment is entered in the County's personnel records. Severance From Employment does

not mean a reduction in work hours or a change to extra-help status (as defined in the Fresno County Personnel Rules).

2.29. Trust.

"Trust" means the deferred compensation trust, the custodial account described in Code section 401(f), or the annuity contract described in Code section 401(f), created by the Employer pursuant to Code section 457(g) and the Assets Held In Trust section (Section 1.05 above) for purposes of holding all amounts of compensation deferred under this Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights for the exclusive benefit of the Participants and their Beneficiaries.

2.30. Trustee.

"Trustee" means the trustee(s) signing the deferred compensation trust, the custodian(s) of the custodial account(s) described in Code section 401(f), or a bank, trust company or a financial institution appointed by the Employer to have custody of assets of the Plan, as custodian or as trustee, or the insurance company(ies) providing the annuity contract(s) described in Code section 401(f), established by the Employer pursuant to Code section 457(g) and the Assets Held In Trust section, above, and any successors to such trustee(s), custodian(s) or insurance company(ies).

2.31. USERRA.

"USERRA" means the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time.

2.32. Valuation Calendar Year.

"Valuation Calendar Year" relates to the Required Minimum Distributions section and means the calendar year immediately preceding the Participant's Distribution Calendar year.

### **ARTICLE 3 – PARTICIPATION**

3.01. Eligibility.

- A. All Employees are eligible to participate in the Plan. An Employee shall become a Participant upon entering into a compensation reduction agreement with the Employer in accordance with the requirements of the Compensation Reduction Agreement Requirements section, below.
- B. The Administrator, using employment dates certified by the Employer, shall determine which Employees are eligible to participate, and the

Administrator shall furnish such information and attendant data to the Trustee. The Administrator shall notify each eligible Employee of the Employee's eligibility and of any application or other requirements for participation. By becoming a Participant, the Employee agrees to be bound by all terms, conditions and covenants of this Plan as then in effect or as thereafter amended.

3.02. Compensation Reduction Agreements.

A. Compensation Reduction Agreements In General.

A Participant may elect to enter into a written compensation reduction agreement with the Employer whereby the Participant agrees to accept a reduction in cash compensation from the Employer and to have the Employer contribute such amount to this Plan and the Trust. Such amount shall be equal to either (i) any percentage of such Participant's compensation per payroll period or (ii) a fixed dollar amount per payroll period as specified on the Participant's compensation reduction agreement.

B. Compensation Reduction Agreements For Extraordinary Compensation.

If any extraordinary compensation is payable to a Participant (such as a one-time payment of compensatory or holiday leave, overtime, etc.), the Participant may elect to enter into a separate written compensation reduction agreement with the Employer whereby the Participant agrees to accept a reduction in cash compensation from the Employer with respect to such extraordinary compensation equal to either (i) any percentage of such extraordinary compensation or (ii) a fixed dollar amount of such extraordinary compensation. A compensation reduction agreement with respect to any extraordinary compensation shall apply only to that extraordinary compensation and shall not affect the Participant's compensation reduction agreement then in effect with respect to each payroll period.

C. Compensation Reduction Agreement Requirements.

A Participant's compensation reduction agreement or extraordinary compensation reduction agreement shall be subject to the following:

1. A compensation reduction agreement shall become effective on the later of: i) the first pay date of the calendar month next following the execution of the compensation reduction agreement or, if later, ii) the first pay date of the calendar month for which the Employer can reasonably process the request. If the compensation reduction agreement has been executed on or before the Employee's first

day of employment, the compensation reduction agreement shall become effective no earlier than the Employee's first day of employment with the Employer or, if later, the first pay date for which the Employer can reasonably process the request.

2. Thereafter, the compensation reduction agreement shall apply to each payroll period during which an effective compensation reduction agreement is on file with the Employer.
3. Except as provided below, a Participant's compensation reduction agreement with respect to each payroll period may be entered into or amended by a Participant in accordance with Paragraph 1 of this Subsection C.
4. A Participant may revoke their compensation reduction agreement then in effect with respect to each payroll period at any time, thereby ceasing Deferred Compensation on the later of: i) the next pay date or ii) the next pay date for which the Employer can reasonably process the request. A Participant who has revoked their compensation reduction agreement may again become an active Participant by submitting an effective compensation reduction agreement in accordance with Paragraph 1 of this Subsection C.
5. The aggregate amount of a Participant's Deferred Compensation during a calendar year shall not exceed the amount that would cause the Plan to violate the provisions of the Contributions article, below. The Employer may modify or revoke the Participant's compensation reduction agreement with any Participant at any time if the Employer determines, solely at the Employer's discretion, that such revocation or amendment is necessary to ensure that the Plan will not exceed this limitation.
6. Except as provided above, a compensation reduction agreement applicable to any given calendar year, once made, may not be revoked or amended by the Participant or the Employer.

3.03. Employer Contributions – Nonelective Deferred Compensation.

The Employer may establish, in its sole and absolute discretion, the amounts, if any, of the Nonelective Deferred Compensation under this Plan for some or all of the Participants for any calendar year.

### 3.04. Rollover Contributions.

- A. Any Participant in this Plan may transfer all or any of their assets to this Plan by means of a Rollover Contribution from an Eligible Retirement Plan. These assets shall be transferred to the Trustee, subject to the approval of the Administrator and Trustee. Prior to accepting any such rollover contribution, the Administrator may require that the Participant or Employee establish to the satisfaction of the Administrator that the amount to be rolled over to the Plan is an Eligible Rollover Distribution from an Eligible Retirement Plan. Except as provided in Subsection B, below, the Plan will not accept a rollover from an after-tax account.
- B. This Plan will accept a direct rollover from another Roth elective deferral account under another plan as described in Code section 402A(e)(1); provided, however, that:
  - 1. The rollover is permitted under the rules of Code section 402(c);
  - 2. The other plan must provide to the Administrator either (i) a statement indicating the first year of the five (5) taxable-year period described in Code section 402A(d)(2)(B) and the portion of the distribution that is attributable to investment in the contract under Code section 72 or (ii) a statement that the distribution is a qualified distribution as described in Code section 402A(d)(2); and
  - 3. The direct rollover shall be held in the separate Roth Rollover Account.

### 3.05. Transfers From Other Plans.

If (i) an Employee is entitled to benefits under this Plan, (ii) such Employee was previously covered by a Code section 457(b) eligible deferred compensation plan maintained by an employer that is an eligible employer within the meaning of Code section 457(e)(1)(A), and (iii) such plan provided for the transfer of such benefits pursuant to the provisions of Code section 457(e)(10) and the Treasury regulations promulgated thereunder, then this Plan will accept the transfer of such amounts if the Employer is satisfied, in its sole and absolute discretion, that such transfer and acceptance is permissible under Code section 457.

### 3.06. Timing Of Contributions.

- A. A Participant's share of the Nonelective Deferred Compensation for a year shall be credited to the Participant's Account as soon as administratively feasible after the last day of such year or at such other times as the Employer or the Administrator may direct in its sole and absolute discretion. If the contribution is accrued for the preceding calendar year,

and is actually made after the close of the calendar year, the Employer shall make such designation and such Nonelective Deferred Compensation shall be allocated to Participants' Nonelective Deferred Compensation Accounts as of the last day of the preceding calendar year.

- B. Elective Deferred Compensation accumulated through payroll deductions shall be paid to the Trustee as of the earliest date on which such contributions can reasonably be segregated from the Employer's general assets, but in any event within fifteen (15) business days following the pay date which such amounts would otherwise have been payable to the Participant in cash.

3.07. Deferral Of Sick Pay, Vacation Pay And Back Pay.

In accordance with Subsection C of the Compensation Reduction Agreement Requirements section, above and Treasury regulations section 1.457-4(d), a Participant who has not had a Severance From Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay. These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the participant is an employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise be paid for a payroll period that begins before Severance From Employment is treated as an amount that would otherwise be paid or made available before an employee has a severance from employment.

3.08. Contributions After Severance From Employment.

Former Employees may make a contribution from compensation paid after the Employee's Severance From Employment if paid by the later of (i) two and one-half (2-1/2) months after the Employee's Severance From Employment, or (ii) the end of the calendar year that includes the date of the Employee's Severance From Employment subject to the following requirements:

- A. The payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been made to the Employee prior to a Severance From Employment if the Employee had continued in employment with the Employer.
- B. The payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment with the Employer continued.

3.09. Omission Of Eligible Employee.

If an Employee who should have been included as a Participant for a calendar year is erroneously omitted and discovery of the omission is made after the Nonelective Deferred Compensation is made and allocated, the Employer and the Administrator may correct the erroneous omission of the Employee in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Rev. Proc. 2013-12 and any subsequent guidance or standards similar to such requirements.

3.10. Inclusion Of Ineligible Individual.

If any individual is erroneously included as a Participant in the Plan and discovery of the erroneous inclusion is made after the Nonelective Deferred Compensation is made and allocated, the Employer and the Administrator may correct the erroneous inclusion of the individual in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Rev. Proc. 2013-12 and any subsequent guidance or standards similar to such requirements.

## **ARTICLE 4 – INVESTMENTS**

4.01. Investments.

The Council shall establish one or more investment options ("Investment Options") for the purpose of investing amounts of Compensation credited to Participants' Accounts. The selection of Investment Options shall be governed by a policy/rules established by the Council. Any action by the Council in selecting Investment Options and/or establishing a policy to govern the selection of Investment Options, shall not be considered to be either an endorsement of or guarantee of any investment, nor shall it be considered to attest to the financial soundness or the suitability of any investment for the purpose of meeting future obligations as provided in the Plan Administration article, below.

4.02. Election Of Investment Options.

Each Participant may allocate the Compensation deferred by him/her under his/her compensation reduction agreement among the Investment Options. A Participant may modify his/her selection of Investment Options in accordance with rules established by the Council. Such modification may affect transfers of compensation already deferred from one Investment Option to another and/or may prospectively change the investments to which future deferrals of

compensation shall be allocated, effective as soon as practicable after the filing of the modification with the Trustee.

4.03. Default Investment.

In the event a Participant fails to make an affirmative selection of Investment Option(s) for his or her Account, the Participant's account balance will be placed in an Investment Option in accordance with an investment election policy established by the Council.

4.04. Self-Directed Brokerage Accounts.

In addition to the Investment Options provided herein and subject to approval by the Employer, the Council may establish a policy permitting a Participant to direct a portion of the Participant's Account to a self-directed full service brokerage account offered through a selected vendor for securities/investments not otherwise provided herein.

4.05. Statements Of Accounts.

Participants shall be given written statements of the balances of their Accounts with such frequency as the Trustee shall determine, in its sole discretion, but not less frequently than annually.

4.06. Fiduciary Duty.

Notwithstanding any other provisions of law, a Participant's choosing individually directed investments shall relieve the Trustee, the Employer and the Council of liability for any losses which are the direct and necessary result of the investment instructions given by a Participant or Beneficiary. However, such relief shall be conditioned upon the Employer's or the Council's compliance with communication and education requirements similar to those prescribed in ERISA section 404(c), as well as any such requirements under applicable State and Federal law, including California Government Code Section 53213.5.

## **ARTICLE 5 – CONTRIBUTIONS**

5.01. Minimum Contributions.

The minimum amount that a Participant may contribute to their Pre-Tax Account or their Post-Tax Roth Account per payroll period is the lesser of ten dollars (\$10.00) or one percent (1%) of compensation.

5.02. Contribution Limitations In General.

The maximum amount of Deferred Compensation under the Plan for any Participant for any calendar year, taken into account at its present value, shall not exceed the lesser of:

- A. The applicable dollar amount set forth in Code section 457(e)(15) as such amount has been adjusted by the Secretary of the Treasury pursuant to Code section 457(e)(15)(B) (e.g., nineteen thousand dollars (\$19,000) for 2019); or
- B. One hundred percent (100%) of the Participant's Includible Compensation for such calendar year.

5.03. Contribution Limitations – Last Three Years Of Participation.

In any of the Participant's last three (3) years ending before the Participant's Normal Retirement Age, instead of the amount set forth in the Contributions Limitations In General section, above, the maximum amount of Deferred Compensation under the Plan for the Participant for the calendar year, taken into account at its present value, shall not exceed the lesser of:

- A. Two (2) times the dollar amount set forth in Subsection A of the Contribution Limitations In General section, above (e.g., thirty-eight thousand dollars (\$38,000) for 2019); or
- B. The sum of:
  - 1. The limitation established for purposes of the Contribution Limitations In General section, above, for the year, determined without regard to this Contribution Limitations – Last Three Years Of Participation section; plus
  - 2. So much of the limitation established for purposes of the Contribution Limitations In General section, above, for years before the year that has not previously been used under the Contribution Limitations In General section, above, or this Contribution Limitation – Last Three Years Of Participation section; provided, however, that taxable years commencing before January 1, 1979 and taxable years when the Participant was not a Participant shall not be taken into account.

5.04. Contribution Limitations – Age Fifty Catch-Up Contributions.

If a Participant would be at least age fifty (50) by the end of a calendar year, and the limitations in the Contribution Limitation – Last Three Years Of Participation section, above, do not apply, then instead of the amount set forth in the Contribution Limitations In General section, above, the maximum amount of Deferred Compensation under the Plan for the Participant for the calendar year, shall not exceed the sum of:

- A. The limitation specified in the Contribution Limitations In General section, above; plus
- B. Six thousand dollars (\$6,000) or such larger amount as may be permitted by the Secretary of the Treasury pursuant to Code section 414(v)(2)(C).

5.05. Distribution Of Excess Deferred Compensation.

If a Participant's Deferred Compensation for the calendar year would be more than the amount permitted under this Contributions article, the following provisions shall apply:

- A. Any direction for such Excess Deferred Compensation consisting of Deferred Compensation shall be invalid and the directed deferral shall (i) not be made, and (ii) not be assigned to any such Participant's Account. Excess Deferred Compensation consisting of Nonelective Deferred Compensation shall not be assigned to any such Participant's Account.
- B. Notwithstanding any other provision of the Plan, Excess Deferred Compensation under the Plan and any other Code section 457(b) eligible deferred compensation plan(s) maintained by the Employer, computed without regard to any other Code section 457(b) eligible deferred compensation plan(s) maintained by any employer(s) other than the Employer, and any income allocable to such amount shall be distributed from the Plan or such other plan(s), as determined by the Administrator in its sole and absolute discretion, as soon as administratively practicable after the Administrator determines that the amount is Excess Deferred Compensation to the Participant to whose Account Excess Deferred Compensation was assigned.
- C. If Excess Deferred Compensation occurs solely because of combined Deferred Compensation under (i) the Plan and (ii) any other Code section 457(b) eligible deferred compensation plan(s) maintained by any employer(s) other than the Employer, the Plan may distribute the Excess Deferred Compensation and any income allocable to such amount, as soon as administratively practicable after the Administrator determines that the amount is Excess Deferred Compensation, to each Participant to

whose Account Excess Deferred Compensation was assigned for the preceding calendar year. Each such Participant shall notify the Employer or the Administrator of how much Excess Deferred Compensation the Administrator should distribute from the Plan in accordance with rules established by the Administrator.

- D. A Participant may designate the extent to which the Excess Deferred Compensation are composed of Pre-Tax Contributions and/or Post-Tax Roth Contributions, but only to the extent that both types of Deferred Compensation were made during the calendar year. If the Participant does not designate which type of Deferred Compensation are to be distributed, the Participant's Pre-Tax Contributions shall be distributed first.

## **ARTICLE 6 – BENEFICIARIES**

### 6.01. Beneficiaries In General.

Each Participant shall have the right to designate, in writing, a Beneficiary or Beneficiaries to receive the Participant's death benefits, and shall have the right, at any time, to revoke such designation or to substitute another such Beneficiary or Beneficiaries without the consent of any Beneficiary.

### 6.02. Revocation Of Spousal Beneficiary.

If a Participant has designated the Participant's spouse as the Participant's Beneficiary under this Plan, such designation shall be deemed to have been revoked in the event of a judgment, decree, order, or approval of a settlement agreement, issued either (i) by a court of competent jurisdiction, or (ii) through an administrative process established under State law having the force and effect of law under applicable State law, dissolving such marriage, unless the Participant designates the Participant's ex-spouse as the Participant's Beneficiary by a new designation signed by the Participant and delivered to the Trustee or the Administrator after the entry of such judgment, decree, order or approval of a settlement agreement and prior to the Participant's death.

### 6.03. No Designated Beneficiary.

If, upon the death of a Participant, there is no valid designation of Beneficiary on file with the Trustee or the Administrator, or the Participant's primary and contingent Beneficiaries are not alive, the Administrator shall designate as the Beneficiary, in order of priority:

- A. The surviving spouse;
- B. The surviving children, in equal shares;

- C. Surviving parents, in equal shares; or
- D. The Participant's heirs at law.

The determination of the Administrator as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons, but the Administrator may seek a declaratory judgment of a court of competent jurisdiction to determine the identity of Beneficiaries and their respective shares at the expense of the Participant's Account.

## **ARTICLE 7 – PAYMENT OF BENEFITS**

### 7.01. Commencement Of Payment Of Benefits.

The payment of a Participant's benefits under the Plan may not commence earlier than the earliest of:

- A. The calendar year in which the Participant attains age seventy and one-half (70-1/2); or
- B. When the Participant has a Severance From Employment; or
- C. When the Participant is faced with an unforeseeable emergency as provided in the Distributions Upon An Unforeseeable Emergency section, below; or
- D. For purposes of this Commencement Of Payment Of Benefits section, a Participant shall be treated as having a Severance From Employment during any period the Participant is performing service in the uniformed services described in Code section 3401(h)(2)(A) if the Participant elects to receive a distribution from the Plan during such period. However, as result of the application of this subsection, the Participant may not make Deferred Compensation to the Plan during the six (6)-month period beginning on the date of the distribution.

### 7.02. Payment Of Benefits After Severance From Employment.

The Trustee shall determine the amount of the Participant's Account. The Trustee shall distribute the Participant's Account in accordance with the method of payment of benefits selected by the Participant (or the Beneficiary of a deceased Participant) in accordance with the following provisions:

- A. Form Of Distribution.

The Participant or the Participant's Beneficiary shall receive the Participant's Account in the following form:

1. A single sum distribution;
2. Annual or more frequent (but not more frequently than monthly) installments as nearly equal as practicable over a fixed period of years not to exceed the Participant's life expectancy; provided, however, that the last annual installment shall be an amount equal to the remaining amount in the Participant's Account on the day of the distribution;
3. Annual or more frequent (but not more frequently than monthly) installments of a fixed amount; or
4. A combination of these methods.

B. Cash Outs.

If the value of the Participant's Account does not exceed one thousand dollars (\$1,000), the Trustee may distribute such benefit as soon as is administratively feasible after the Participant's Severance From Employment without such Participant's consent.

C. Eligible Rollover Distributions.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Plan, a Distributee may elect, at the time and in the manner prescribed by the Employer, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a direct rollover.

Notwithstanding any of the provisions of this Eligible Rollover Distributions subsection, a direct rollover of a distribution from a Post-Tax Roth Account, In-Plan Roth Conversion Account, or a Roth Rollover Account under the Plan will be made only to another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA (as defined below) and only to the extent the rollover is permitted under the rules of Code section 402(c). For purposes of this subsection, a "Roth IRA" is defined as an individual retirement plan described in Code section 7701(a)(37) which is designated as a Roth IRA at the time of establishment in such manner as required by the Code and other regulations.

D. Transfers To Other Code Section 457(b) Plans.

If (i) a Participant has a Severance From Employment and (ii) such Participant is subsequently employed by another employer that is an eligible employer within the meaning of Code section 457(e)(1)(A), the Participant may request that the Participant's Account under the Plan be transferred to such employer's plan; provided that:

1. Such employer and such employer's plan will accept the transfer;
2. The value of the amount transferred immediately after the transfer shall be at least equal to the value of the amount transferred immediately before the transfer; and
3. Such transfer is accomplished in accordance with the requirements of Code section 457(e)(10) and the Treasury regulations promulgated thereunder.

The Employer may require such documentation as it deems necessary or appropriate, in its sole and absolute discretion, from the other employer in order to ensure that the requirements set forth above have been satisfied, and in order to effect the transfer.

Amounts transferred to another eligible deferred compensation plan shall be treated as distributed from this Plan and this Plan shall have no further responsibility to the Participant or any Beneficiary with respect to the amount transferred.

E. Distribution Elections.

Participants may make a new election, or amend or revoke a prior election under this Payment Of Benefits article in such form and manner as the Trustee may specify from time to time.

7.03. Distribution From Post-Tax Roth Accounts.

Any "qualified distribution" as defined below, from an Employee's Post-Tax Roth Account, In-Plan Roth Conversion Account, or Roth Rollover Account, other than a distribution of any Excess Deferred Compensation under Code section 402(g)(2) and any income on the Excess Deferred Compensation, shall not be includible in such Participant's gross income. A "qualified distribution" is a distribution in accordance with Code section 408A(d)(2)(A) (without regard to clause (iv) thereof). Furthermore, a distribution from an Employee's Post-Tax Roth Account, In-Plan Roth Conversion Account, or Roth Rollover Account shall not be treated as a qualified distribution if such distribution is made within the five (5) taxable year period beginning with the earlier of:

- A. The first taxable year for which the individual made Post-Tax Roth Contributions to this Plan;
- B. The first taxable year for which the Participant converted a portion of the Participant's Pre-Tax Account in an In-Plan Roth Conversion as described in the In-Plan Roth Conversions section, below; or
- C. If a rollover contribution was made to a Roth Rollover Account from a designated Roth elective deferral account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth elective deferral to such previously established account.

7.04. Required Minimum Distributions.

- A. Notwithstanding anything contained in the Plan to the contrary, the Participant's entire interest either (i) will be distributed to the Participant not later than the Required Beginning Date, or (ii) will begin to be distributed not later than the Required Beginning Date over a period not exceeding the life expectancy of the Participant, or the joint life expectancy of the Participant and the Participant's Designated Beneficiary.
- B. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.
- C. Unless the Participant's interest is distributed in the form of a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with this Required Minimum Distributions section or the Payment Of Death Benefits section, below, if applicable.
- D. All minimum distributions under this subsection will be made in accordance with the provisions of Code section 401(a)(9), the Treasury regulations promulgated under Code section 401(a)(9), and any other provisions reflecting Code section 401(a)(9) that are prescribed by the Commissioner of Internal Revenue in revenue rulings, notices and other guidance published in the Internal Revenue Bulletin.

- E. The provisions of this Required Minimum Distributions section will override any distribution options in the Plan inconsistent with Code section 401(a)(9).
- F. This Required Minimum Distributions section and the provisions under the Payment Of Death Benefits section, below, set forth the minimum required distributions pursuant to Code section 401(a)(9) and the Treasury regulations promulgated thereunder and shall not be construed as creating any payment method under the Plan not otherwise provided under the Form Of Distribution subsection of the Payment Of Benefits After Severance From Employment section, above, provided that the method or methods of payment under the Form Of Distribution subsection, above, meet or exceed the requirements of this Required Minimum Distributions section.

7.05. Payment Of Death Benefits.

A. Death After Benefit Commencement.

If the Participant dies after having begun to receive installment payments in accordance with the Payment Of Benefits After Severance From Employment section, above, payment of the remainder of such scheduled payments shall be suspended for a period of sixty (60) days after the Participant's death. During such sixty-day suspension period, the Beneficiary of such Participant may elect to receive the balance then credited to the Participant's Account in a single lump sum or in installments as specified under the Payment Of Benefits After Severance From Employment section, above, provided that the Participant's Account will be distributed to the Beneficiary at least as rapidly as under the method of distribution being used prior to the Participant's death. If no such election is made by the Beneficiary by the end of the sixty (60)-day suspension period, the remaining installment payments selected by the Participant shall be paid to the Beneficiary.

B. Death Prior To Benefit Commencement.

If the Participant dies before distribution of his Account commences, the Participant's Beneficiary shall receive distribution of such Participant's Account as provided under the Payment Of Benefits After Severance From Employment section, above, treating the Beneficiary as if they were the Participant; provided, however:

1. If the Beneficiary is not the Participant's surviving spouse, the Beneficiary must elect a distribution payable over a period not extending beyond the life expectancy of the Beneficiary,

commencing no later than the end of the calendar year following the calendar year in which the Participant died, or elect a lump sum to be made no later than the end of the calendar year which contains the fifth (5th) anniversary of the date of death of the Participant and in the event no election is made, a lump sum payment of the Account balance shall be made by the end of such calendar year.

2. If the Beneficiary is the Participant's surviving spouse, surviving spouse may elect a lump sum payment or installments payable over a period not extending beyond the life expectancy of the surviving spouse. Distributions to the surviving spouse must commence on or before the later of the calendar year immediately following the calendar year in which the Participant died or the year the Participant would have attained age seventy and one-half (70-1/2). If the surviving spouse dies before his or her payments begin, subsequent distributions shall be made as if the surviving spouse had been the Participant. For purposes of this paragraph, payments will be calculated by use of the return multiples specified in section 1.72-9 of the Treasury regulations, without recalculation of life expectancies.

C. Commencement Of Death Benefit Payments.

The Participant's benefits under the Plan shall be paid to the Participant's Beneficiary or Beneficiaries in a manner described in this Payment Of Death Benefits section as soon as administratively feasible after the Administrator or the Trustee has received the Participant's certified death certificate; such death certificate may be a copy of the certified death certificate.

7.06. In-Plan Roth Conversions.

A Participant may convert, in an "In-Plan Roth Conversion," any portion of the Participant's Account, other than a Post-Tax Roth Deferral Account or Roth Rollover Account to an In-Plan Roth Conversion Account pursuant to Code section 402A(c)(4) and the following:

- A. This section shall apply to a deceased Participant's Beneficiary if the Beneficiary is the Participant's surviving spouse and to an Alternate Payee who is a spouse or a former spouse of the Participant, as if such an individual were the Participant.
- B. A Participant loan may not be distributed as part of an In-Plan Roth Conversion.

- C. A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion in the taxable year when the conversion occurs.
- D. Any distribution restrictions that otherwise apply with respect to a specific contribution source will continue to apply if such contribution source is converted as part of an In-Plan Roth Conversion.
- E. Any election to make an In-Plan Roth Conversion may not be changed after the In-Plan Roth Conversion is completed.

7.07. Distributions Upon An Unforeseeable Emergency.

- A. At any time, a Participant may apply in writing for a distribution upon an unforeseeable emergency in an amount equal to all or a portion of the Participant's Account.
- B. Except to the extent that the Trustee has been designated as the party responsible for the following, the Administrator shall determine, in its sole and absolute discretion, the amount of the distribution that is necessary to alleviate the unforeseeable emergency. The determination by the Administrator of the existence of an unforeseeable emergency and of the amount necessary to meet the need shall be made in a nondiscriminatory and uniform manner, pursuant to applicable statutes, regulations and guidelines. This determination by the Administrator shall be final and binding.
- C. A distribution is on account of an unforeseeable emergency only if the distribution is made on account of a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster), death in family, or disabling injury, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.
- D. Except as otherwise specifically provided in the Treasury regulations, the purchase of a home or the payment of college tuition are not unforeseeable emergencies.
- E. The following may constitute an unforeseeable emergency:

1. A need to rebuild the Participant's home following damage to it not otherwise covered by insurance, such as damage that is the result of a natural disaster;
  2. The imminent foreclosure of or eviction from the Participant's primary residence;
  3. The need to pay for medical expenses, including non-refundable deductibles and the cost of prescription drug medication; or
  4. The need to pay funeral expenses of the Participant's spouse or a dependent (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)).
- F. Whether a Participant is faced with an unforeseeable emergency permitting a distribution is to be determined pursuant to applicable statutes, regulations and guidelines and based on the relevant facts and circumstances of each case, but a distribution on account of an unforeseeable emergency of the Participant may not be made if such emergency can be relieved by:
1. Reimbursement or compensation by insurance or otherwise;
  2. Liquidation of the Participant's assets, to the extent that such liquidation of the Participant's assets would not itself cause a severe financial hardship;
  3. Cessation of deferrals under the Plan; or
  4. If allowed, by taking out a loan under the Plan, provided that the repayment of such loan does not in itself cause financial hardship.
- G. The amount of any unforeseeable emergency distribution shall not exceed the lesser of:
1. The amount reasonably necessary, as determined by the Employer, to satisfy the hardship (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution); or
  2. The amount of the Participant's Account.
- H. Any distribution under this Distributions Upon An Unforeseeable Emergency section shall be made in a single sum.

7.08. Loans.

The Council is authorized to adopt a policy/rules permitting a Participant to take a loan against their Account.

A loan to a Participant shall be made solely from the assets of such Participant's own Account(s) and all interest paid shall be credited to said Account(s). Any loan from the Participant's Deferred Compensation Account shall be treated as coming first from the Participant's Pre-Tax Account and then from the Participant's Post-Tax Roth Account and/or In-Plan Roth Conversion Account, to the extent that funds are available.

7.09. Purchase Of Service Credit.

A Participant may use all or a portion of their Account as a direct trustee-to-trustee transfer to a retirement system to purchase permissive service credit or redeposit previously withdrawn contributions under a governmental plan (as defined in IRC section 414(d)), provided that:

- A. The retirement system permits such a transfer; and
- B. The Participant demonstrates to the Administrator's satisfaction that:
  - 1. The transfer is to a governmental plan (as defined in IRC section 414(d)); and
  - 2. The transfer involves the purchase of permissive service credits (as defined in Code section 415(n)(3)(A)) or for the repayment of service credits permissible by IRC section 415(k)(3).

7.10. Distributions To Incapacitated Participants.

If a parent, guardian, conservator, trustee, custodian (including under a Uniform Transfers of Gifts to Minors Act custodian) or attorney-in-fact or other legal representative of a Participant or Beneficiary who is entitled to a payment under the Plan, provide evidence satisfactory to the Administrator, in its sole discretion, that such Participant or Beneficiary is not able to care for his or her affairs due to a mental condition, a physical condition, or by reason of age, the Administrator may make all benefit distributions to the Participant's or Beneficiary's parent, guardian, conservator, trustee, custodian. Payments made pursuant to the terms of this Distributions To Incapacitated Participants section shall constitute a distribution to the Participant or Beneficiary entitled thereto, and shall immediately discharge the Employer, Administrator, Trustee, the Plan and the Trust of any further liability therefor. Neither the Administrator nor the Trustee

has a duty to inquire or investigate the competence of any Participant or Beneficiary entitled to receive payments under the Plan.

7.11. Qualified Domestic Relations Order Payments.

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order" as those terms are defined in Code section 414(p). Notwithstanding any other provision of this Plan, a distribution may be made to an "alternate payee" pursuant to a "qualified domestic relations order," as each term is defined in Code section 414(p), prior to the times otherwise specified in this Plan, if the qualified domestic relations order requires such a distribution, even if the Participant is not yet entitled to receive a distribution; provided, however, that nothing contained in this provision nor such qualified domestic relations order shall entitle a Participant to a distribution prior to the time as otherwise determined under the Plan.

7.12. Nonliability.

The Employer does not guarantee the Trust, the Participants or their Beneficiaries against loss of or depreciation in value of any right or benefit that any of them may acquire under the terms of this Plan. All of the benefits payable hereunder shall be paid or provided for solely from the Trust.

7.13. Mechanics Of Payment.

The Trustee, with respect to any benefit, is authorized to pay benefits directly from the Trust pursuant to the applicable provisions in this Payment Of Benefits article.

7.14. Withholding.

The Employer, the Administrator or the Trustee may withhold from any benefit payable under the Plan all federal, State or local taxes that may be required to be withheld pursuant to applicable law.

7.15. Lost Participant Or Beneficiary.

A. If, according to the records of the Plan, the Participant or the Beneficiary of a deceased Participant has not made a claim for benefits, and the Participant or Beneficiary cannot be located in accordance with the procedures in Subsection B of this Lost Participant Or Beneficiary section, the Participant's Account balance shall be held in the Plan until such time that the Participant or the Beneficiary can be located or the Plan is terminated, if later.

- B. The Administrator shall take the following steps to locate a missing Participant or Beneficiary:
1. Mail a letter by certified mail to the Participant or Beneficiary's last known mailing address according to the Plan's records;
  2. Check related plan records to determine if one or more of the related plans may have more up-to-date information with respect to the Participant or Beneficiary;
  3. Attempt to identify and contact the individual(s) who the Participant has designated as a Beneficiary; and
  4. Use any other search method or methods, including Internet search tools, commercial locator services and credit reporting agencies that the Administrator determines is a prudent method to use to locate the Participant or Beneficiary based on the particular facts and circumstances.
- C. If after Plan termination and use of the search methods specified in Subsection B of this Lost Participant Or Beneficiary section, the Administrator is still unable to locate a missing Participant or Beneficiary, then the Administrator shall transfer the portion of the Participant's Account that is an Eligible Rollover Distribution to an individual retirement account described in Code section 408(a) or an individual retirement annuity described in Code section 408(b) designated by the Administrator.

## **ARTICLE 8 – PLAN ADMINISTRATION**

### **8.01 Powers And Responsibilities Of The Employer.**

- A. The Employer shall approve any and all changes to the Plan, pursuant to the Amendment And Termination article, below.
- B. The Employer shall approve the bylaws governing the Council and shall approve any and all changes to said bylaws.
- C. The Employer shall be empowered to appoint and remove members of the Council, from time to time, as it deems necessary for the proper administration of the Plan and to assure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code.
- D. The Employer shall have the authority to hire and fire any fiduciary or agent, including the Trustee, appoint, engage and/or contract for one or more representatives, accountants, counsel, specialists, and other

advisory and clerical persons as it deems necessary or desirable to assist the Council in the administration of the Plan. The Employer may designate, as allowed by law, any person as its agent for any purpose. The designated representative of the Employer shall be responsible only for those specific powers, duties, responsibilities and obligations specifically given to it by the Employer. All usual and reasonable expenses of such representatives, accountants, counsel, specialists, and other advisory and clerical persons may be paid in whole by the Plan.

- E. The Employer shall maintain sufficient employment records to calculate benefits under this Plan for each Employee. The Employer shall make such records available to the Administrator, in a timely manner, and the Employer shall be responsible for the accuracy of such information upon which the Administrator is entitled to rely.

#### 8.02. Powers And Responsibilities Of The Council.

- A. The Council or its designee shall, in its discretion, interpret and construe the provisions of the Trust, shall resolve any ambiguities in the Trust, and shall resolve any conflicts between the Plan and the Trust.
- B. The Council exclusively has the authority to establish and shall establish all policies, procedures, and guidelines necessary or advisable to carry out the purpose of the Plan.
- C. The Council shall establish an investment policy or guidelines to ensure the prudent selection and monitoring of Plan investments or Investment Options. Such investment policy or guidelines shall be consistent with the objectives of this Plan and with the requirements of applicable State and/or Federal law.
- D. The Council shall select and monitor Plan investments or Investment Options pursuant to the investment policy or guidelines described in Paragraph C of this Powers And Responsibilities Of The Council section.
- E. The Council shall make recommendations to the Employer, as appropriate, regarding the appointment of such representatives, accountants, counsel, specialists, and other advisory and clerical persons as may be necessary and appropriate for the administration and operation of this Plan and the delegation, as allowed by law, to such representatives, accountants, counsel, specialists, and other advisory and clerical persons of any of its discretionary and ministerial powers and duties in accordance with this Plan Administration article.

- F. The Council shall determine the reasonable Plan expenses and the administrative fee charged to Participants to pay for reasonable Plan expenses on an annual basis.

8.03. Powers And Responsibilities Of The Administrator.

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan and any Council established policies, procedures and guidelines. The Administrator shall apply the policies, procedures and guidelines set forth by the Council pursuant to the Powers And Responsibilities Of The Council Section, above. The Administrator shall administer the Plan in accordance with its terms and shall have all powers that are not retained by the Employer or the Council, as enumerated in the Powers And Responsibilities Of The Employer and Powers And Responsibilities Of The Council Sections, above.

8.04. Settlement Of Disputes.

If any dispute arises between the Trustee and any other person, including, without limitation, the Administrator, the Employer or any Participant or Beneficiary under the Plan with respect to the interpretation of this Plan or the Trust or the duties of the Trustee, the Administrator or any other fiduciary, then neither the Trustee nor the Administrator shall be obligated to take any other action in connection with the matter involved in the controversy until such time as the controversy is resolved, unless this would clearly be imprudent or not in the best interest of the Participants and Beneficiaries. In addition, the Trustee may deposit (or the Administrator may direct the deposit of) the affected assets of the Trust in an interpleader action with the court of jurisdiction under applicable State law.

8.05. Compensation Of Council And Administrator.

Neither the Council nor the Administrator shall receive compensation from the Trust for acting as such, but the Trust shall reimburse the Council or Administrator for all necessary and proper expenses incurred in carrying out its duties under the Plan.

8.06. Use Of Electronic Media.

In accordance with Treasury regulations, the Administrator and the Trustee may use telephonic or electronic media to satisfy the notice requirements under this Plan.

## ARTICLE 9 CLAIMS PROCEDURES

### 9.01. Request For Information.

A Participant or Beneficiary may request such information concerning the Participant's or Beneficiary's rights or benefits under this Plan and the Trust as is required to be disclosed under applicable State law. The Administrator shall respond, in writing, within a reasonable time, not to exceed thirty (30) days, unless the failure to respond results from matters reasonably beyond the Administrator's control.

### 9.02. Claims For Benefits.

In order to receive benefits under this Plan, a Participant must submit satisfactory proof of entitlement to such a benefit as set forth in this Claims Procedures article.

### 9.03. Filing Claims.

A Participant, Beneficiary, or duly authorized representative of a Participant or Beneficiary (Claimant) may file a claim for benefits to which such Claimant believes he or she is entitled. Claims must be made in writing and delivered to the Administrator in accordance with this Claims Procedures article. Claimants shall provide the Administrator with such information and evidence, and shall sign such documents as may reasonably be requested from time to time for the purpose of administration of the Plan. The filing of claims or receipt of notices of rulings and any event starting a time period shall be deemed to commence with personal delivery signed for by the Claimant or by affidavit of personal service, or the date of actual receipt of certified mail or date returned if delivery is refused or a Claimant has moved without giving the Administrator a forwarding address.

### 9.04. Initial Determination Of Claim.

- A. The Administrator shall have full discretion to grant or deny a claim in whole or in part.
- B. The Administrator will notify the Claimant, in writing, of the granting or denying, in whole or in part, of such claim, within ninety (90) days after receipt of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed ninety (90) days from the end of the initial ninety (90)-day period.
- C. If an extension of time is necessary, the Claimant must be given a written notice to this effect prior to the expiration of the initial ninety (90)-day period, and the notice must indicate the special

circumstances requiring the extension and the date by which a decision will be made.

- D. If a claim is denied in whole or in part, the Administrator's notice denying such claim shall set forth, in a manner calculated to be understood by the Claimant, the following:
  - 1. The specific reason or reasons for the denial;
  - 2. Specific reference to pertinent Plan provisions on which the denial is based;
  - 3. A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material information is necessary; and
  - 4. An explanation of the Plan's claim review procedures.
- E. If notice of the granting or denying of a claim is not furnished in accordance with the preceding provisions, the claim shall be deemed denied and the Claimant shall be permitted to exercise the Claimant's right to review pursuant to the Claims Appeals section, below.

9.05. Claims Appeals.

- A. If a Claimant wishes to appeal a denial of a claim, the Claimant or the Claimant's duly authorized representative:
  - 1. May request a review upon written application to the Administrator;
  - 2. May submit written comments, documents, records and other information relating to the claim; and
  - 3. May obtain, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant (determined in accordance with Department of Labor regulations section 2560.503-1(m)(8) as if it applied to this Plan) to the Claimant's claim for benefits.
- B. The written request for review must be received by the Administrator no later than sixty (60) days after the Claimant receives notice that the Claimant's claim for Plan benefits has been denied.
- C. The decision on the review shall be made by the Administrator, who may, in its discretion, hold a hearing on the denied claim.

- D. The Administrator shall make its decision promptly, and not later than sixty (60) days after the Administrator's receipt of the request for a review, unless the Administrator determines that special circumstances require an extension of time for processing the claim. If the Administrator determines that an extension of time for processing is required, this period may be extended no more than sixty (60) days from the end of the initial sixty (60)-day period, in which case the Administrator shall give the Claimant a written notice to this effect prior to the expiration of the initial sixty (60)-day period and the notice shall indicate the special circumstances requiring the extension of time and the date by which a decision will be made on review.
- E. The decision on review must be written in a manner calculated to be understood by the Claimant. In the case of an adverse benefit determination, the notification to the Claimant shall set forth, in a manner calculated to be understood by the Claimant, the following:
1. The specific reason or reasons for the denial;
  2. Specific reference to pertinent Plan provisions on which the denial is based; and
  3. A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant (determined in accordance with Department of Labor regulations section 2560.503-1(m)(8) as if it applied to this Plan) to the Claimant's claim for benefits.
- F. If the decision on review is not furnished to the Claimant within the time required in this section, the claim shall be deemed denied on review and the Claimant shall be permitted to exercise the Claimant's right to legal remedy pursuant to the remaining sections of this Claims Procedures article.

9.06. Resolution Of Disputes.

Any claim under this Plan that has not been resolved under the preceding provisions of this Plan shall be resolved pursuant to the provisions of this Resolution Of Disputes section.

A. Negotiation/Mediation.

If any dispute arises over performance under the terms of this Plan, the parties shall use their best efforts for a period of thirty (30) days to resolve the dispute by agreement through negotiation or mediation. To

commence the dispute resolution process, any party may serve written notice on the other parties specifically identifying the dispute and requesting that efforts at resolution begin. If the parties are unable to agree after reasonable negotiations among them, mediation shall be initiated upon written request by any party and a mediator shall be selected by the parties from the registry maintained by JAMS the American Arbitration Association (Mediator). The parties shall submit to the Mediator all written, documentary and other evidence and such oral testimony as is necessary for a proper resolution of the dispute. When and as requested by the Mediator, the parties shall meet promptly in good faith efforts to resolve the dispute. The parties shall equally bear all costs of negotiation or mediation.

B. Binding Arbitration.

If the parties' good faith efforts at resolving the dispute by agreement through negotiation or mediation are unsuccessful, within the thirty (30)-day period set forth in the Negotiation/Mediation subsection, above, or such longer period as mutually agreed by the parties, such dispute between the parties shall be submitted to, and conclusively determined by, binding arbitration in accordance with this Binding Arbitration subsection.

1. The parties agree that the Mediator selected pursuant to the Negotiation/Mediation subsection, above, shall serve as the arbitrator (Arbitrator); provided, however, that if such Mediator is unable or unwilling to serve, then an Arbitrator shall be selected by the parties from the list of individuals affiliated with Judicial Arbitration and Mediation Services, Inc. If the parties are unable to agree upon an Arbitrator, each party shall select an Arbitrator and the Arbitrators so selected shall select a third Arbitrator.
2. Any arbitration hearing shall be conducted in the jurisdiction where the Employer's principal place of business is located. The law applicable to the arbitration of any dispute shall be the law of the State where the Employer's principal place of business is located, excluding its laws of evidence. Except as otherwise provided in this Plan, the arbitration shall be governed by the rules of arbitration of the American Arbitration Association.
3. In no event shall the Arbitrator's award include any component of punitive or exemplary damages. The parties shall equally bear all costs of arbitration.

## ARTICLE 10 – AMENDMENT AND TERMINATION

### 10.01. Action To Amend Or Terminate.

The Employer may at any time and from time to time by action of its appropriate body as evidenced by an instrument in writing duly executed by the Employer modify, amend, suspend, or terminate the Plan in whole or in part (including retroactive amendments) or cease deferring compensation pursuant to the Plan, provided, however, that the Employer shall not have the right to reduce or affect the value of any Participant's Account or any rights accrued under the Plan prior to such modification, amendment, termination or cessation.

### 10.02. Complete Termination.

In the event of the complete termination of the Plan by the Employer under the Action To Amend Or Terminate Section, above, no additional deferrals of compensation shall be contributed to the Plan and all compensation reduction agreements shall automatically and without notice be terminated immediately upon Employer's execution of the instrument in writing referenced in the Action To Amend Or Terminate Section, above, and existing Accounts shall be maintained and distributed in accordance with the Plan, or shall be distributed as soon as administratively practical, at the discretion of the Employer.

### 10.03 Scrivener's Error.

Notwithstanding any other provision of the Plan to the contrary, if there is a scrivener's error in properly transcribing the provisions of this Plan, it shall not be a violation of the Plan terms to operate the Plan in accordance with its proper provisions, rather than in accordance with the terms of the Plan, pending correction of the Plan through amendment. In addition, any provisions of the Plan improperly added as a result of scrivener's error shall be considered null and void as of the date such error occurred.

### 10.04. Reversions.

The Trustee may return a contribution that is made by the Employer, by a mistake of fact, to the Employer.

## ARTICLE 11 – MISCELLANEOUS

### 11.01. No Effect On Employment.

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any Account, nor any agreement between the Employer and the Trustee, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer

except as herein provided, and in no event shall the terms of employment of the Employee or Participant be modified or in any way affected hereby.

11.02. Vesting.

A Participant shall at all times have an unconditional, nonforfeitable right that is legally enforceable against the Plan in the Participant's Account. Except as provided in the Lost Participant Or Beneficiary section of the Payment Of Benefits article, above, the Plan does not permit divestment for cause. No benefit provided hereunder to a Participant or Beneficiary shall be forfeited or divested for any reason or cause whatsoever.

11.03. Nonalienation Of Benefits.

A. Subject to the exceptions provided below and as otherwise specifically permitted by law, no assets or benefits under the Plan and the Trust shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void. Nor shall any such benefits in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefits.

B. The prohibitions contained in this Nonalienation Of Benefits section shall not apply to a "qualified domestic relations order" as defined in Code section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The Council shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders.

11.04. Plan Expenses.

A. The expenses of administering the Plan shall be charged to the Accounts of the Participants, to the extent not paid directly by the Employer. Such expenses include:

1. The fees and expenses of the investment options and Trustee for the performance of their duties under the Plan, including any fees and expenses associated with a change, termination or addition of an Investment Option; and
2. The expenses incurred by the Council, Administrator, or any employee of the Employer in the performance of their duties under the Plan, including reasonable compensation for any legal counsel, certified public accountants, or consultants.

- B. Upon written instructions from the Administrator, the Trustee shall pay from the Trust the expenses necessary to carry out the administration of this Plan that are not paid by the Employer.

11.05. Military Leaves.

- A. Each period served by a person in the uniformed services shall, upon reemployment under USERRA, be deemed to constitute service with the Employer maintaining the Plan for the purpose of determining the accrual of benefits under the Plan, all to the extent required by and as provided under USERRA. Notwithstanding any provision in the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).
- B. The Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37), the Treasury regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment on the date before the Participant's date of death and then had a Severance From Employment on account of death.

11.06. Employee Plans Compliance Resolution System.

In accordance with standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Rev. Proc 2016-51 and any subsequent guidance, the Administrator has the authority to correct any Plan document, operational, demographic and Employer eligibility failures through self-correction (if applicable) or voluntary correction with Internal Revenue Service approval.

11.07. Limitation Of Rights; Employment Relationship.

Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee or as a right of any Employee to be continued in the employment of the Employer, or as creating or modifying the terms of an Employee's employment, or as a limitation on the right of the Employer to discharge any Employee, with or without cause. Unless the law or this Plan explicitly provides otherwise, rights under any other employee benefit plan maintained by the Employer (for example, benefits upon an Employee's death, retirement, or other termination) do not create any rights under this Plan to benefits or continued participation. The fact that an individual is eligible to

receive benefits under this Plan does not create any rights under any other employee benefit plan maintained by the Employer, unless that plan or the law explicitly provides otherwise.

11.08. Limitation Of Rights Of Participants And Others.

Neither the establishment of the Plan or the Trust, nor any modifications thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or any other person any legal or equitable right against the Employer, the Administrator, or its designated representative, or the Trustee, except as expressly provided herein or as provided by law.

11.09. Release From Liability.

Any payment to any Participant, or to the Participant's legal guardian or Beneficiary, in accordance with the provisions of the Plan, shall to the extent thereof be in full satisfaction of all claims hereunder against the Plan, the Employer, the Administrator, the Trustee and any Plan fiduciary, any of whom may require such Participant, legal guardian or Beneficiary, as a condition precedent to such payment, to execute a receipt and release therefor in such form as shall be determined by the Employer, the Administrator or the Trustee, as the case may be.

11.10. Performance Of Duties.

The Administrator and his/her designee(s) shall, at all times, be employees of the County. The performance of all duties and responsibilities by the Administrator and his/her designees, as provided herein, shall be considered within the scope and duties of their employment with the County. The foregoing shall not apply to any authorized agent except when such agent is an employee of the County.

11.11. Construction.

No provision of this Plan shall be construed to conflict with any Treasury Department or Internal Revenue Service regulation, ruling, release or proposed regulation or other order which affects, or could affect, the terms of this Plan. If any provision is susceptible of more than one interpretation, such interpretation shall be given thereto as is consistent with the Plan being in conformity with Code section 457 and administered in conformity with other federal or State laws that apply to the Plan.

11.12. Headings.

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

11.13. Uniformity.

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

11.14. Gender And Number.

Any reference in the masculine gender herein shall be deemed to also include the feminine gender, unless expressly provided otherwise. Wherever appropriate, any reference in this document in the singular shall include the plural and any reference in the plural shall include the singular.

11.15. Controlling Law.

Unless otherwise provided in this Plan, the Plan shall be construed and enforced according to the laws of the United States of America to the extent applicable, otherwise by the laws of California including California's choice-of-law rules, except to the extent those laws would require application of a State other than California.

11.16. Severability.

In the event that any provisions of this Plan shall be held illegal or invalid for any reason by operation of law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining legal and valid provisions of this document. This Plan shall continue as if said illegal or invalid provisions had not been included herein either initially, or beyond the date it is first held to be illegal or invalid, but only if the basic purposes hereof can be effected through the remaining valid and legal provisions.

11.17. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver or breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

11.18. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

## APPENDIX A

### Normal Retirement Age Ranges

<u>Retirement Benefit Tier</u>	<u>Normal Retirement Age Range</u>
Tier I - General	55 – 70 ½
Tier II - General	55 – 70 ½
Tier III - General	55 – 70 ½
Tier IV - General	57 ½ - 70 ½
Tier V - General	52 – 70 ½
Tier I - Safety	50 – 70 ½
Tier II - Safety	55 – 70 ½
Tier IV - Safety	50 – 70 ½
Tier V - Safety	50 – 70 ½



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

# ITEM 9

DATE: September 26, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager Hollis Magill

SUBJECT: Deferred Compensation Plan Outreach Report

### **BACKGROUND**

Your Council has made it a priority to reach out to active participants, non-participating employees and retired participants. The purpose of this item is to report on the state of Plan participation, outreach efforts in the previous quarter, and to present staff and Nationwide's planned efforts. As of July 31, 2019, the participation rate is 54.5%, based on 3,918 contributions and 7,195 eligible employees. In addition, as of August 26, 2019, there are 6,570 total Plan participants, which includes both active and retired/separated employees.

### **ISSUE**

Staff has prepared a summary of activity for both staff and Nationwide, as well as planned activity of staff and Nationwide. In addition, Attachment A provides detailed Plan participation statistics by age band, department, retirement tier, and employee group and Attachment B includes a detailed plan for retiree luncheons.

### **Prior Activity**

#### **Aspire Award - Save Today! 2019**

- The County's Save Today! Campaign won an Aspire Award, which is awarded by the National Association of Counties (NACo) for innovative leadership in promoting county employee retirement savings.

#### **County Staff**

- Staff assisted twelve (12) retirees to set up contributions of their annual leave payouts to their Plan accounts totaling approximately \$149,000.
- Staff sent emails to employees in bargaining units 1, 3, 4, 12, 14, 22, 30, 35, 36, and 38, as well as most Management and Unrepresented employees, encouraging them to use their recent pay increase to enroll or increase their contributions. In total, staff sent emails to 4,818 employees.

#### **Nationwide**

- Nationwide created a custom mailer, containing general information about the advantages of staying in the Plan, to be sent to participants who retire or separate from service. The mailer was sent to 3,735 participants in the 2<sup>nd</sup> Quarter of 2019.

- 65 County work locations visited, 7 New Employee Orientation sessions attended – resulting in 144 enrollments out of possible 235 (61% “Close Rate”) – and approximately 500 emails and/or phone calls to individuals.
- Total Activity: 310 individual interactions; 7 group presentations; 186 enrollments; and 78 contribution increases.

### Planned Activity

#### **County Staff**

- Attachment B outlines a plan for the initial retiree outreach and appreciation luncheon. Staff and Nationwide, pending approval of Attachment B, will begin planning a retiree outreach luncheon for the first half of 2020.
- Staff will begin sending emails to all employees who haven’t changed their contribution for 12 or more months.
- Staff and Nationwide will utilize the participation data in Attachment A to develop targeted marketing campaigns to employees in groups with below average participation rates and/or contribution amounts.

#### **Nationwide**

- Phillip Edwards resigned from Nationwide effective July 26<sup>th</sup>, 2019. However, Nationwide has hired Deanna Sisk to replace Phillip Edwards effective September 23, 2019. Ms. Sisk has a background of work in the financial services industry with Edward Jones of Fresno, as well as experience working in the California State Legislature.
- Nationwide continued to present at all New Employee Orientations during the transition period. Nationwide is also working with staff to coordinate on site appointments based on Phillip’s previous activity and the work locations with the most employees.
- Nationwide’s Retirement Resource Group will continue to be available to assist with investment education, enrollments, and consolidations. The group is licensed the same as our Retirement Specialist in the field. There has been a flyer sent out with their contact information and an email sent to employees by County staff.

### **RECOMMENDED ACTION**

**Approve the Retiree Outreach Luncheon Action Plan contained in Attachment B as recommended or with amendments and direct staff and Nationwide to host an event in the first half of 2020.**

## Item 9 – Attachment A

### Plan Participation by Retirement Tier (as of 7/31/2019)

<b>Tier</b>	<b>Total Employees</b>	<b>Enrollment</b>	<b>Participation %</b>	<b>Avg. Contribution</b>
Gen Tier I	2389	1276	53.4%	\$145.32
Gen Tier II	95	63	66.3%	\$163.17
Gen Tier III	585	280	47.9%	\$91.15
Gen Tier IV	252	134	53.2%	\$107.77
Gen Tier V	2866	1500	52.3%	\$63.79
Safety Tier I	435	287	66.0%	\$193.91
Safety Tier II	52	33	63.5%	\$263.89
Safety Tier IV	63	44	69.8%	\$180.25
Safety Tier V	458	301	65.7%	\$138.11
<b>Totals:</b>	<b>7195</b>	<b>3918</b>	<b>54.5%</b>	<b>\$113.63</b>

### Plan Participation by Department (as of 7/31/2019)

<b>Department</b>	<b>Total Employees</b>	<b>Enrollment</b>	<b>Participation %</b>	<b>Avg. Contribution</b>
Administrative Office	31	15	48.4%	\$117.98
Agriculture Department	91	59	64.8%	\$119.86
Assessor-Recorder	116	61	52.6%	\$183.10
A-C/T-TC	90	46	51.1%	\$105.66
Behavioral Health	500	255	51.0%	\$107.79
Child Support Services	210	109	51.9%	\$85.14
County Clerk - Elections	27	15	55.6%	\$142.26
County Counsel	31	17	54.8%	\$223.14
District Attorney	233	114	48.9%	\$263.96
Human Resources	61	45	73.8%	\$145.44
Internal Services	380	179	47.1%	\$93.15
Library	296	106	35.8%	\$61.96
Probation	598	362	60.5%	\$95.35
Public Defender	134	64	47.8%	\$142.98
Public Health	360	222	61.7%	\$161.63
Public Works	379	202	53.3%	\$112.76
Retirement Association	34	27	79.4%	\$121.73
Sheriff - Coroner	1167	748	64.1%	\$166.07
Social Services	2457	1272	51.8%	\$69.14
<b>Totals:</b>	<b>7195</b>	<b>3918</b>	<b>54.5%</b>	<b>\$113.63</b>

## Item 9 – Attachment A

### Plan Participation by Age Band (as of 7/31/2019)

Age Band	Total Employees	Enrollment	Participation %	Avg. Contribution
18-29	1117	601	53.8%	\$69.79
30-39	2065	1158	56.1%	\$85.99
40-49	1993	1109	55.6%	\$118.18
50-59	1505	822	54.6%	\$162.52
60+	515	228	44.3%	\$171.26
<b>Totals:</b>	<b>7195</b>	<b>3918</b>	<b>54.5%</b>	<b>\$113.63</b>

### Plan Participation by Employee Group (as of 7/31/2019)

Employee Group	Total Employees	Enrollment	Participation %	Avg. Contribution
Management	559	367	65.7%	\$207.36
Unrepresented	344	190	55.2%	\$105.84
Unit 01	426	278	65.3%	\$206.08
Unit 02	1060	603	56.9%	\$99.41
Unit 03	527	260	49.3%	\$87.62
Unit 04	1113	596	53.5%	\$55.10
Unit 07	61	38	62.3%	\$262.34
Unit 10	43	29	67.4%	\$225.57
Unit 11	181	128	70.7%	\$88.94
Unit 12	1302	562	43.2%	\$45.20
Unit 13	129	68	52.7%	\$54.06
Unit 14	44	30	68.2%	\$271.58
Unit 19	156	100	64.1%	\$162.66
Unit 22	242	98	40.5%	\$69.36
Unit 25	53	25	47.2%	\$106.06
Unit 30	109	56	51.4%	\$333.16
Unit 31	72	38	52.8%	\$130.52
Unit 35	27	20	74.1%	\$258.36
Unit 36	451	256	56.8%	\$128.91
Unit 37	43	37	86.0%	\$154.43
Unit 38	5	5	100.0%	\$242.00
Unit 39	72	32	44.4%	\$67.29
Unit 40	22	16	72.7%	\$117.99
Unit 42	23	10	43.5%	\$185.56
Unit 43	131	76	58.0%	\$140.93
<b>Totals:</b>	<b>7195</b>	<b>3918</b>	<b>54.5%</b>	<b>\$113.63</b>

## Item 9 – Attachment B: Retiree Appreciation Luncheon Action Plan

### **Initiative**

Host a recurring luncheon to engage and retain Deferred Compensation Plan (the “Plan”) participants who are approaching retirement or have recently retired to share the benefits of staying in the Plan, such as:

- Access to educational resources through Nationwide staff and County staff
- Low administration fee and institutional investment options
- Fiduciary oversight by the Deferred Compensation Management Council and Northwest Capital Management

### **Targeted Participants**

- **Active participants** who are age 50 or older, have 10 or more years of County service, and have a balance of \$100,000 or more.
- **Retired participants** who have retired within the last three (3) years and have a balance of \$100,000 or more.

### **Potential Discussion Topics**

- Retirement Income: County Pension, Deferred Compensation, Social Security, etc.
- Healthcare costs
- Spend-down strategies
- Required Minimum Distributions
- Investment strategies

### **Logistics and Cost**

County staff and Nationwide Retirement Solutions will organize the venue, catering, invitations, etc. Members of County staff will attend each event, along with staff from Nationwide.

Cost assumptions:

- Approximately \$20 – \$25 per attendee;
- Approximately 50 attendees per event, which includes 25 participants and 25 guests;
- The total cost per event will be approximately \$1,000 – \$1,250.

### **Measuring Success**

- Follow-up attendee survey
- Number of requested follow-up meetings with Nationwide staff
- Positive attendee action, such as staying in the Plan, increasing contributions, and asset diversification.



## Item 10

DATE: September 26, 2019

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: Second Quarter Investment Performance Report (Executive Summary)

### Capital Markets

Name	YTD (07/31/2019)	Q2 2019	1-Year (07/31/2019)
S&P 500 TR USD	20.24	4.30	7.99
S&P MidCap 400 TR	19.38	3.05	0.79
S&P SmallCap 600 TR USD	14.98	1.87	-6.75
MSCI EAFE NR USD	12.58	3.68	-2.60
MSCI EM NR USD	9.23	0.61	-2.18
BBgBarc US Agg Bond TR USD	6.35	3.08	8.08

	7/31/2019	6/28/2019	7/31/2018
10-Year Treasury Yield	2.02%	2.00%	2.96%

### Second Quarter (Complete Quarterly Investment Report is provided as **Exhibit A**)

- Markets continued to advance heading into the longest U.S. economic expansion in history. Trade escalation led to volatility, but the quarter concluded with a détente in the U.S.- China trade war.
- **U.S. equities** were positive across all market caps and styles. Growth dominated value this quarter, while small caps lagged due to domestic growth concerns.
- **International equities** underperformed the U.S., but developed markets posted positive returns. Trade detracted due to the resumption of trade conflicts and questions over policy supports.
- In **fixed income**, declining rates and tightening credit spreads drove fixed income higher. The decline in Federal funds rate expectations drove demands for U.S. Treasury bonds. The U.S. 10-Year Treasury rate ended the quarter at a two-year low.

### Economic Factors

- First quarter GDP grew 3.1%, consumption and investment spending grew by just 1.3%.
- A strong labor market continues with wages growing 3.1% year-over-year. Unemployment ticked up to 3.7%, but the employment-to-population ratio remained steady at 60.6%.
- Overall inflation remains manageable as various headline CPI rose 1.8%. The PCE index remained soft at 1.6% below the Fed's target of 2%.
- Looking ahead, the majority of Fed participants now expect lowering rates this year in order to sustain economic expansion. Markets continue to price in the prospect of a shifting Fed policy.

### Investments

Hennessy Focus Instl, Oakmark Equity and Income, and Virtus Seix Total Return Bond were removed from the Plan on June 17, 2019. The Great-West Lifetime Trusts 2020, 2030, 2040, 2050 will be added on September 16, 2019. Ivy International scored a 4 this quarter due to recent underperformance. An in-depth review is provided later in the report. The remaining investment options are compliant with the County's investment policy performance criteria.

- An updated fund watch report has been included as **Exhibit B**.
- An in-depth review on Ivy International (IINCX) is included as **Exhibit C**.

### Recommended Actions

1. **Approve placement of the Ivy International Core Equity Fund - Class N on the watch list.**

# Item 10 - Exhibit A

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## Market Overview

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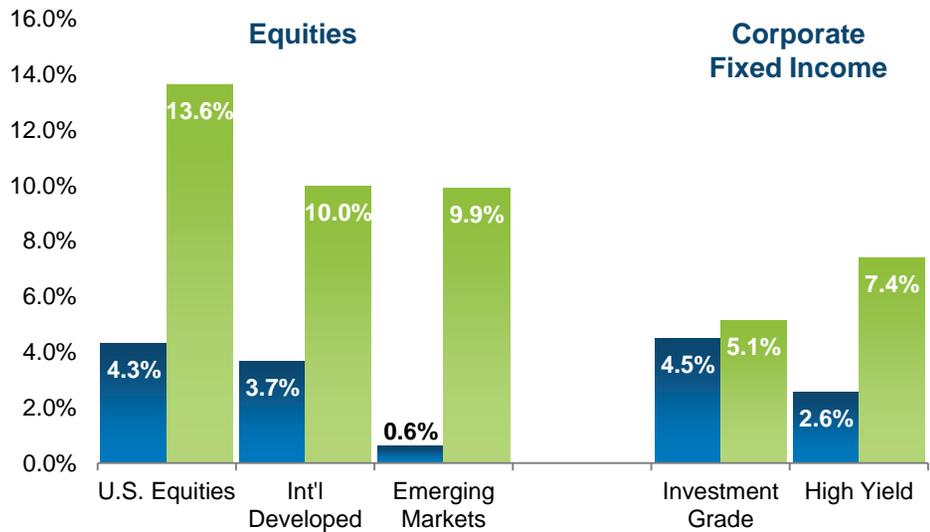
## Retirement

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# Markets Advance Despite Trade Uncertainty

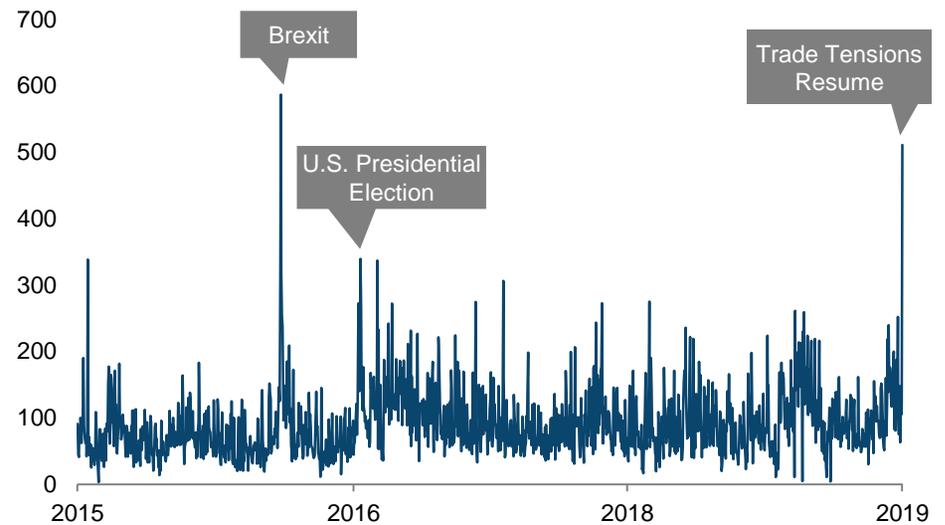
## Global Equity Quarterly Performance

Total Return USD



## U.S. Economic Policy Uncertainty Index<sup>1</sup>

Daily News Based Index



Markets continued their advance during the second quarter while heading into the longest U.S. economic expansion in history. The S&P 500 finished up 4.30% after a zig-zag quarter. Volatility rose following an abrupt Tweet inspired trade escalation that caused the S&P 500 to fall 6.35% in May.

Supportive central banks provided a sharp recovery in June, leaving first half returns for most asset classes above their long-term annual averages. The boost from easier monetary policy drove broad appetite for both “risky” and “safe” assets such as Equities and Treasuries, respectively.

Yields on 2- and 10-year Treasuries are revisiting levels last seen in the second half of 2017. In stark contrast, the S&P 500 hit an all-time high following the June Fed meeting. The market is now pricing in a 100% probability of a rate cut in July and a 75% probability of a subsequent cut in September.

The conclusion of the second quarter delivered a welcome détente in the U.S.-China trade war at the G20 summit in Japan. President Trump promised not to impose any new tariffs, and hoped that China will increase imports from the U.S.

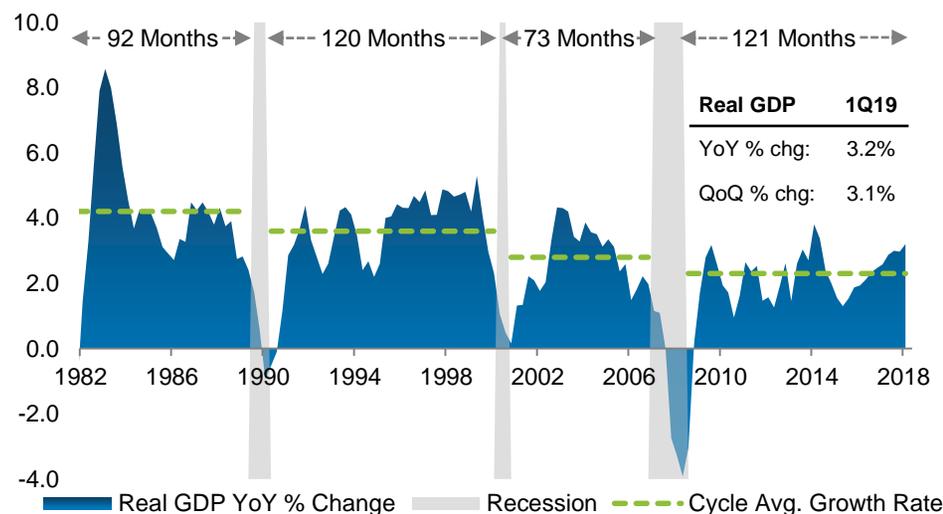
Sources: Bloomberg, Morningstar Direct, as of June 30, 2019. Past performance does not guarantee future results. Asset classes are represented by the following benchmarks: U.S. Equities (S&P 500 Index), International Developed (MSCI EAFE), Emerging Markets (MSCI EM), Investment Grade Corporate (BBgBarc US Corporate IG), High Yield (ICE BofAML US High Yield).

<sup>1</sup>The Baker, Bloom and Davis daily news-based Economic Policy Uncertainty Index is based on newspaper archives from Access World News's NewsBank service. These newspapers range from large national papers like USA Today to small local newspapers across the country. The index is constructed based on the number of articles that contain at least one term from each of 3 sets of categories. The first set is economic or economy. The second is uncertain or uncertainty. The third set is legislation or deficit or regulation or congress or federal reserve or white house.

# Longest Economic Expansion Remains Supported By The Fed

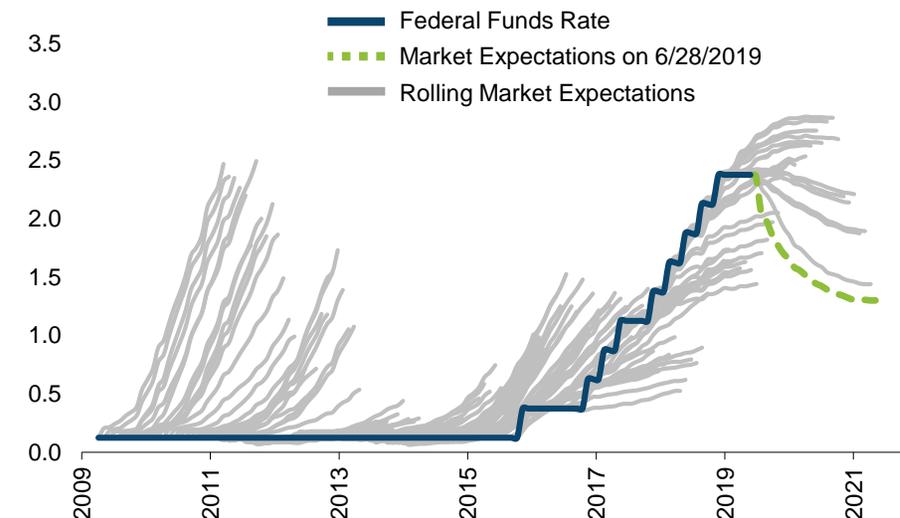
## The Longest U.S. Economic Expansion On Record

% Year-Over-Year



## Federal Funds Rate Expectations

(%)



**GDP:** Driven by exports and inventories, first quarter real GDP grew 3.1%. The underlying growth was not as strong as it appeared with consumption and investment spending, which together account for 85% of GDP, grew by a meager 1.3%. Companies continued to build up inventories during the U.S.-China trade ceasefire that ended in March.

**Labor Market:** The labor market continues to be strong as job gains for June handily beat expectations at 224,000, wages grew 3.1% year-over-year, and unemployment ticked up from 3.6% to 3.7%. However, the participation rate moved up to 62.9% leaving the employment-to-population ratio unchanged at 60.6%.

**Inflation:** Inflation remains manageable, as headline CPI rose 1.8% and core CPI (excluding food and energy) rose 2.0%. The Fed's closely monitored core PCE index remained soft at 1.6% below the Fed's target of 2%.

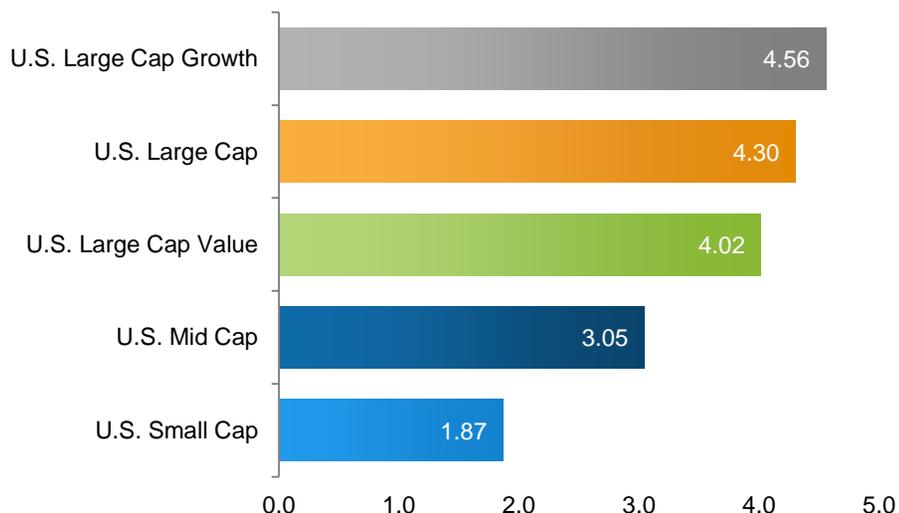
**Fed Speak:** A large majority of Federal Reserve (FOMC) participants now expect lowering rates this year, down from a median projection of zero hikes in March. The June FOMC meeting statement dropped the previous reference to a patient approach to policy, and instead noted that they are closely monitoring downside risks and "will act as appropriate to sustain the expansion." Looking ahead, markets continue to price a dovish path for the Fed as futures are pricing in a full 75 basis points of cuts over the remainder year.

## Asset Class Performance

# Growth Prevails Amid Balanced Gains

### U.S. Equity Quarterly Performance

Total Return USD

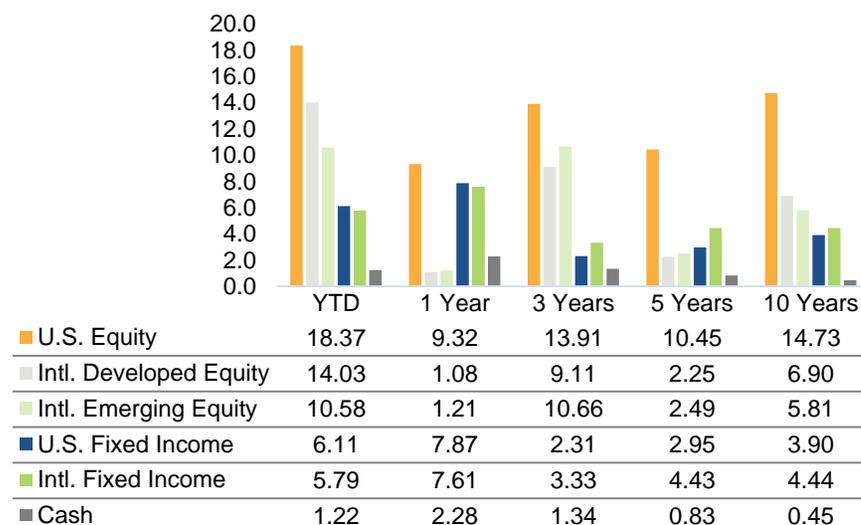


**U.S. Equities:** Domestic equity markets were positive across market capitalizations and styles in the second quarter. Growth resumed to dominate value this quarter, as the S&P 500 Growth Index rallied 4.56% thanks to Microsoft, Amazon, and Facebook. Small Cap stocks lagged due to domestic growth concerns and lack of leverage over suppliers.

**International Equities:** International equities underperformed the U.S. this quarter. Developed markets, rose 3.68% with Japan, United Kingdom, and Hong Kong being the laggards. Trade, in combination with the Brexit and Italian overhang, detracted during this period. The standout laggard for the Emerging markets was China, which fell 4.02%. The resumption of trade conflict and questions over policy supports contributed to relative underperformance.

### Trailing Returns

Total Return USD



**Fixed Income:** The combination of declining interest rates and tightening credit spreads drove fixed income markets higher across the board in the second quarter. The decline in Federal funds rate expectations drove demand for U.S. Treasury bonds. The U.S. 10-Year Treasury rate ended the quarter 50bps lower at 2.0%. This marks a two-year low after a decline of 1.25% from October 2018 highs.

Source: Morningstar Direct as of June 30, 2019. Past performance does not guarantee future results. Asset classes are represented by the following benchmarks: U.S. Equity (S&P 1500 Index), Intl. Developed Equity (MSCI EAFE), Intl. Emerging Equity (MSCI EM), U.S. Large Cap (S&P 500), U.S. Large Cap Growth (S&P 500 Growth), U.S. Large Cap Value (S&P 500 Value), U.S. Mid Cap (S&P MidCap 400), U.S. Small Cap (S&P SmallCap 600), U.S. Fixed Income (BBgBarc US Agg Bond), Intl. Fixed Income (BBgBarc Gbl Agg Ex USD Hdg USD), Cash (ICE BofAML 0-3 M US Trsy Bill). Total Return in USD.

# ERISA Plan Legislative and Regulatory Update

## Secure Act Stalled in Senate



Introduced in March 2019, the Secure Act would lead to significant changes in retirement policy. A few of the key components are:

- more flexibility for small businesses to offer multiple employer plans
- increase the age for required minimum distributions from 70<sup>1/2</sup> to 72
- allow long-term, part-time workers eligibility for retirement benefits

On May 23, 2019, the House of Representatives passed the Secure Act with overwhelming support by 417–3.

The bill then moved to the Senate, where leaders hoped it would pass under “unanimous consent,” exempting it from the standard process of debate and amendment by the full Senate. Despite optimistic expectations, the bill has been stalled due to objections by several senators for reasons unrelated to its retirement provisions.

Supporters of the bill wanted it to be incorporated with the congressional budget agreement reached in July 2019, which would have given it another opportunity to become law without the standard debate process. It was not included.

The Secure Act will now be put to debate in the full Senate, though likely not until September 2019 at the earliest. The bill is expected to pass when it is eventually put to vote.<sup>1,2,3</sup>

## 2019 Q3 Compliance Calendar



**July 31<sup>st</sup>** - Deadline for filing Form 5500 (without extension). Last day to submit Form 5558 to request automatic extension to file Form 5500 October 15<sup>th</sup>.

**August** – No key deadlines.

**September 15<sup>th</sup>** – Extended deadline for filing corporate tax returns and contribution deadline for deductibility.

**September 30<sup>th</sup>** - Deadline for distributing Summary Annual Report (SAR) to participants if Form 5500 submission was not extended. December 15<sup>th</sup> if 5500 extended.

Bell  
vs.



## ATH Holding Company

An excessive fee lawsuit filed by employees of health insurance firm Anthem Inc. recently settled for \$23.7 million.<sup>4</sup> Employees made the following allegations regarding the company’s 401(k) plan:

- Plan fiduciaries breached their duties to participants by using more expensive share classes of investments than necessary. For example, the plan utilized retail share classes when asset scale granted institutional pricing availability.
- The plan should have offered a stable value fund rather than a low-yielding money market fund.
- The plan failed to prudently monitor and control recordkeeping compensation, including conducting a competitive bidding process for the Plan’s recordkeeping services that would have produced a lower recordkeeping fee for the plan.

### What does this mean for me?

It is important to note that this case has not been adjudicated, meaning no court has ruled on the merits of the allegations above. Still, the following takeaways may be useful to plan sponsors and advisors alike:

- Utilizing the lowest cost share class is a best practice for fiduciaries, though not required by law.
- Fiduciaries should be informed as to whether a recordkeeper is receiving no more than a reasonable fee for the services to the plan.

<sup>1</sup>Manganaro, John. “Advocates Hope Stalled SECURE Act Folds into Budget Negotiations.” *PLANADVISER*, 22 July 2019.

<sup>2</sup>Mattingly, Phil. “Final Details of a Budget Deal Are Emerging but Nothing Is on Paper Yet.” *CNN*, 22 July 2019.

<sup>3</sup>Schoeff, Mark. “Budget Agreement Leaves SECURE Act by Wayside.” *InvestmentNews*, 23 July 2019.

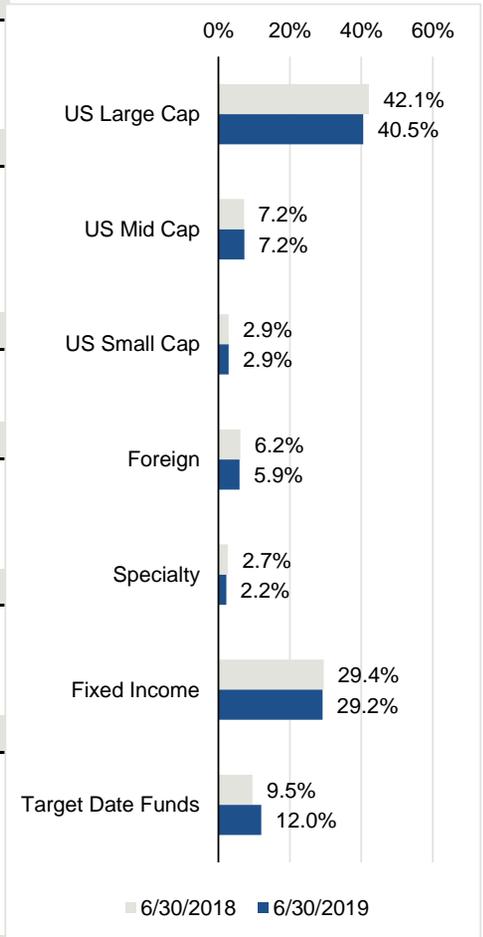
<sup>4</sup>Iacurci, Greg. “401(k) Lawsuit over Vanguard Fees Ends with \$23.7 Million Settlement.” *InvestmentNews*, 10 Apr. 2019.

# County of Fresno 457 DC Plan

## Summary of Assets

As of 06/30/2019

Asset Class	Ticker	%	6/30/2018	Net Increases/Decreases	6/30/2019	%
<b>US Large Cap</b>		<b>42.15%</b>	<b>\$104,653,828</b>	<b>\$1,751,988</b>	<b>\$106,405,817</b>	<b>40.52%</b>
BlackRock Equity Index - Collective M	02cff1	18.51%	\$45,959,636	\$1,980,744	\$47,940,380	18.25%
Alger Spectra Z	aspzx	18.26%	\$45,341,406	(\$961,317)	\$44,380,089	16.90%
Columbia Dividend Income Inst3	cddyx	5.38%	\$13,352,787	\$732,562	\$14,085,348	5.36%
<b>US Mid Cap</b>		<b>7.19%</b>	<b>\$17,842,964</b>	<b>\$1,174,802</b>	<b>\$19,017,767</b>	<b>7.24%</b>
BlackRock MidCap Idx - Collective M	03cff2	3.58%	\$8,896,913	\$6,143	\$8,903,056	3.39%
BlackRock Russell 2000 Index Coll M	03cff3	1.58%	\$3,915,077	\$330,867	\$4,245,944	1.62%
T. Rowe Price Mid-Cap Growth I	rptix	0.00%	\$0	\$5,868,767	\$5,868,767	2.23%
Hennessy Focus Institutional	hfcix	2.03%	\$5,030,974	(\$5,030,974)	\$0	0.00%
<b>US Small Cap</b>		<b>2.88%</b>	<b>\$7,149,637</b>	<b>\$477,903</b>	<b>\$7,627,541</b>	<b>2.90%</b>
Nicholas Limited Edition I	nclex	2.35%	\$5,828,700	\$267,435	\$6,096,135	2.32%
Janus Henderson Small Cap Value N	jdsnx	0.53%	\$1,320,937	\$210,468	\$1,531,406	0.58%
<b>Foreign</b>		<b>6.17%</b>	<b>\$15,315,477</b>	<b>\$241,973</b>	<b>\$15,557,450</b>	<b>5.92%</b>
BlackRock EAFE Equity Index Coll F	10cff5	1.31%	\$3,241,449	\$676,746	\$3,918,195	1.49%
Ivy International Core Equity N	iincx	4.02%	\$9,979,573	(\$495,746)	\$9,483,827	3.61%
Invesco Oppenheimer Developing Mkts R6	odvix	0.84%	\$2,094,455	\$60,974	\$2,155,428	0.82%
<b>Specialty</b>		<b>2.67%</b>	<b>\$6,617,945</b>	<b>-\$864,598</b>	<b>\$5,753,347</b>	<b>2.19%</b>
Fidelity Advisor Real Estate Income I	frirx	0.40%	\$994,778	\$828,218	\$1,822,996	0.69%
Franklin Utilities R6	fufrx	1.38%	\$3,435,449	\$494,902	\$3,930,351	1.50%
Oakmark Equity And Income Investor	oakbx	0.88%	\$2,187,718	(\$2,187,718)	\$0	0.00%
<b>Fixed Income</b>		<b>29.44%</b>	<b>\$73,107,073</b>	<b>\$3,554,951</b>	<b>\$76,662,024</b>	<b>29.19%</b>
BlackRock US Debt Index Fund Coll W	04cff4	1.83%	\$4,539,305	\$264,000	\$4,803,305	1.83%
Virtus Seix Total Return Bond R6	samzx	1.46%	\$3,630,159	(\$3,630,159)	\$0	0.00%
Metropolitan West Total Return Bd Plan	mwtsx	0.00%	\$0	\$4,809,149	\$4,809,149	1.83%
Templeton Global Bond R6	fbnrx	0.64%	\$1,591,241	\$424,001	\$2,015,242	0.77%
Fresno County Stable Value	fressv	25.51%	\$63,346,369	\$1,687,960	\$65,034,329	24.76%
<b>Target Date Funds</b>		<b>9.51%</b>	<b>\$23,622,986</b>	<b>\$7,981,503</b>	<b>\$31,604,489</b>	<b>12.03%</b>
Great-West Lifetime 2015 Trust	grwl15	1.38%	\$3,431,495	\$825,693	\$4,257,188	1.62%
Great-West Lifetime 2025 Trust	grwl25	3.14%	\$7,807,591	\$3,327,898	\$11,135,488	4.24%
Great-West Lifetime 2035 Trust	grwl35	2.07%	\$5,132,664	\$1,651,324	\$6,783,988	2.58%
Great-West Lifetime 2045 Trust	grwl45	2.02%	\$5,022,589	\$985,607	\$6,008,196	2.29%
Great-West Lifetime 2055 Trust	grwl55	0.90%	\$2,228,647	\$1,190,980	\$3,419,627	1.30%
<b>Total</b>		<b>100.0%</b>	<b>\$248,309,912</b>	<b>\$14,318,523</b>	<b>\$262,628,435</b>	<b>100.0%</b>







**CALCULATION METHODOLOGY OF OVERALL FUND** 1 (Worst) — 10 (Best)

Factor	Weight	Explanation	Score Calculation		
<p><b>RETURNS</b></p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>40% Overall</p>	<p><b>Absolute Returns</b></p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p><b>Proportional Score</b> Ranks in the top 75% of Peer Group</p>	<p><b>No Score</b> Ranks in the bottom 25% of Peer Group</p>	
<p><b>RISK ADJUSTED RETURNS</b></p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>20% Overall</p>	<p><b>Sharpe Ratio</b></p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p><b>Proportional Score</b> Ranks in top 75% of Peer Group</p>	<p><b>No Score</b> Ranks in bottom 25% of Peer Group</p>	
<p><b>RISK</b></p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>30% Overall</p>	 <p>10% Overall</p>	<p><b>Standard Deviation</b></p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p><b>Proportional Score</b> Ranks in top 75% of Peer Group</p>	<p><b>No Score</b> Ranks in bottom 25% of Peer Group</p>
		 <p>20% Overall</p>	<p><b>Upside/Downside Capture</b></p> <p>Peer Group Percentile Rankings: 3,5,10 Year Periods</p>	<p><b>Proportional Score</b> Ranks in top 75% of Peer Group</p>	<p><b>No Score</b> Ranks in bottom 25% of Peer Group</p>
<p><b>OTHER</b></p> <p>Fund expense quartile rank</p> <p>Manager tenure is greater than 3 years</p>	 <p>10% Overall</p>	 <p>5% Overall</p>	<p><b>Expense Ratio</b></p> <p>For current period</p>	<p><b>Proportional Score</b> Ranks in top 75% of Peer Group</p>	<p><b>No Score</b> Ranks in bottom 25% of Peer Group</p>
		 <p>5% Overall</p>	<p><b>Average Tenure</b></p> <p>Number of years</p>	<p><b>Full Score</b> Manager Tenure more than 3 years</p>	<p><b>No Score</b> Manager Tenure less than 3 years</p>

For peer group rankings, a rank of 1-50 indicates the manager performed favorably and ranked in the top half of its peer group for that metric. For example: when measuring risk, a rank of 1 would mean the manager had a very low standard deviation compared to its peer group, whereas when measuring return, a rank of 1 would mean the manager had a very high return compared to its peer group.

Summary of Fund Compliance

**Passively-Managed and Cash Funds**

Type	Assets %	Fund Name	Ticker
LC Index	18.25%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.39%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	1.62%	BlackRock Russell 2000 Index Coll M	03cff3
Global	1.49%	BlackRock EAFE Equity Index Coll F	10cff5
US Debt	1.83%	BlackRock US Debt Index Fund Coll W	04cff4

**Actively-Managed Funds**

Underperforming ◀ ● ○ ● ▶ Outperforming

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	5.36%	Columbia Dividend Income Inst3	CDDYX	●	●	●	●	●
Pass	16.90%	Alger Spectra Z	ASPZX	●	●	○	●	●
Pass	1.50%	Franklin Utilities R6	FUFRX	●	●	●	●	●
Pass	2.23%	T. Rowe Price Mid-Cap Growth I	RPTIX	●	●	●	●	●
Pass	0.58%	Janus Henderson Small Cap Value N	JDSNX	●	●	●	●	●
Pass	2.32%	Nicholas Limited Edition I	NCLEX	○	●	●	●	●
Watch	3.61%	Ivy International Core Equity N	IINCX	○	○	○	●	●
Pass	0.82%	Invesco Oppenheimer Developing Mkts R6	ODVIX	●	●	●	●	●
Pass	1.83%	Metropolitan West Total Return Bd Plan	MWTSX	●	●	●	●	●
Pass	0.77%	Templeton Global Bond R6	FBNRX	●	●	○	●	●
Pass	24.76%	Fresno County Stable Value	fressv	●	●	●	●	●
Pass	0.69%	Fidelity Advisor Real Estate Income I	FRIRX	○	●	●	●	●

Underperforming ◀ ● ○ ● ▶ Outperforming

**Target-Date Funds**

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	1.62%	Great-West Lifetime 2015 Trust	GRWL15	●	●	●	●	●
Pass	4.24%	Great-West Lifetime 2025 Trust	GRWL25	●	●	●	●	●
Pass	2.58%	Great-West Lifetime 2035 Trust	GRWL35	●	●	●	●	●
Pass	2.29%	Great-West Lifetime 2045 Trust	GRWL45	●	●	●	●	●
Pass	1.30%	Great-West Lifetime 2055 Trust	GRWL55	●	●	●	●	●

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				LC Index	18.25%	02cff1	BlackRock Equity Index - Collective M	14	7	6	16	9	6	38	39	33	19	12	27	37
MC Index	3.39%	03cff2	BlackRock MidCap Idx - Collective M	38	19	12	45	23	18	67	64	65	13	6	11	75	68	66	1	5
SC Index	1.62%	03cff3	BlackRock Russell 2000 Index Coll M	14	23	28	21	26	42	61	74	73	11	6	10	50	73	82	2	5
Global	1.49%	10cff5	BlackRock EAFE Equity Index Coll F	14	23	22	7	23	23	26	50	49	30	38	25	23	34	46	5	5
US Debt	1.83%	04cff4	BlackRock US Debt Index Fund Coll W	1	1		12	15		86	84		1	7		50	49		1	5

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				9	5.36%	CDDYX	Columbia Dividend Income Inst3	6	1	9	3	1	3	14	13	9	67	50	80	9
7	16.90%	ASPZX	Alger Spectra Z	32	32	11	39	36	17	69	69	65	21	21	8	84	71	70	45	9
7	1.50%	FUFRX	Franklin Utilities R6	35	16	24	45	8	21	72	69	24	11	14	38	70	68	21	15	15
8	2.23%	RPTIX	T. Rowe Price Mid-Cap Growth I	37	12	8	15	8	6	10	8	14	63	40	44	14	12	15	6	27
8	0.58%	JDSNX	Janus Henderson Small Cap Value N	12	3	49	3	1	3	3	3	3	88	81	92	3	2	2	12	6
7	2.32%	NCLEX	Nicholas Limited Edition I	54	40	61	22	12	10	1	1	2	92	87	95	4	3	5	17	14
4	3.61%	IINCX	Ivy International Core Equity N	75	63	29	84	65	33	86	80	58	32	29	28	89	77	49	30	8
8	0.82%	ODVIX	Invesco Oppenheimer Developing Mkts R6	8	28	3	7	28	6	35	45	25	32	55	53	20	34	17	12	12
7	1.83%	MWTSX	Metropolitan West Total Return Bd Plan	39	31	7	43	24	6	63	25	71	30	47	11	51	29	17	12	20
6	0.77%	FBNRX	Templeton Global Bond R6	7	40	27	39	49	46	75	74	86	98	93	89	2	2	3	14	9
9	24.76%	fressv	Fresno County Stable Value	1	1		1	1		2	1		1	1		n/a	1		40	6
6	0.69%	FRIRX	Fidelity Advisor Real Estate Income I	13	69	94	5	1	1	3	2	2	94	97	97	6	2	1	17	8

Target-Date Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				8	1.62%	GRWL15	Great-West Lifetime 2015 Trust	26	5		28	2		47	38		27	32		44
8	4.24%	GRWL25	Great-West Lifetime 2025 Trust	21	1		13	1		44	38		33	31		28	24		18	5
8	2.58%	GRWL35	Great-West Lifetime 2035 Trust	13	5		11	3		46	34		22	28		46	18		20	5
8	2.29%	GRWL45	Great-West Lifetime 2045 Trust	10	7		12	7		52	44		12	14		45	33		19	5
8	1.30%	GRWL55	Great-West Lifetime 2055 Trust	17	12		16	14		53	42		16	12		49	36		19	5

All data except for 'Tenure - Average Years' are listed as a peer rank percentage

All Funds remain in compliance with Investment Policy and no action need be taken other than indicated in the Fund Compliance Commentary section of this report.

This report, along with more detailed performance data on Plan Investment Options, was reviewed by the Plan's Trustee and/or Investment Committee.



Northwest Capital Management, Inc. 07/29/2019

Trustee / Committee Member Date



**BlackRock Equity Index - Collective M (02cff1)**

Fund Type: LC Index

US Large Cap

The fund seeks to replicate the performance of U.S. Large Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
02cff1	4.30%	10.51%	14.27%	10.78%	14.79%
S&P 500 TR USD	4.31%	10.42%	14.19%	10.71%	14.70%
<b>Out/(Under) Performing</b>	<b>-0.01%</b>	<b>0.10%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>0.08%</b>
<b>Peer Group Ranking</b>	35	26	14	7	6

**BlackRock MidCap Idx - Collective M (03cff2)**

Fund Type: MC Index

US Mid Cap

The fund seeks to replicate the performance of U.S. Mid Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff2	3.04%	1.42%	10.79%	7.87%	14.58%
S&P MidCap 400 TR	3.04%	1.34%	10.90%	8.02%	14.64%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.08%</b>	<b>-0.11%</b>	<b>-0.15%</b>	<b>-0.06%</b>
<b>Peer Group Ranking</b>	50	55	38	19	12

**BlackRock Russell 2000 Index Coll M (03cff3)**

Fund Type: SC Index

US Small Cap

The fund seeks to replicate the performance of U.S. Small Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff3	2.10%	-3.20%	12.49%	7.29%	13.68%
Russell 2000 TR USD	2.10%	-3.31%	12.30%	7.06%	13.45%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.11%</b>	<b>0.19%</b>	<b>0.23%</b>	<b>0.24%</b>
<b>Peer Group Ranking</b>	54	43	14	23	28

**BlackRock EAFE Equity Index Coll F (10cff5)**

Fund Type: Global

Frgn Developd Large Cap

The fund seeks to replicate performance of Foreign stock represented by the MSCI EAFE Index

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
10cff5	3.91%	1.46%	9.50%	2.58%	7.21%
MSCI ACWI Ex USA NR USD	2.98%	1.30%	9.39%	2.16%	6.54%
<b>Out/(Under) Performing</b>	<b>0.94%</b>	<b>0.17%</b>	<b>0.12%</b>	<b>0.41%</b>	<b>0.67%</b>
<b>Peer Group Ranking</b>	23	28	14	23	22

**BlackRock US Debt Index Fund Coll W (04cff4)**

Fund Type: US Debt

US Intermed Duration

The fund seeks to replicate the performance of the U.S. Bond Market

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
04cff4	3.08%	7.91%	2.37%	3.07%	
BBgBarc US Govt Interm TR USD	2.34%	6.14%	1.34%	1.94%	2.38%
<b>Out/(Under) Performing</b>	<b>0.74%</b>	<b>1.77%</b>	<b>1.04%</b>	<b>1.13%</b>	
<b>Peer Group Ranking</b>	1	1	1	1	

**Columbia Dividend Income Inst3 (CDDYX)**

Fund Score: 9 (Status: Pass)

US Large Cap

The investment seeks total return, consisting of current income and capital appreciation.

The fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in a diversified portfolio of income-producing (dividend-paying) equity securities, which will consist primarily of common stocks but also may include preferred stocks and convertible securities. It invests principally in securities of companies believed to be undervalued but also may invest in securities of companies believed to have the potential for long-term growth. The fund may invest in companies that have market capitalizations of any size.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
CDDYX	4.13%	13.11%	12.65%	10.44%	13.73%
S&P 500 Value TR USD	4.01%	8.65%	10.64%	7.92%	13.10%
<b>Out/(Under) Performing</b>	<b>0.11%</b>	<b>4.46%</b>	<b>2.01%</b>	<b>2.52%</b>	<b>0.63%</b>
<b>Peer Group Ranking</b>	25	4	6	1	9

**Alger Spectra Z (ASPZX)**

Fund Score: 7 (Status: Pass)

US Large Cap

The investment seeks long-term capital appreciation.

The fund invests primarily in the equity securities of companies of any size that the manager believes demonstrate promising growth potential. Equity securities include common or preferred stocks that are listed on U.S. or foreign exchanges. It may invest a significant portion of its assets in securities of companies conducting business within a single sector, including the information technology, consumer discretionary, and health care sectors.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ASPZX	5.91%	10.12%	18.45%	12.79%	16.76%
S&P 500 Growth TR USD	4.56%	12.03%	17.26%	13.09%	16.10%
<b>Out/(Under) Performing</b>	<b>1.36%</b>	<b>-1.92%</b>	<b>1.18%</b>	<b>-0.30%</b>	<b>0.66%</b>
<b>Peer Group Ranking</b>	19	49	32	32	11

Alger Spectra returned 5.9% in Q2 2019 compared to 4.6% for its benchmark (S&P 500 Growth). Year to date, the fund returned 22.2% compared to 20.2% for the benchmark. Security selection in the technology sector boosted relative returns, notably Amazon and Visa. The success of Amazon's cloud business supported performance, with the company announcing in May that Volkswagen selected it to build a platform that will combine data for machines, plants and systems for all 122 facilities that the car manufacturer operates. Additionally, a short position in 3M Company contributed to performance as the price of the highly valued stock declined after the company reduced earnings guidance due to slowing demand in its auto and semiconductor related businesses. The fund currently scores a 7 under our methodology. Its returns rank in the top half relative to peers for the trailing three- and five-year periods, and in the top decile for the trailing ten-year period.

**Franklin Utilities R6 (FUFRX)**

Fund Score: 7 (Status: Pass)

US Large Cap

The investment seeks capital appreciation and current income.

The fund normally invests at least 80% of its net assets in the securities of public utilities companies. These are companies that provide electricity, natural gas, water, and communications services to the public and companies that provide services to public utilities companies. It concentrates (invests more than 25% of its total assets) in companies operating in the utilities industry. The fund invests primarily in equity securities, which consist mainly of common stocks.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FUFRX	4.03%	20.09%	8.47%	9.22%	12.48%
MSCI World/Utilities NR USD	2.53%	14.32%	6.88%	5.14%	6.40%
<b>Out/(Under) Performing</b>	<b>1.51%</b>	<b>5.78%</b>	<b>1.59%</b>	<b>4.08%</b>	<b>6.08%</b>
<b>Peer Group Ranking</b>	12	8	35	16	24

**T. Rowe Price Mid-Cap Growth I (RPTIX)**

Fund Score: 8 (Status: Pass)

US Mid Cap

The investment seeks long-term capital appreciation.

The fund normally invests at least 80% of its net assets (including any borrowings for investment purposes) in a diversified portfolio of common stocks of mid-cap companies whose earnings T. Rowe Price expects to grow at a faster rate than the average company. The advisor defines mid-cap companies as those whose market capitalization falls within the range of either the S&P MidCap 400 Index or the Russell Midcap Growth Index. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objectives.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
RPTIX	6.96%	16.06%	16.90%	12.99%	17.04%
S&P MidCap 400 Growth TR USD	3.56%	1.93%	11.62%	8.94%	15.06%
<b>Out/(Under) Performing</b>	<b>3.40%</b>	<b>14.13%</b>	<b>5.29%</b>	<b>4.05%</b>	<b>1.98%</b>
<b>Peer Group Ranking</b>	32	19	37	12	8

T. Rowe Price Mid-Cap Growth returned 7.0% in Q2 2019 compared to 3.6% for its benchmark (S&P MidCap 400 Growth). Year to date, the fund returned 24.3% compared to 19.0% for the benchmark. Security selection in the healthcare and material sectors was the primary tailwind on Q2 performance relative to the benchmark, with Bruker Corp and The Cooper Companies Inc being the top contributors. Performance also benefited from an underweight to communication services, as the sector underperformed the broader market. The fund currently scores an 8 under our methodology. Its risk-adjusted returns rank in the top quartile relative to peers for the trailing three-year period, and in the top decile for the trailing five- and ten-year periods.

**Janus Henderson Small Cap Value N (JDSNX)**

Fund Score: 8 (Status: Pass)

US Small Cap

The investment seeks capital appreciation.

The fund pursues its investment objective by investing primarily in the common stocks of small companies whose stock prices are believed to be undervalued by the fund's portfolio managers. It invests, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small companies whose market capitalization, at the time of initial purchase, is less than the 12-month average of the maximum market capitalization for companies included in the Russell 2000 Value Index. The fund may invest up to 20% of its net assets in cash or similar investments.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
JDSNX	3.87%	0.98%	10.52%	7.66%	11.93%
Russell 2000 Value TR USD	1.37%	-6.23%	9.81%	5.39%	12.40%
<b>Out/(Under) Performing</b>	<b>2.50%</b>	<b>7.21%</b>	<b>0.71%</b>	<b>2.27%</b>	<b>-0.46%</b>
<b>Peer Group Ranking</b>	<b>7</b>	<b>4</b>	<b>12</b>	<b>3</b>	<b>49</b>

**Nicholas Limited Edition I (NCLEX)**

Fund Score: 7 (Status: Pass)

US Small Cap

The investment seeks to increase the value of the investment over the long-term.

The fund primarily invests in common stocks of domestic corporations with small- and medium-sized market capitalizations believed to have growth potential. The advisor believes a company's annual sales volume and market capitalization are the factors most illustrative of a company's size. The advisor generally considers companies with market capitalizations up to \$3 billion as "small", between \$3 billion and \$25 billion as "medium," and greater than \$25 billion as "large."

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
NCLEX	5.07%	9.99%	15.71%	10.26%	14.28%
Russell 2000 Growth TR USD	2.75%	-0.47%	14.70%	8.63%	14.41%
<b>Out/(Under) Performing</b>	<b>2.32%</b>	<b>10.46%</b>	<b>1.02%</b>	<b>1.63%</b>	<b>-0.13%</b>
<b>Peer Group Ranking</b>	<b>39</b>	<b>20</b>	<b>54</b>	<b>40</b>	<b>61</b>

Nicholas Limited Edition returned 5.1% compared to 2.8% for its benchmark (Russell 2000 Growth) over the trailing quarter. Year to date, the fund returned 19.2% underperforming its benchmark which returned 20.4%. Stock selection in the technology and financials sectors was a major tailwind, as positions in technology stock I3 Verticals Inc and Financial stock Cohen & Steers significantly contributed to overall performance. For our part, we are satisfied with the fund's effective conservative philosophy as it has continued to perform over the long-term. Under our scoring methodology, the fund scores a 7 and its risk-adjusted returns rank in the top quartile of its peer group for the trailing three-, five- and ten-year periods.

**Ivy International Core Equity N (IINCX)**

Fund Score: 4 (Status: Watch)

Frgn Developd Large Cap

The investment seeks to provide capital growth and appreciation.

The fund invests, under normal circumstances, at least 80% of its net assets in equity securities of companies primarily located in, or principally traded in, developed European and Asian/Pacific Basin markets. In seeking to enhance potential return, it also may invest in issuers located or doing business in emerging market countries. The fund may invest up to 100% of its total assets in foreign securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
IINCX	1.66%	-5.22%	6.90%	1.54%	7.02%
MSCI ACWI Ex USA NR USD	2.98%	1.30%	9.39%	2.16%	6.54%
<b>Out/(Under) Performing</b>	<b>-1.31%</b>	<b>-6.52%</b>	<b>-2.49%</b>	<b>-0.63%</b>	<b>0.48%</b>
<b>Peer Group Ranking</b>	87	93	75	63	29

Ivy International returned 1.7% in Q2 2019 compared to 3.0% for its benchmark (MSCI ACWI Ex USA). Year to date, the fund returned 12.0% underperforming its benchmark by 1.6%. The fund's willingness to invest in out-of-favor stocks requires patience for intrinsic value to be recognized by the market. This strategy has been a source of recent underperformance relative to its benchmark. However, over the long-term, we remain confident in the team's ability to add value to shareholders. Given its moderate level of stock diversification and core style classification it remains suitable as a standalone international equity manager. The fund's score dropped to a 4 under our methodology, with its risk-adjusted returns ranking in the bottom half of its peer group over the trailing three- and five-year periods. As such, we recommend placing the fund on watch and will continue to closely monitor performance.

**Invesco Oppenheimer Developing Mkts R6 (ODVIX)**

Fund Score: 8 (Status: Pass)

Frgn Emergng Markets

The investment seeks capital appreciation.

The fund mainly invests in common stocks of issuers in developing and emerging markets throughout the world and at times it may invest up to 100% of its total assets in foreign securities. Under normal market conditions, it will invest at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of issuers whose principal activities are in a developing market, i.e. are in a developing market or are economically tied to a developing market country, and in derivatives and other instruments that have economic characteristics similar to such securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ODVIX	2.87%	3.14%	12.58%	2.90%	8.29%
MSCI EM NR USD	0.61%	1.21%	10.67%	2.49%	5.81%
<b>Out/(Under) Performing</b>	<b>2.27%</b>	<b>1.93%</b>	<b>1.91%</b>	<b>0.40%</b>	<b>2.48%</b>
<b>Peer Group Ranking</b>	23	31	8	28	3

Oppenheimer Developing Markets returned 2.9% in Q2 2019 compared to 0.6% for its benchmark (MSCI Emerging Markets). Year to date, the fund returned 15.7% compared to 10.6% for the benchmark. An overweight position to Russia was the primary tailwind on Q2 performance relative to the benchmark, as the region outperformed the broader market. Additionally, stock selection in China and India enhanced performance relative to the benchmark. Novatek, Meituan and HDFC were the top performing stocks on an absolute basis. Management maintains a positive outlook on emerging market equities and seeks investment opportunities where they see dynamic change and real value being extracted. The fund currently scores an 8 under our methodology. Its risk-adjusted returns rank in the top quartile relative to peers for the trailing three- and ten-year periods, and in the top half for the trailing five-year period. Invesco has completed its purchase of Oppenheimer. Relating to this strategy specifically, the fund's autonomy is significant to its process and Invesco deeply understands this. The Developing Markets fund is viewed as the crown jewel in the takeover and something Invesco does not want to disrupt. As such, we maintain conviction in the strategy and are unconcerned over the closing of the deal.

**Metropolitan West Total Return Bd Plan (MWT SX)**

Fund Score: 7 (Status: Pass)

US Intermed Duration

The investment seeks to maximize long-term total return.

The fund pursues its objective by investing, under normal circumstances, at least 80% of its net assets in investment grade fixed income securities or unrated securities that are determined by the Adviser to be of similar quality. Up to 20% of the fund's net assets may be invested in securities rated below investment grade. The fund also invests at least 80% of its net assets plus borrowings for investment purposes in fixed income securities it regards as bonds.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
MWT SX	3.27%	8.26%	2.75%	2.99%	5.82%
BBgBarc US Agg Bond TR USD	3.09%	7.88%	2.32%	2.95%	3.90%
<b>Out/(Under) Performing</b>	<b>0.17%</b>	<b>0.37%</b>	<b>0.43%</b>	<b>0.04%</b>	<b>1.92%</b>
<b>Peer Group Ranking</b>	20	13	39	31	7

The MetWest Total Return Bond fund gained 3.3% for the quarter, leading the Bloomberg Barclays Aggregate index by 19bps. Year-to-date, the fund is outperforming with a total return of 6.5% versus 6.1% for its benchmark. Selective excess exposure to corporate credit and collateralized mortgage obligations contributed to relative performance. Given neutral duration positioning, the shift down in the curve had a minimal impact on relative returns. Looking forward, the fund maintains its late-cycle theme by being selective within credit. The fund retains its neutral duration positioning but maintains a slight bias for curve steepening. The fund scores a 7 under our scoring methodology and performance ranks in the top half relative to peers over the trailing 3-, 5- and 10-year periods.

**Templeton Global Bond R6 (FBNRX)**

Fund Score: 6 (Status: Pass)

Global Hedged

The investment seeks current income with capital appreciation and growth of income.

Under normal market conditions, the fund invests at least 80% of its net assets in "bonds." Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. It invests predominantly in bonds issued by governments, government-related entities and government agencies located around the world. The fund may invest up to 25% of its total assets in bonds that are rated below investment grade or, if unrated determined by the investment manager to be of comparable quality. It is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FBNRX	0.80%	5.70%	4.73%	1.65%	4.88%
BBgBarc Global Aggregate TR Hdg USD	2.92%	7.79%	2.95%	3.82%	4.23%
<b>Out/(Under) Performing</b>	<b>-2.12%</b>	<b>-2.10%</b>	<b>1.78%</b>	<b>-2.18%</b>	<b>0.66%</b>
<b>Peer Group Ranking</b>	98	59	7	40	27

The Templeton Global Bond fund returned 0.8% for the quarter, relative to 2.9% for the Bloomberg Barclays Global Aggregate U.S. Dollar Hedged Index. Currency positions in Latin America detracted from absolute results. Additionally, negative duration exposure to U.S. Treasuries detracted from absolute fund performance as the yield on the 10-year note decreased 40 bps. Looking forward, management is focused on specific emerging markets that are less vulnerable to trade policy and more domestically driven. The fund currently scores a 7 under our methodology and trailing returns rank in the top half for the trailing three-, five-, and ten-year periods, respectively.

**Fidelity Advisor Real Estate Income I (FRIRX)**

Fund Score: 6 (Status: Pass)

REIT

The investment seeks higher than average income; and capital growth is the secondary objective.

The fund normally invests primarily in preferred and common stocks of REITs; debt securities of real estate entities; and commercial and other mortgage-backed securities, with an emphasis on lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds). It invests at least 80% of assets in securities of companies principally engaged in the real estate industry and other real estate related investments. The fund invests in domestic and foreign issuers.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FRIRX	2.95%	9.93%	6.66%	6.56%	10.95%
FTSE Nareit Equity REITs TR USD	1.24%	10.71%	4.04%	7.83%	15.41%
<b>Out/(Under) Performing</b>	<b>1.72%</b>	<b>-0.78%</b>	<b>2.61%</b>	<b>-1.26%</b>	<b>-4.46%</b>
<b>Peer Group Ranking</b>	14	57	13	69	94

**Great-West Lifetime 2015 Trust (GRWL15)**

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL15	3.06%	6.32%	7.10%	5.26%	
DJ Target 2015 TR USD	2.43%	5.33%	3.65%	3.10%	5.91%
<b>Out/(Under) Performing</b>	<b>0.63%</b>	<b>0.99%</b>	<b>3.45%</b>	<b>2.16%</b>	
<b>Peer Group Ranking</b>	27	34	26	5	

**Great-West Lifetime 2025 Trust (GRWL25)**

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL25	3.27%	6.67%	8.71%	6.17%	
DJ Target 2025 TR USD	2.94%	6.02%	6.22%	4.46%	8.20%
<b>Out/(Under) Performing</b>	<b>0.32%</b>	<b>0.64%</b>	<b>2.49%</b>	<b>1.71%</b>	
<b>Peer Group Ranking</b>	37	22	21	1	

**Great-West Lifetime 2035 Trust (GRWL35)**

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL35	3.49%	6.58%	10.66%	7.11%	
DJ Target 2035 TR USD	3.00%	5.62%	9.05%	5.76%	10.22%
<b>Out/(Under) Performing</b>	<b>0.49%</b>	<b>0.96%</b>	<b>1.62%</b>	<b>1.35%</b>	
<b>Peer Group Ranking</b>	29	15	13	5	

**Great-West Lifetime 2045 Trust (GRWL45)**

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL45	3.58%	6.14%	11.46%	7.35%	
DJ Target 2045 TR USD	2.97%	5.09%	10.82%	6.51%	11.21%
<b>Out/(Under) Performing</b>	<b>0.61%</b>	<b>1.05%</b>	<b>0.64%</b>	<b>0.84%</b>	
<b>Peer Group Ranking</b>	26	19	10	7	

**Great-West Lifetime 2055 Trust (GRWL55)**

Fund Score: 8 (Status: Pass)

Uncategorized

<b>Trailing Returns</b>	<b>1 Qtr</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>
GRWL55	3.59%	5.92%	11.46%	7.20%	
DJ Target 2055 TR USD	2.95%	4.90%	11.13%	6.65%	11.30%
<b>Out/(Under) Performing</b>	<b>0.64%</b>	<b>1.02%</b>	<b>0.33%</b>	<b>0.54%</b>	
<b>Peer Group Ranking</b>	29	26	17	12	

**Fresno County Stable Value (fressv)**

Fund Score: 9 (Status: Pass)

Liquid Assets

<b>Trailing Returns</b>	<b>1 Qtr</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>
fressv	0.58%	2.20%	2.07%	2.11%	
ICE BofAML 0-3 M US Trsy Bill TR USD	0.62%	2.27%	1.33%	0.83%	0.45%
<b>Out/(Under) Performing</b>	<b>-0.05%</b>	<b>-0.08%</b>	<b>0.74%</b>	<b>1.28%</b>	
<b>Peer Group Ranking</b>	14	12	1	1	



# County of Fresno 457 DC Plan

Expense Ratio Report

As of 6/30/2019

## Passively-Managed and Cash Funds

Investment	Ticker	Expense Ratio▲	Peer Rank	Range of Peer Group Expense Ratios
				0% 0.5% 1% 1.5% 2% 2.5% 3%
47,940,380 BlackRock Equity Index - Collective M	02cff1	0.02%	1	▲ [0.02% - 2.0%]
8,903,056 BlackRock MidCap Idx - Collective M	03cff2	0.03%	1	▲ [0.03% - 2.2%]
4,245,944 BlackRock Russell 2000 Index Coll M	03cff3	0.03%	2	▲ [0.03% - 2.2%]
3,918,195 BlackRock EAFE Equity Index Coll F	10cff5	0.10%	5	▲ [0.10% - 2.1%]
4,803,305 BlackRock US Debt Index Fund Coll W	04cff4	0.04%	1	▲ [0.04% - 1.8%]

## Actively-Managed Funds

14,085,348 Columbia Dividend Income Inst3	CDDYX	0.58%	15	▲ [0.58% - 1.9%]
44,380,089 Alger Spectra Z	ASPZX	0.94%	45	▲ [0.94% - 2.1%]
3,930,351 Franklin Utilities R6	FUFRX	0.50%	15	▲ [0.50% - 1.9%]
5,868,767 T. Rowe Price Mid-Cap Growth I	RPTIX	0.62%	6	▲ [0.62% - 2.1%]
1,531,406 Janus Henderson Small Cap Value N	JDSNX	0.81%	12	▲ [0.81% - 2.1%]
6,096,135 Nicholas Limited Edition I	NCLEX	0.86%	17	▲ [0.86% - 2.2%]
9,483,827 Ivy International Core Equity N	IINCX	0.79%	30	▲ [0.79% - 2.1%]
2,155,428 Invesco Oppenheimer Developing Mkts R6	ODVIX	0.85%	12	▲ [0.85% - 2.3%]
4,809,149 Metropolitan West Total Return Bd Plan	MWTSX	0.37%	12	▲ [0.37% - 1.6%]
2,015,242 Templeton Global Bond R6	FBNRX	0.57%	14	▲ [0.57% - 1.8%]
65,034,329 Fresno County Stable Value	fressv	0.34%	40	▲ [0.34% - 1.0%]
1,822,996 Fidelity Advisor Real Estate Income I	FRIRX	0.75%	17	▲ [0.75% - 2.2%]

## Target-Date Funds

4,257,188 Great-West Lifetime 2015 Trust	3RWL15	0.40%	24	▲ [0.40% - 1.5%]
11,135,488 Great-West Lifetime 2025 Trust	3RWL25	0.40%	18	▲ [0.40% - 1.5%]
6,783,988 Great-West Lifetime 2035 Trust	3RWL35	0.41%	20	▲ [0.41% - 1.5%]
6,008,196 Great-West Lifetime 2045 Trust	3RWL45	0.41%	19	▲ [0.41% - 1.5%]
3,419,627 Great-West Lifetime 2055 Trust	3RWL55	0.42%	19	▲ [0.42% - 1.5%]

262,628,435

Expense Ratio Averages

0.47%

16

Weighted Average Gross Expense Ratio: 0.43%

Your Plan

Bal Weighted Avg



Expense Ratio

0.43%

86.4%(19)

13.6%(3)

-

-

# County of Fresno 457 DC Plan

As of: 6/30/2019

## Target Date Review

Retirement Date	Investment	3-Mo	1 Yr	2 Yr *	3 Yr *	5 Yr *	Expense Ratio
2015							
	Great-West Lifetime 2015 Trust	3.06	6.32	6.16	7.10	5.26	0.40
	Morningstar Lifetime Mod 2015 TR USD	3.14	6.92	6.42	6.53	4.52	
	Benchmark +/-	-0.08	-0.60	-0.26	0.57	0.74	
2025							
	Great-West Lifetime 2025 Trust	3.27	6.67	7.14	8.71	6.17	0.40
	Morningstar Lifetime Mod 2025 TR USD	3.41	7.16	7.31	8.12	5.32	
	Benchmark +/-	-0.14	-0.49	-0.17	0.59	0.85	
2035							
	Great-West Lifetime 2035 Trust	3.49	6.58	8.29	10.66	7.11	0.41
	Morningstar Lifetime Mod 2035 TR USD	3.43	6.52	8.16	10.12	6.10	
	Benchmark +/-	0.06	0.06	0.13	0.54	1.01	
2045							
	Great-West Lifetime 2045 Trust	3.58	6.14	8.65	11.46	7.35	0.41
	Morningstar Lifetime Mod 2045 TR USD	3.33	5.75	8.33	10.90	6.26	
	Benchmark +/-	0.25	0.39	0.32	0.56	1.09	
2055							
	Great-West Lifetime 2055 Trust	3.59	5.92	8.54	11.46	7.20	0.42
	Morningstar Lifetime Mod 2055 TR USD	3.27	5.46	8.19	10.90	6.09	
	Benchmark +/-	0.32	0.46	0.35	0.56	1.11	

\*Returns are annualized after 1 year

\*\*Great West Lifetime Trust Series replaced Great West Lifetime Trust Series II in June 2016. Return data prior to June 2016 reflects Great West Lifetime Trust Series II

\*\*\* Great West Lifetime Trust Series expense ratios were reduced to 0.40%-0.42% in Q1 2019

# Great-West County of Fresno Separate Account

## STRATEGY

The Great-West County of Fresno Stable Value Separate Account is constructed using a diversified mix of high-quality government and corporate securities where significant effort is dedicated to deep credit research and disciplined risk management. The fund typically generates excess return as a result of security and sector selection and do not generate significant alpha as a result of interest rate or duration calls. The fund holds cash primarily in order to facilitate cash-flow management and intends to keep the portfolio fully invested at all times.

## PUT OPTION DETAILS

No put provision is allowed for separate accounts. Upon 60 days written notice to either, the Group Policyholder or the Company (Great-West Life & Annuity Insurance Company) may terminate the contract and elect to receive market value of the account at any time.

## FUND INFORMATION

AUM (\$mm)	\$65.49	PEER MEDIAN	\$4,693.42
Portfolio manager	Jack Brown		-
Manager tenure	3.9		15
Avg Duration (years)	2.90		2.58
Avg Maturity (years) Avg	3.50		3.62
Credit Quality	AA+		AA
Current Yield	2.74%		2.45%

## EXPENSES

Wrap Fee:	0.15%	PEER MEDIAN	0.18%
Inv. Mgmt Fee:	0.19%		0.17%
Trustee Fee/Other:	0.00%		0.00%
Total Expense Ratio	0.34%		0.41%

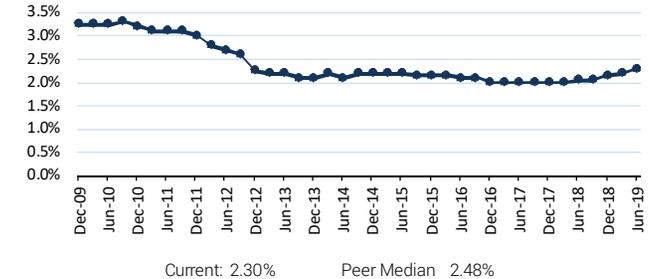
## PERFORMANCE

QTD:	0.57%	PEER MEDIAN	0.61%
YTD:	1.11%		1.19%
1 Year:	2.17%		2.27%
3 Year:	2.07%		1.95%
5 Year:	2.11%		1.75%
10 Year:	-		2.00%

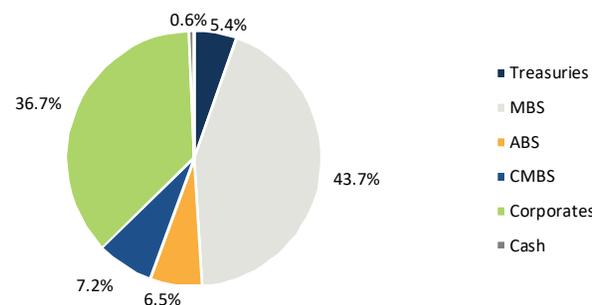
## MARKET-TO-BOOK



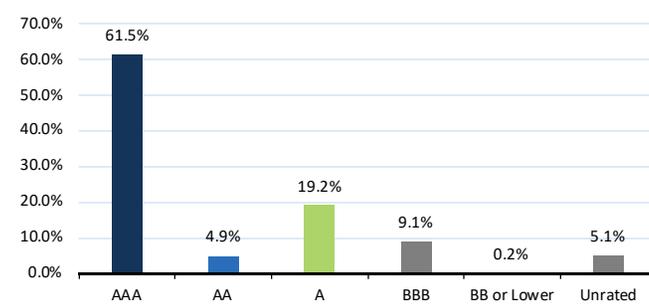
## CREDITING RATE



## SECTOR BREAKDOWN



## CREDIT QUALITY



## PORTFOLIO INFORMATION

Crediting Rate Reset Period	Quarterly	PEER MEDIAN	-
Number of Underlying Managers	1		1
Cash Flows QTD	-		\$33,605,991
Cash Flows YTD	-		\$77,717,844
Cash Flows 1Yr	-		\$278,915,869

## High Yield Policy

The guidelines permit only securities rated investment grade or better at time of purchase. Securities downgraded below investment grade will be evaluated on a case by case basis and will be documented in quarterly reporting.

## WRAP PROVIDERS

Provider	Wgt %	Credit Qlty
Great-West Life & Annuity Ins. Co.	100.00%	AA
<b>Total Number of Wrap Providers</b>		1
<b>% Traditional GIC:</b>	0.00%	-
<b>% Synthetic GIC:</b>	100.00%	AA

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Data supplied by investment advisor/vendor. The information contained herein: (1) is proprietary to Northwest Capital Management (NWCM), and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither NWCM nor investment advisor/vendor are responsible for any damages or losses arising from any use of this information

### Current Lineup Status

Asset Class		Current Status	Placed On Watch	Asset Class		Current Status	Placed On Watch
<b>US Large Cap</b>				<b>Fixed Income</b>			
02cff1	BlackRock Equity Index - Collective M	Pass	-	04cff4	BlackRock US Debt Index Fund Coll W	Pass	-
ASPZX	Alger Spectra Z	Pass	-	MWTSX	Metropolitan West Total Return Bd Plan	Pass	-
CDDYX	Columbia Dividend Income Inst3	Pass	-	FBNRX	Templeton Global Bond R6	Pass	-
<b>US Mid Cap</b>				fressv	Fresno County Stable Value	Pass	-
03cff2	BlackRock MidCap Idx - Collective M	Pass	-	<b>Target Date Funds</b>			
03cff3	BlackRock Russell 2000 Index Coll M	Pass	-	GRWL15	Great-West Lifetime 2015 Trust	Pass	-
RPTIX	T. Rowe Price Mid-Cap Growth I	Pass	-	GRWL25	Great-West Lifetime 2025 Trust	Pass	-
<b>US Small Cap</b>				GRWL35	Great-West Lifetime 2035 Trust	Pass	-
NCLEX	Nicholas Limited Edition I	Pass	-	GRWL45	Great-West Lifetime 2045 Trust	Pass	-
JDSNX	Janus Henderson Small Cap Value N	Pass	-	GRWL55	Great-West Lifetime 2055 Trust	Pass	-
<b>Foreign</b>							
10cff5	BlackRock EAFE Equity Index Coll F	Pass	-				
IINCX	Ivy International Core Equity N	Watch	2019 - Q2				
ODVIX	Invesco Oppenheimer Developing Mkts R6	Pass	-				
<b>Specialty</b>							
FRIRX	Fidelity Advisor Real Estate Income I	Pass	-				
FUFRX	Franklin Utilities R6	Pass	-				

### Watch List History

	Status	Most Recent Time on Watch		Previous Time on Watch		Previous Time on Watch	
		Placed	Removed	Placed	Removed	Placed	Removed
IINCX	Ivy International Core Equity R6	In Plan	2019 - Q2	-			
FRESSV	County Of Fresno Stable Value Fund	In Plan	2017 - Q1	2018 - Q1			
GRWL15	Great-West Lifetime 2015 Trust	In Plan	2017 - Q1	2018 - Q1			
GRWL25	Great-West Lifetime 2025 Trust	In Plan	2017 - Q1	2018 - Q1			
GRWL35	Great-West Lifetime 2035 Trust	In Plan	2017 - Q1	2018 - Q1			
GRWL45	Great-West Lifetime 2045 Trust	In Plan	2017 - Q1	2018 - Q1			
GRWL55	Great-West Lifetime 2055 Trust	In Plan	2017 - Q1	2018 - Q1			
FBNRX	Templeton Global Bond R6	In Plan	2016 - Q2	2017 - Q1			
NCLEX	Nicholas Limited Edition N	In Plan	2013 - Q4	2015 - Q2			
CDDYX	Columbia Dividend Income Z	In Plan	2013 - Q4	2014 - Q4			
HFCIX	Hennessy Focus Institutional	Removed	2018 - Q3	2019 - Q2			
OAKBX	Oakmark Equity and Income Investor	Removed	2018 - Q3	2019 - Q2	2012 - Q1	2012 - Q3	
SAMZX	Virtus Seix Total Return Bond R6	Removed	2018 - Q3	2019 - Q2	2013 - Q4	2015 - Q2	
SEGSX	Sentinel Government Securities A	Removed	2014 - Q2	2015 - Q2			
JMCVX	Perkins Mid Cap Value T	Removed	2013 - Q4	2015 - Q2	2012 - Q1	2012 - Q3	
MSIIX	MainStay International Equity I	Removed	2012 - Q4	2015 - Q2			
PAXIX	Pax Balanced Institutional	Removed	2012 - Q4	2013 - Q2			
GTAVX	Invesco Mid Cap Core Equity R5	Removed	2012 - Q1	2013 - Q2			
NBGNX	Neuberger Berman Genesis Inv	Removed	2012 - Q1	2012 - Q3			
SDGTX	Deutsche Capital Growth I	Removed	2012 - Q1	2012 - Q3			

\* Watch List History displays all funds that have been on watch in the plan since 2012

## Ivy Investments: International Core

<b>Date</b>	August 2019	<b>Net expense ratio</b>	0.79
<b>Firm-wide assets</b>	\$57.56 Billion	<b>Asset class</b>	International Equity
<b>Inception year</b>	1997	<b>Most suitable bench</b>	MSCI ACWI Ex USA
<b>Fund assets</b>	\$5.13 Billion	<b>Sub-style exposure</b>	Core
<b>Estimated capacity</b>	\$10 Billion	<b># of equity holdings</b>	73

### OVERVIEW

The strategy benefits from the investment acumen and leadership of lead Portfolio Manager John Maxwell and the support staff of assistant Portfolio Manager, Catherine Murray, and a bench of global sector analysts. The team is tasked with finding companies at reasonable valuations with strong cash flows and exposure to the top-down global investment themes. Using a combined top-down and bottom-up approach to investing, they apply a core-style approach using a 30%-40%-30% combination of country analysis, industry dynamics, and individual stock selection, respectively. The strategy is more focused (60-80 stocks) and conviction-based on sector, country, or theme level bets.

**As of June 2019, the fund's score dropped to a 4 under our methodology. As such, we are placing the fund on watch and will continue to closely monitor performance.** The relative underperformance for the trailing three- and five-year periods has dropped the fund score lower. The long-term prospects remain in tact and we note that its dislocation capture approach requires patience for discount realization. Given its moderate level of stock diversification and core style classification it remains suitable as a standalone international equity manager. Over the long-term, we remain confident in Mr. Maxwell's ability to add value to shareholders.

### INVESTMENT PROCESS

The fund's portfolio managers, John Maxwell and Catherine Murray, follow a combined top-down and bottom-up approach to investing. They look for overseas companies with strong free cash flow in healthy industries that they believe may benefit from their broad top-down themes of the rising incomes of Emerging Market consumers, dividend yielders, global infrastructure, and technological disruptions. Maxwell follows a strict management discipline of investing in primarily large companies and applies a core-style approach using a 30%-40%-30% combination of country analysis, industry dynamics and individual stock selection. The first step, which consists of approximately 30% of the process, is analyzing the region and country for possible global macroeconomic themes, including economic growth and financial leverage, money flows, business cycle, interest rates, political climate, and currencies. After the country and regional overview, the portfolio managers focus on the sector and industry allocation. This represents approximately 40% of the investment process. Sector and industry trends include competitive dynamics, cyclical sensitivity, and economic returns. From this macro-economic analysis, the portfolio managers then employ the bottom-up security selection process within these themes.

The result of this extensive analytical process is a portfolio of 60 to 80 stocks of what they feel are best positioned. No more than 30% of the portfolio may be selected exclusively on the bottom-up analysis, independent of macro themes. The team's philosophy of being early, opportunistic buyers when dislocations present themselves can lead to contrarian bets in the portfolio that require investor patience. The high-quality bias should act as a buffer/margin of safety in these circumstances, but the risk exists

that the strategy will experience periods of underperformance until the market recognizes the opportunity. Returns do not significantly deviate from the benchmark (tracking-error) as a result of portfolio-level risk controls including a 5% max investing in any single stock, various benchmark excess sector and regional exposure constraints, and no more than 15% in emerging markets equities.

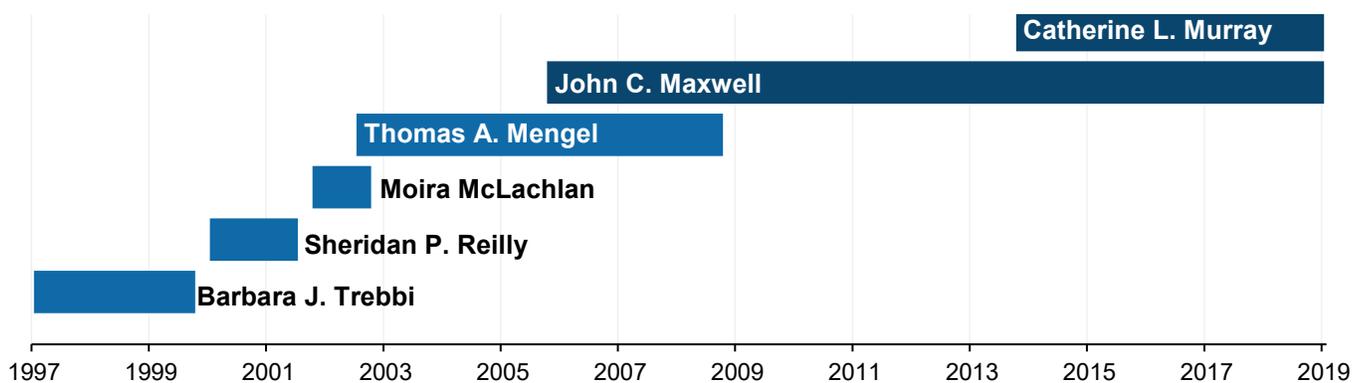
**FUND MANAGEMENT**

Founded in 1937, Waddell & Reed (WR) stakes a claim as one of the oldest mutual fund complexes in the country. In 1998, WR became a publicly-traded stock on the New York Stock Exchange (ticker: WDR). In 2002, WR acquired the investment adviser to the Ivy Funds from MacKenzie Investment Management and launched the fund family for the firm’s wholesale channel. Both WR Investment Management Company and Ivy Investment Management Company are wholly-owned, indirect subsidiaries of WR Financial. The firm recently went through a renaming/rebranding campaign to combine the entities under the Ivy Investments umbrella. The firm is based in Overland Park, Kansas and manages total assets of approximately ~\$60B across domestic equity, international equity, and fixed income. WR employees own approximately 14% of WDR common stock.

Over the past few years, Ivy has experienced several organizational changes. In May 2016 WR announced the retirement of Henry Hermann, chairman of the board and chief executive officer. WR promoted Philip Sanders, CIO, to succeed Herman. In April 2016, WR announced a 10% reduction in its workforce as a result of declining assets under management. The reduction had a limited impact on the investment division relative to other departments. The firm is now stabilizing and has beefed up its analyst staff under a dedicated research chief, while naming comanagers to most strategies for succession needs.

Portfolio Manager John Maxwell leads the international strategy. He joined Ivy/WR in 1998 as an analyst and joined the international team in 2004. He was named Co-PM on the strategy in mid-2006 along with PM Thomas Mengel. Mengel was formally removed as a named PM on International Core in June 2009. Catherine Murray was named Assistant PM in January of 2014 as Robert Nightingale moved from the role to manage his own strategies (European Opportunities and Global Equity Income). Murray had been a sector analyst with the firm since 2011 and retains research coverage of International Financials. A team of 19 global sector analysts supports all of Ivy's/WR's equity strategies, with 11 of those more focused on the international equity strategies.

**Manager Timeline**



**FEES**

Based on the N share class (IINCX), Ivy’s expense ratio of 0.79 ranks below the peer group average and appears reasonable in relation to the objective of the strategy.

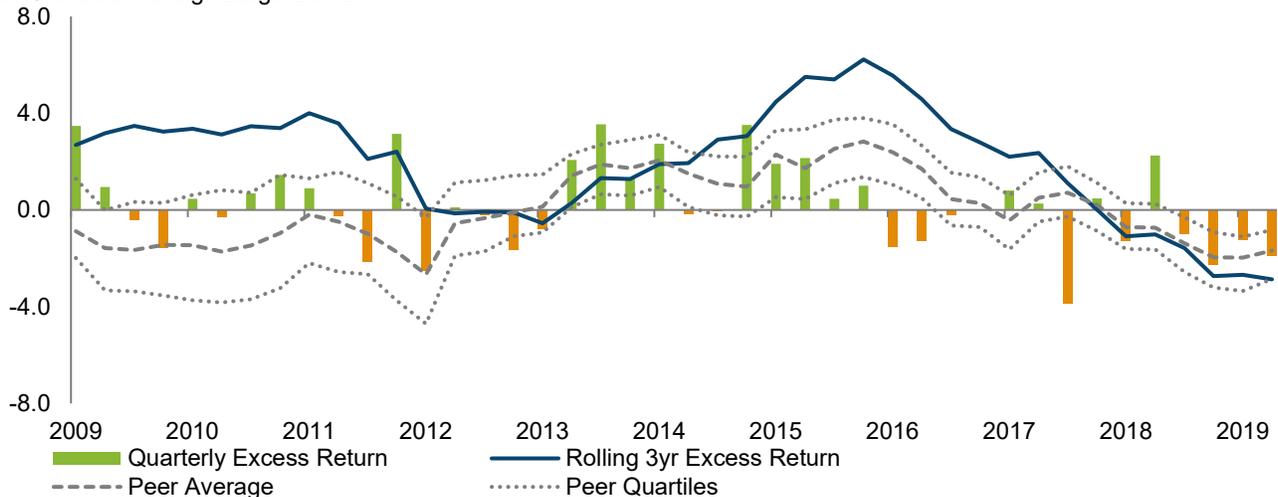
**PERFORMANCE**

Over the past 10 years (through June 30, 2019), Ivy International Core was up an annualized 7.02% while ranking in the 30<sup>th</sup> percentile of the Morningstar Foreign Large Blend category peer group. The strategy’s performance compared favorable to the MSCI ACWI Ex U.S. (Net) index, which was up an annualized 6.54% over the same period. The fund’s disciplined risk management process is reflected in the fund’s below peer average tracking error and near benchmark up/down capture over the same period. Since the process drives the team to look for opportunities during market dislocations, the strategy has tended to perform well coming out of market bottoms. The willingness to invest in out-of-favor stocks may require patience for intrinsic value to be recognized by the market. These exposures may influence relative performance.

**Quarterly Excess Return vs. MSCI ACWI Ex USA (Net)**

Rolling 3 yr over 10yrs ending June 30 2019

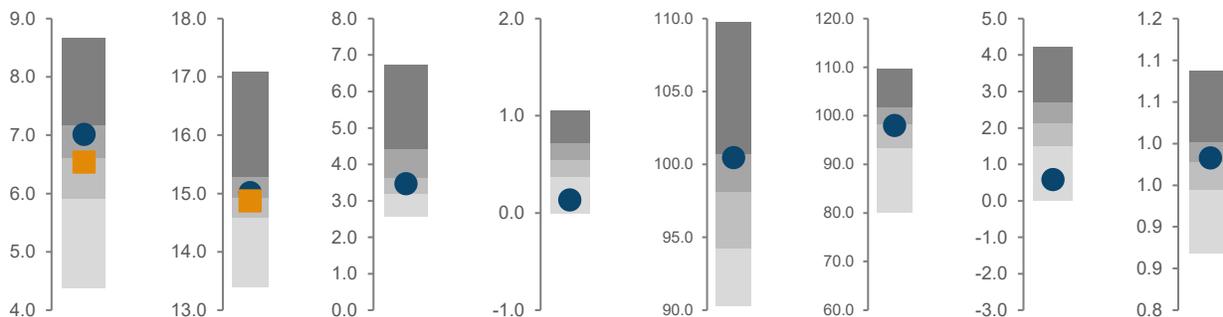
Peer Universe: Foreign Large Blend



**Performance Analytics vs. MSCI ACWI Ex USA (Net)**

10 years ending June 30 2019

Peer Universe: Foreign Large Blend



	Return	Std Dev	Tracking Error	Info Ratio	Up Capture	Down Capture	Alpha	Beta
IINCX ●	7.02	15.02	3.47	0.14	100.49	98.05	0.59	0.98
Index ■	6.54	14.88	0.00	—	100.00	100.00	0.00	1.00
5th	8.66	17.08	6.74	0.51	109.75	109.67	2.34	1.09
25th	7.17	15.29	4.43	0.18	100.73	101.84	0.81	1.00
50th	6.62	14.93	3.62	0.02	98.16	98.21	0.23	0.98
75th	5.91	14.58	3.20	-0.16	94.23	93.39	-0.38	0.94
95th	4.39	13.40	2.57	-0.54	90.28	80.10	-1.89	0.87
Count	493	493	493	493	493	493	493	493

Source: Morningstar. Extended performance is utilized for periods prior to the share class inception date of 7/31/2014. Extended performance is an estimate based on the performance of the fund’s oldest share class adjusted for fees.

### Fund Policy Compliance

Overall Fund Score	Fund Name	Return vs Peer Group			Risk Adjusted Return Sharpe			Risk									Other		Ticker
		Peer Rank (%)			Peer Rank (%)			Standard Deviation			Up Capture			Down Capture			Expense	Tenure	
		3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	
4	Ivy Intl Core Equity	75	63	29	84	65	33	86	80	58	32	29	28	89	77	49	30	7.71	IINCX

Fund score less than 5 = Watch

### Fund Compliance Methodology

#### CALCULATION METHODOLOGY OF OVERALL FUND 1 (Worst) — 10 (Best)

Factor	Weight	Explanation	Score Calculation	
<b>RETURNS</b> Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	40% Overall	<b>Absolute Returns</b> Peer Group Percentile Rankings: 3,5,10 Year Periods	Proportional Score Ranks in the top 75% of Peer Group	No Score Ranks in the bottom 25% of Peer Group
<b>RISK ADJUSTED RETURNS</b> Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	20% Overall	<b>Sharpe Ratio</b> Peer Group Percentile Rankings: 3,5,10 Year Periods	Proportional Score Ranks in top 75% of Peer Group	No Score Ranks in bottom 25% of Peer Group
<b>RISK</b> Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	30% Overall	<b>Standard Deviation</b> Peer Group Percentile Rankings: 3,5,10 Year Periods	Proportional Score Ranks in top 75% of Peer Group	No Score Ranks in bottom 25% of Peer Group
		<b>Upside/Downside Capture</b> Peer Group Percentile Rankings: 3,5,10 Year Periods	Proportional Score Ranks in top 75% of Peer Group	No Score Ranks in bottom 25% of Peer Group
<b>OTHER</b> Fund expense quartile rank Manager tenure is greater than 3 years	10% Overall	<b>Expense Ratio</b> For current period	Proportional Score Ranks in top 75% of Peer Group	No Score Ranks in bottom 25% of Peer Group
		<b>Average Tenure</b> Number of years	Full Score Manager Tenure more than 3 years	No Score Manager Tenure less than 3 years

For peer group rankings, a rank of 1-50 indicates the manager performed favorably and ranked in the top half of its peer group for that metric. For example: when measuring risk, a rank of 1 would mean the manager had a very low standard deviation compared to its peer group, whereas when measuring return, a rank of 1 would mean the manager had a very high return compared to its peer group.

While the material contained herein is believed to be reasonable, no guarantee can be provided to its accuracy or completeness. The data, methodologies, and conclusions presented in this document may change over time without notice. There can be no assurance that the investments and/or asset classes referred to in this document will perform in a manner consistent with their historical performance and/or any forward-looking assumptions or opinions stated verbally or in this document. Any investment and/or asset allocation, no matter how conservative, can lose money. Historical performance results do not reflect the deduction of transaction fees, and/or custodial charges, which would serve to decrease historical performance results. Information contained herein has been obtained from a range of third-party sources. While the information is believed to be reliable, NWCM has not sought to verify it independently. As such, NWCM makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

# ITEM 11



## County of Fresno

### Deferred Compensation Plan

2Q2019 Quarterly Dashboard

#### Nationwide Retirement Solutions

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Jake Sours  
Program Director

Andee Gravitt  
Managing Director

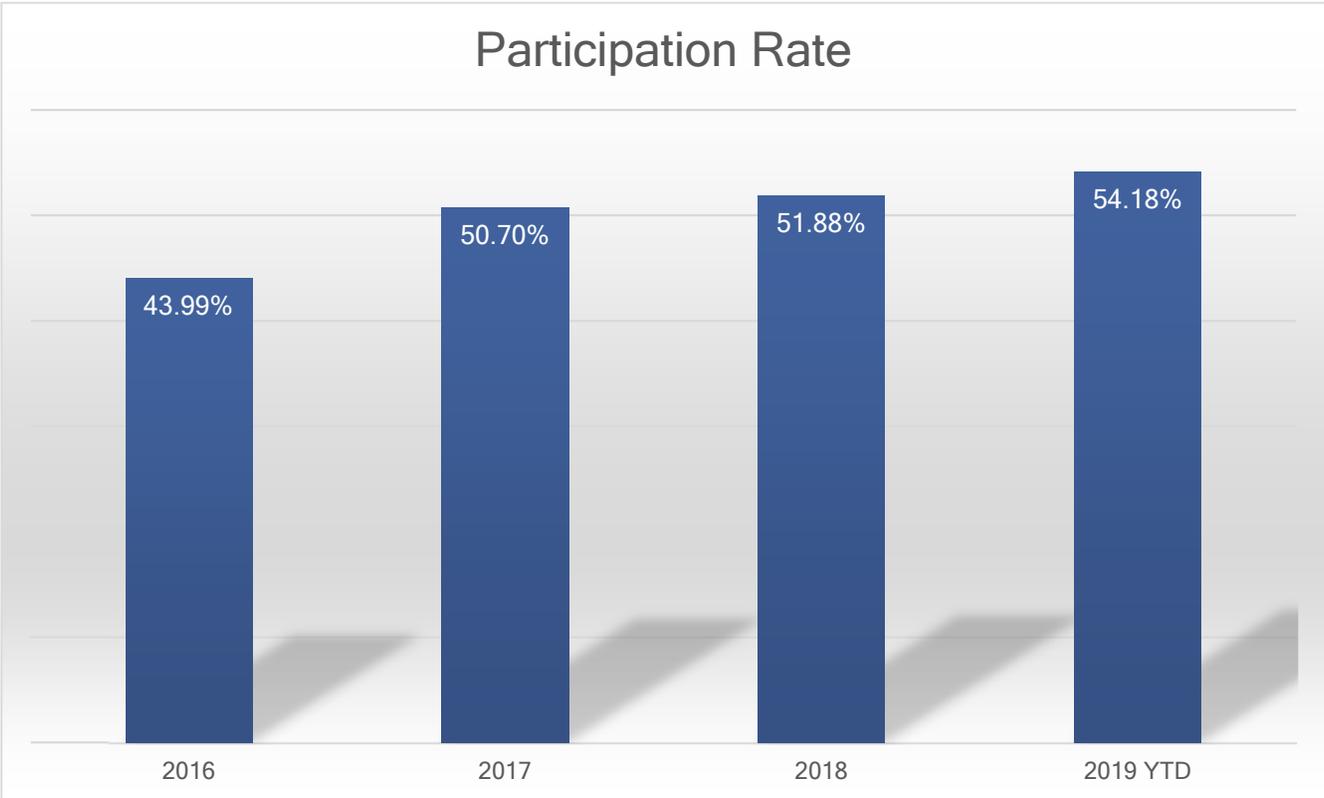
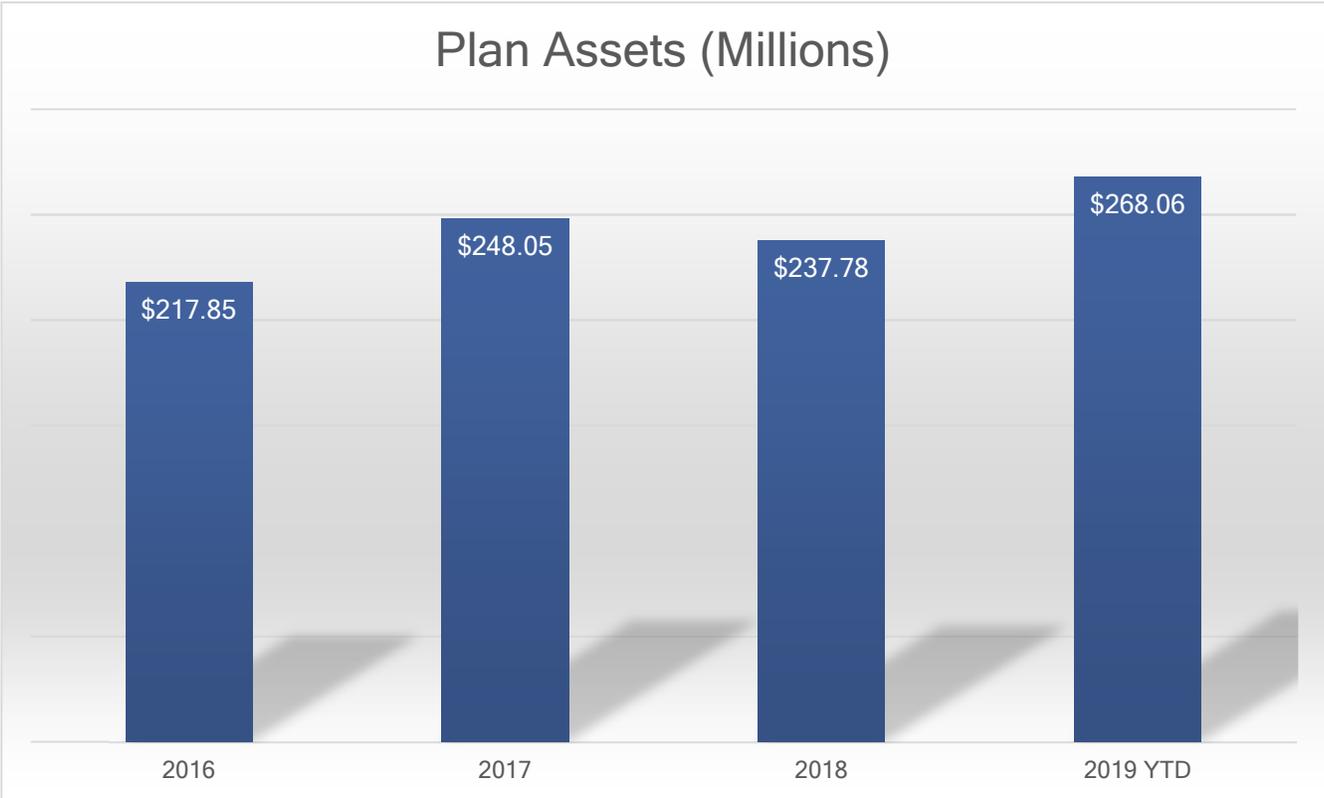


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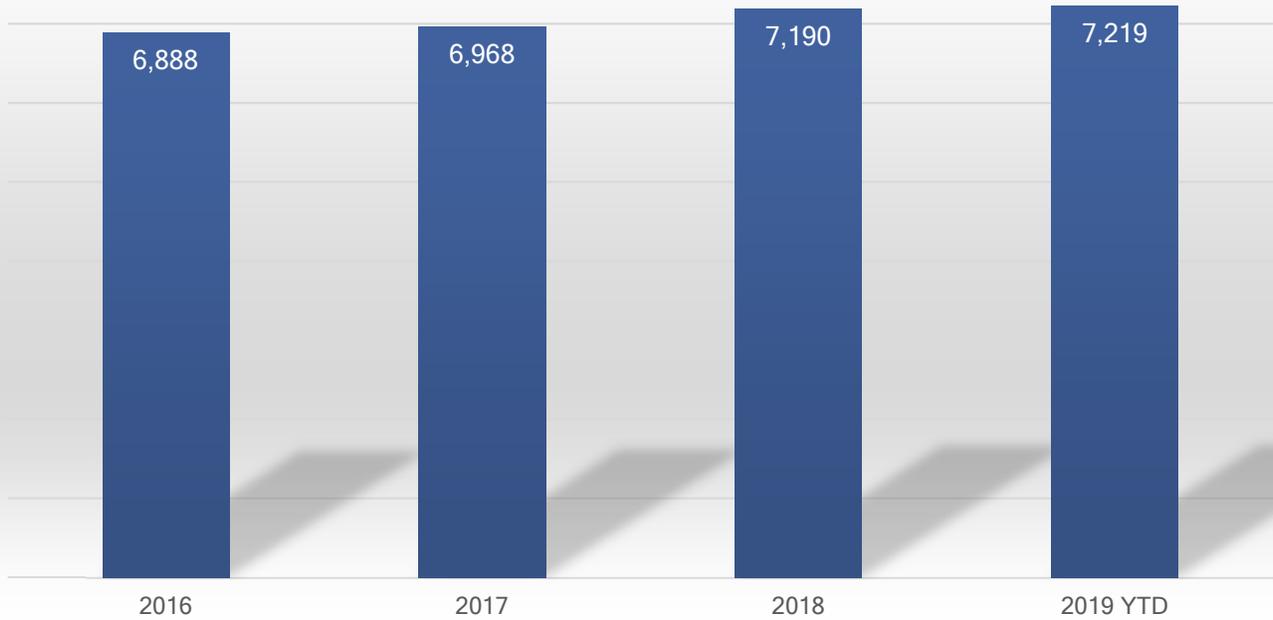
Section 1	Executive Summary
Section 2	Retirement Readiness
Section 3	Gauging Success Report
Section 4	Explicit Asset Fee Summary
Section 5	Fee Normalization Calculation

# Executive Summary

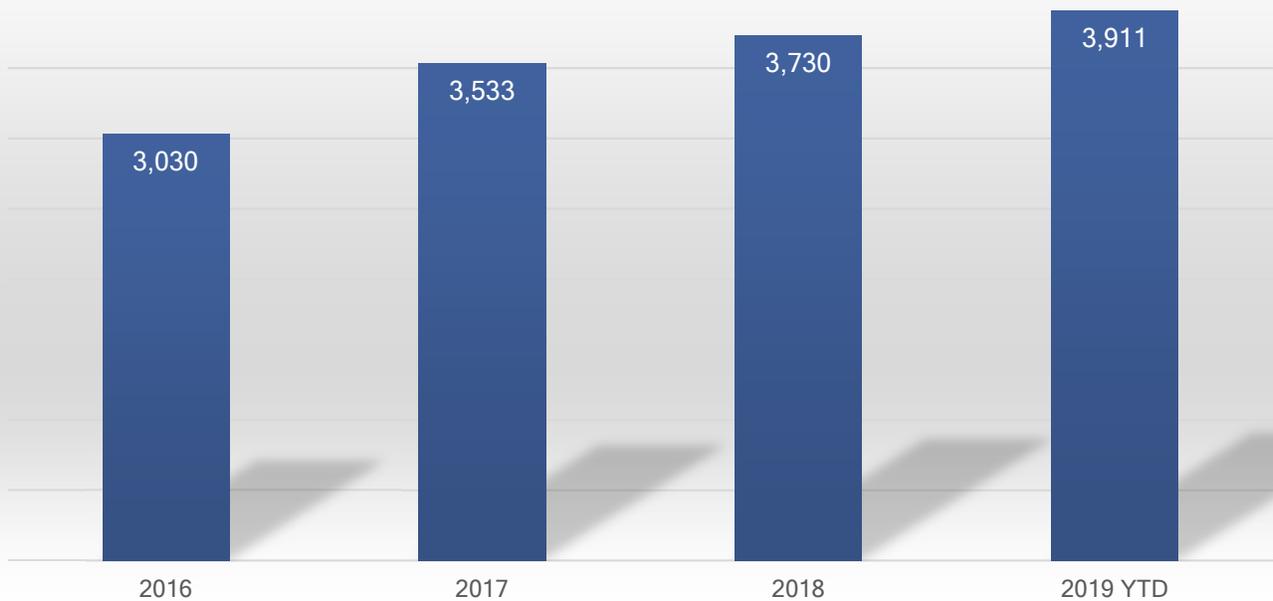
# EXECUTIVE SUMMARY



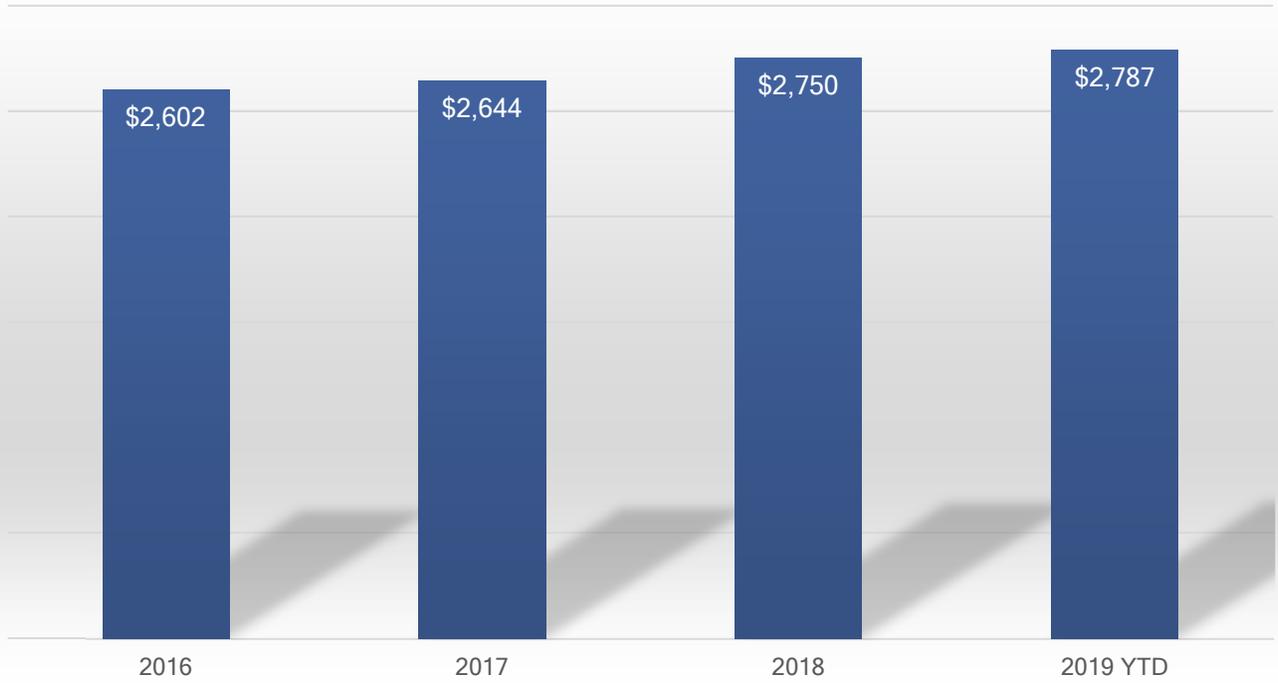
## Eligible Employees



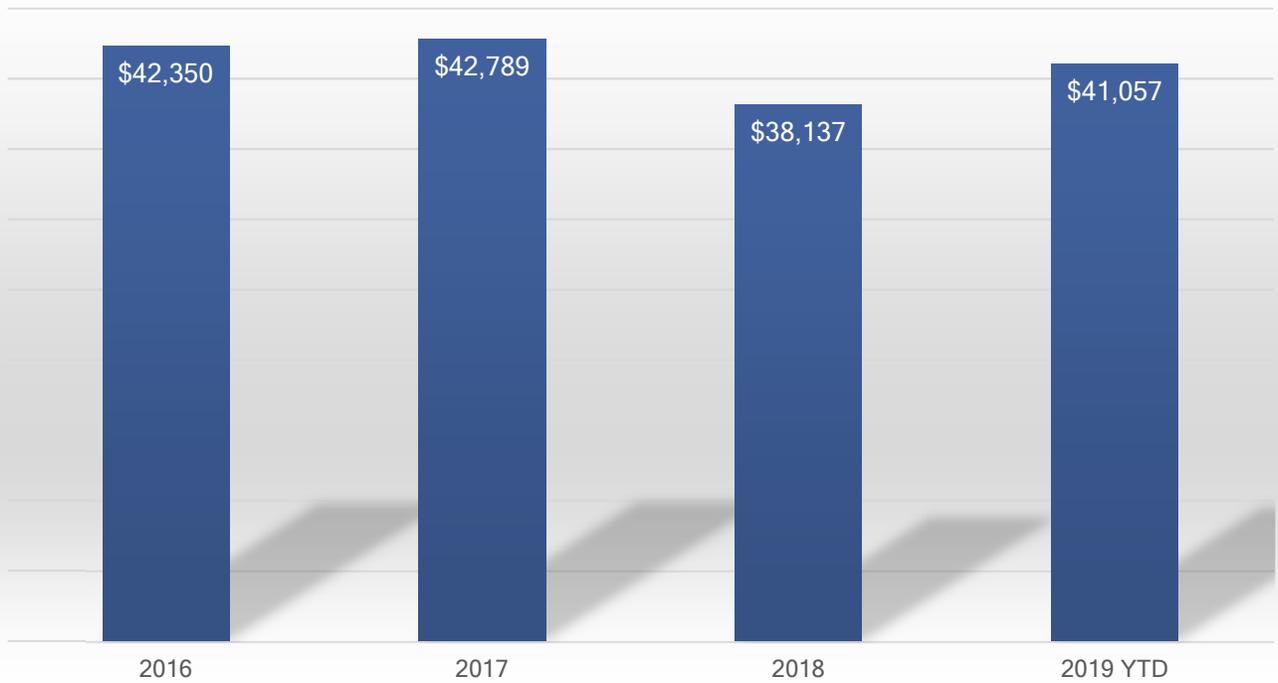
## Actively Deferring Participants



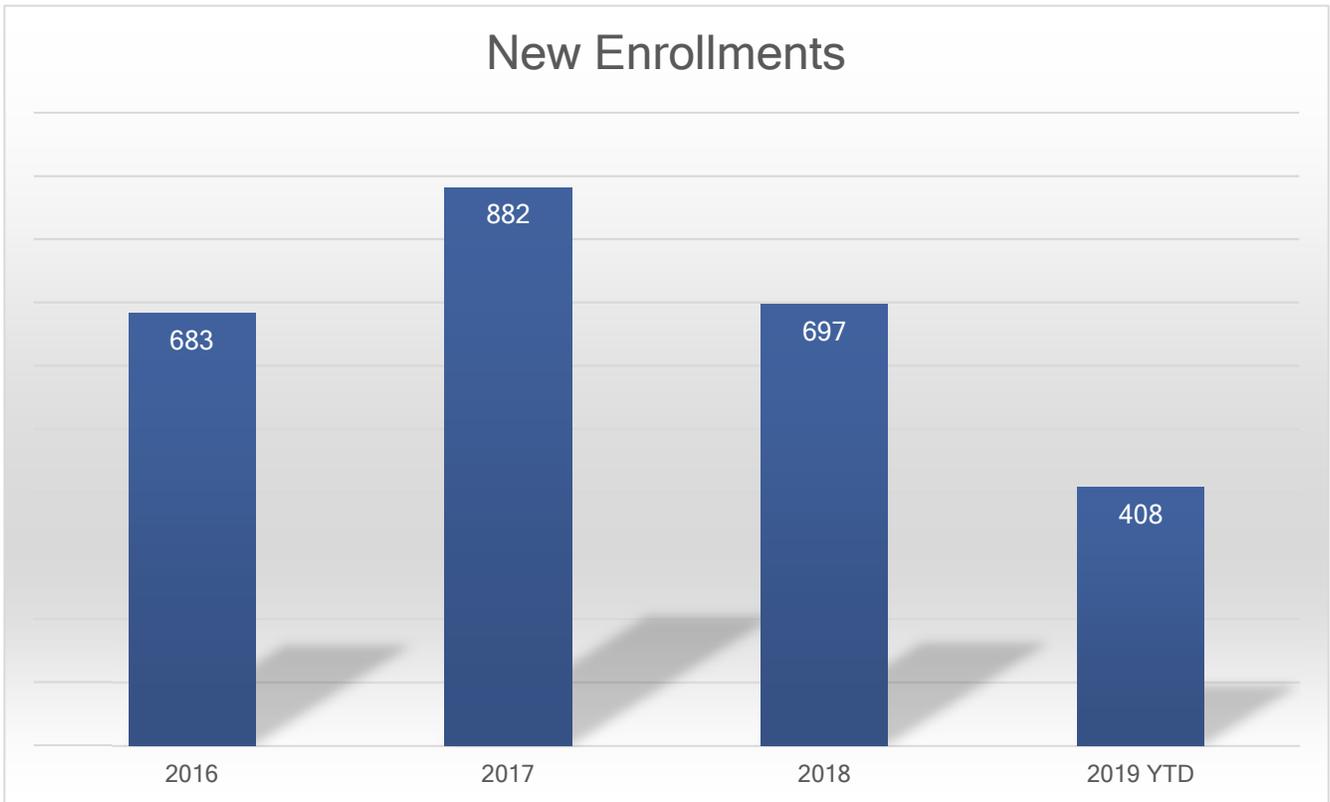
### Average Annualized Deferral



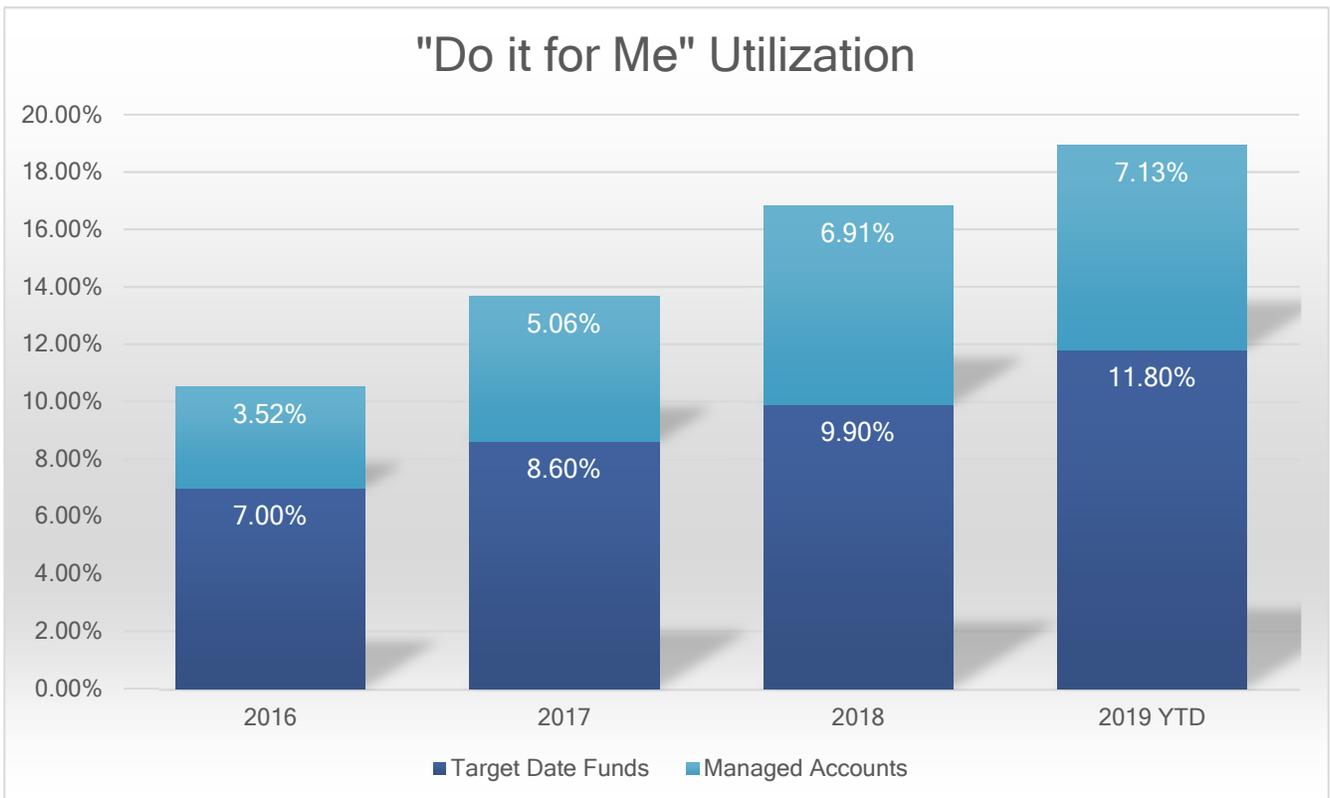
### Average Account Balance



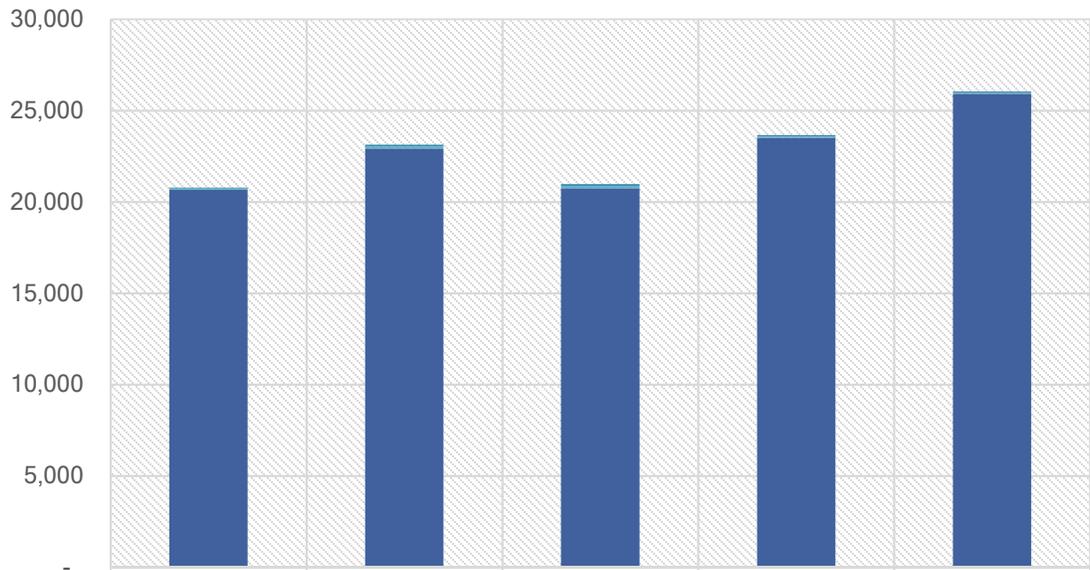
## New Enrollments



## "Do it for Me" Utilization

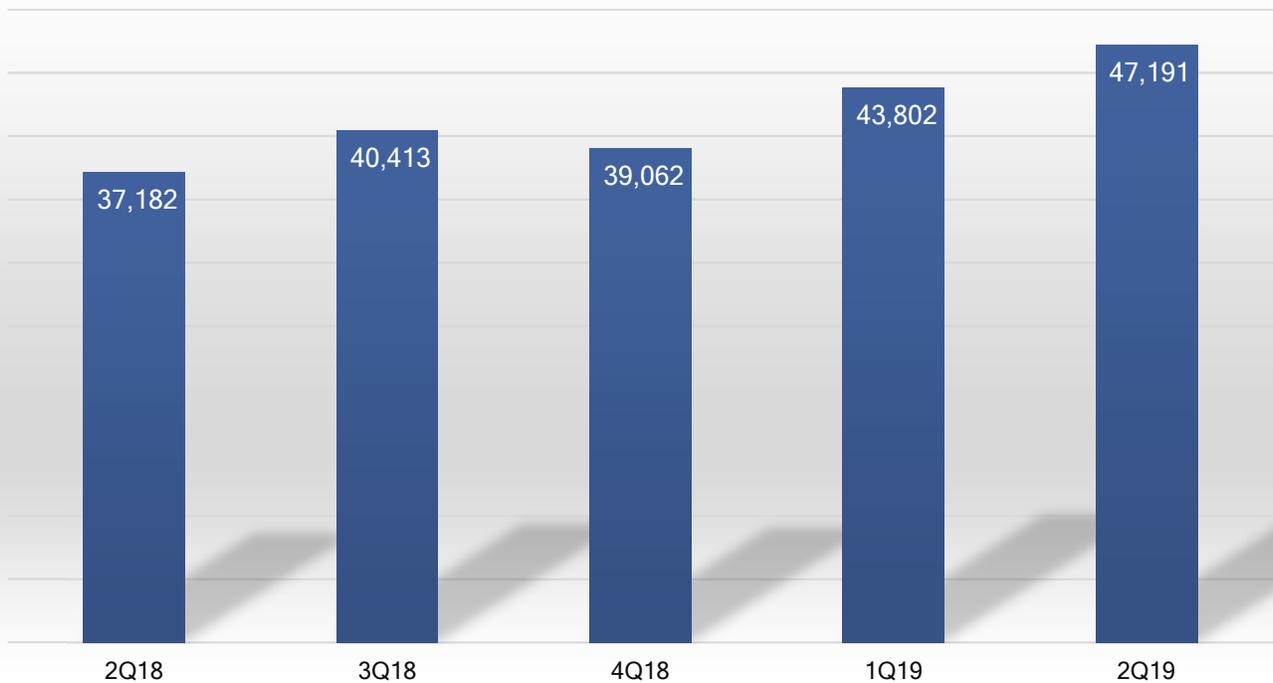


## Web Activities by Category



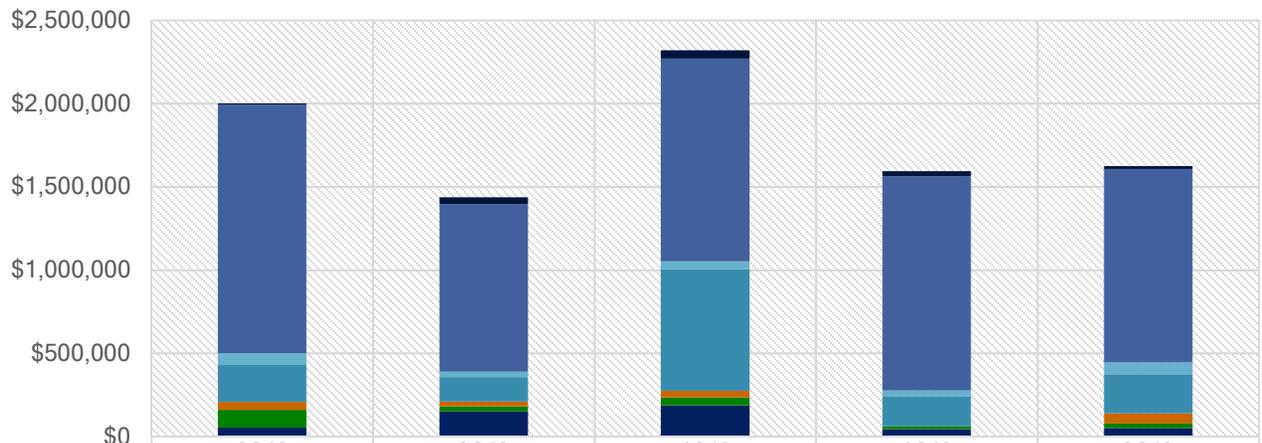
■ Exchanges	54	103	104	74	70
■ Allocation Changes	65	96	120	78	55
■ Account Balance Inquires	20,665	22,926	20,746	23,509	25,916

## Web Utilization<sup>1</sup>



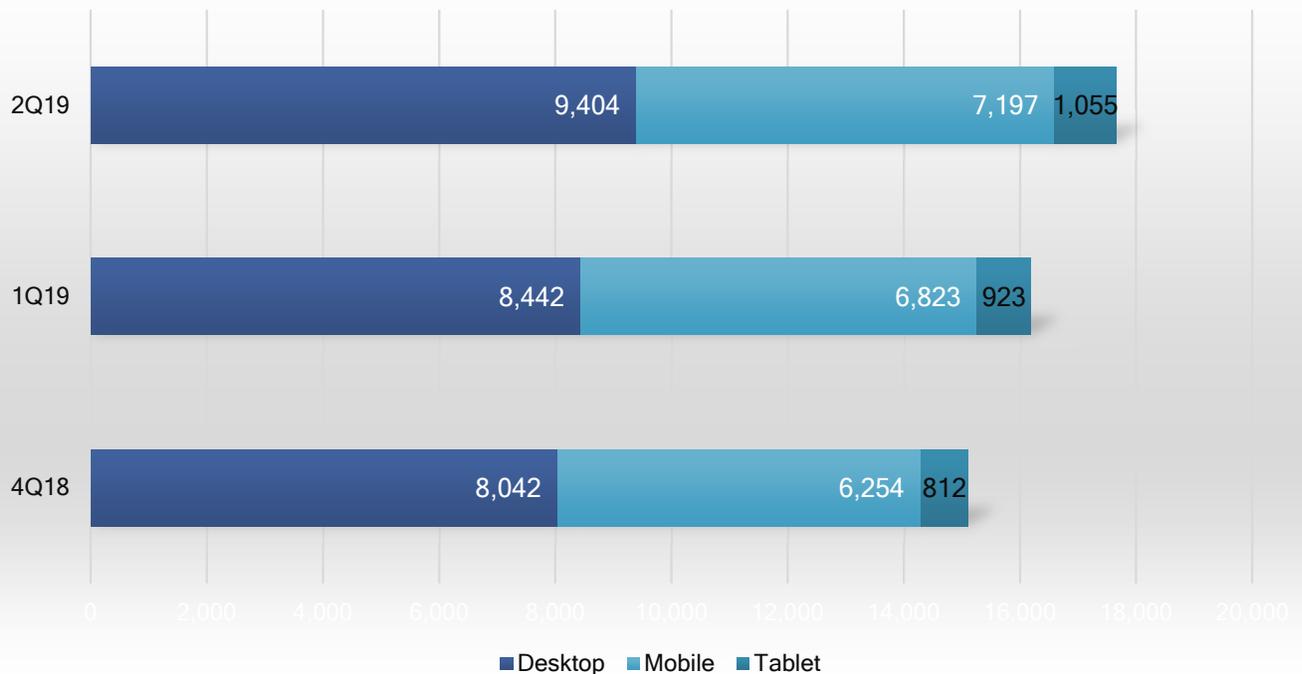
<sup>1</sup>Web Utilization represents total web hits for the quarter

## Distributions



	2Q18	3Q18	4Q18	1Q19	2Q19
UE	\$6,770	\$41,582	\$49,216	\$30,020	\$18,106
Termination	\$1,494,691	\$1,005,796	\$1,218,208	\$1,287,322	\$1,161,794
Retirement	\$70,743	\$33,517	\$46,960	\$34,490	\$69,969
RMD	\$219,957	\$147,013	\$730,625	\$178,980	\$235,794
QDRO	\$48,633	\$28,094	\$40,000	\$0	\$61,320
In-Service	\$107,152	\$29,883	\$47,292	\$20,000	\$27,655
Death	\$52,832	\$151,177	\$187,163	\$42,479	\$50,110

## Devices



## Total Distributions



## Year to Date Rollovers & Transfers Out

Payee	Number of Participants	External Transfers Out 1/1/19 to 6/30/19
Allianz Life Insurance Company	2	-\$199,269.94
Capital Bank and Trust Company	1	-\$40,066.77
Charles Schwab & Co Inc	1	-\$51,376.23
Educational Employees Credit Union	1	-\$16,265.53
Edward Jones	1	-\$39,173.59
Fidelity Management Trust Company	1	-\$63,667.86
Forethought Life Insurance Company	2	-\$109,953.77
FTIOS	1	-\$40,117.94
LA County Plans - Great West	1	-\$789.29
LPL Financial LLC	5	-\$343,911.28
Mass Mutual Retirement Services	1	-\$2,174.00
Merrill Lynch Pierce Fenner & Smith Inc	2	-\$314,625.28
Morgan Stanley	1	-\$513,914.25
National Financial Services	1	-\$49,141.12
NRS	1	-\$361,101.37
TD Ameritrade	3	-\$116,702.88
Unknown	6	-\$32,468.92
Vanguard Fiduciary Trust Company	1	-\$9,316.25
Vantagepoint Transfer Agents / 457	2	-\$10,610.34
<b>Totals</b>	<b>34</b>	<b>-\$2,314,646.61</b>

# Retirement Readiness



# Fresno County, CA Nationwide® Retirement Readiness Report

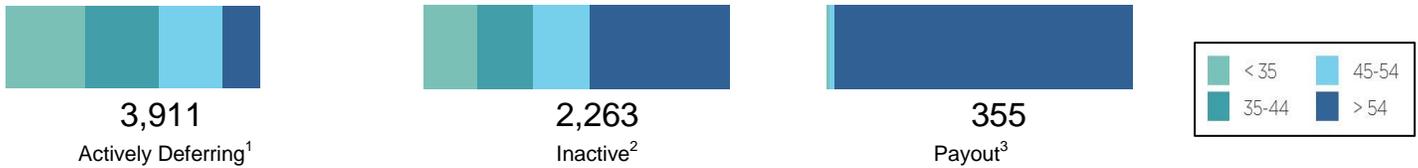
Plan-level summary of all participants' retirement readiness  
Q2 2019

The Fresno County Retirement Readiness Report helps you understand how prepared your participants are to reach their retirement goals. Nationwide has provided your participants with a personalized retirement readiness report, which includes their balance, pension, and Social Security benefits.

This plan-level report summarizes the progress your participants are making towards meeting their retirement goal. For more detailed plan information, access the Gauging Success report on your plan website.

## Plan Participants

What is the status of all 6,529 participants enrolled in your plan?



## Retirement Readiness

How engaged are your participants?  
Are they ready to retire?<sup>4</sup>

**6,529**  
total participants

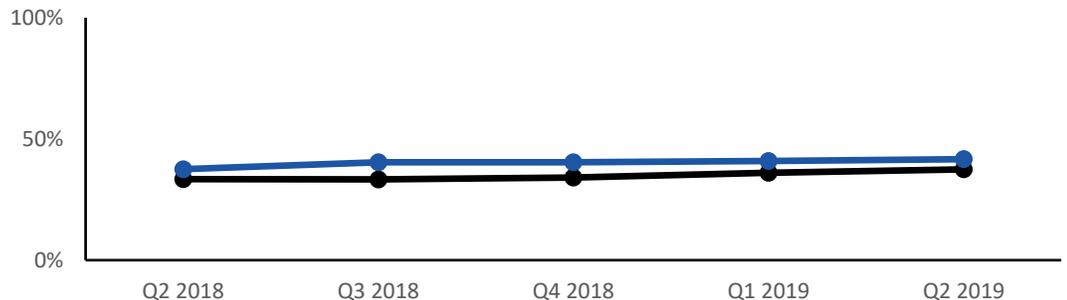
**3,241**  
have an online account

**1,693**  
engaged with their retirement readiness online



Participants that have engaged with their retirement outlook are **4 times more likely** to take action and save more for retirement

How does your plan's retirement readiness compare to a group of similar-sized Nationwide provided plans?<sup>4</sup>



<sup>1</sup> Participant with a balance, "employed" status, and contributed in the last 3 months

<sup>2</sup> Participant with a balance but no contribution in previous 3 months and no "payout" or "employed" status

<sup>3</sup> Participant with a balance and "payout" status

<sup>4</sup> These calculations are based on an 85% replacement ratio of pre-retirement income

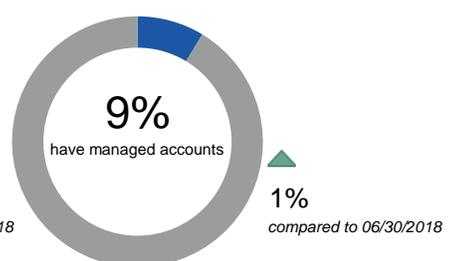
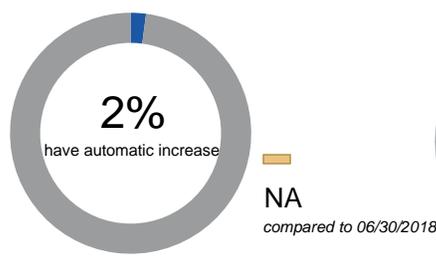
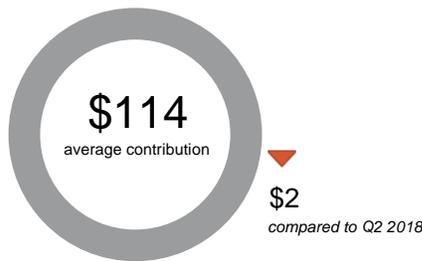
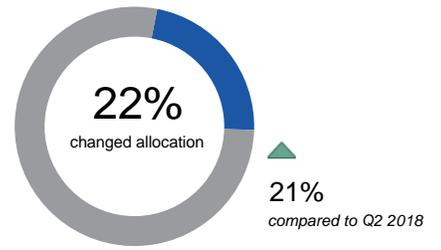
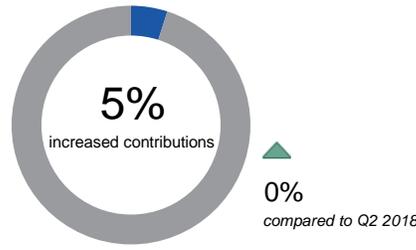
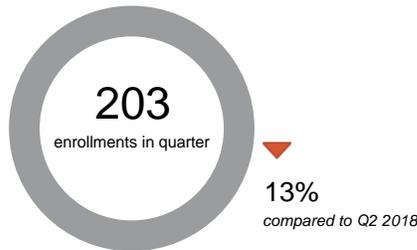


# Fresno County, CA Retirement Readiness Report

Plan-level summary of all participants' retirement readiness  
Q2 2019

## Account Activity

What key activities are the 6,529 participants taking to educate themselves and increase their retirement readiness?



## Top Opportunities

**Encourage online account usage**  
50% of participants have set up an online account. By establishing an online account, participants can access their personalized Retirement Readiness Report and take action to improve their readiness.

**Encourage increased contributions**  
Small increases can really add up. By encouraging participants to increase their contribution, time and compounding may build momentum for their retirement readiness.

**Encourage enrollment**  
One step towards improving an employee's financial well-being is ensuring all of your eligible employees are enrolled in a deferred compensation plan. Take this opportunity to promote the benefits of enrolling.

**Encourage ProAccount enrollment**  
With Nationwide ProAccount, participants get the peace of mind that comes from professional investment management, periodic adjustments based on market conditions, and personalized asset allocation.

FOR PLAN SPONSOR AND CONSULTANT USE ONLY

Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors, LLC ("NIA"), an SEC-registered investment advisor. There is an additional fee for the Nationwide ProAccount managed account service.

Retirement specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA.

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NRM-15148AO.2 (03/17)



**Nationwide**

# Gauging Success Report



# Gauging Success

## PLAN REVIEW Fresno County, CA

As of June 30, 2019



# WELCOME

Our goal is to help you objectively evaluate your plan's performance and how it performed against other plans like yours. Since Nationwide Retirement Solutions is one of the largest 457 providers in the industry we are in the unique position of being able to compare your plan to many others.

By comparing the current year information to previous years, you can see how your plan is performing, where your educational efforts are working, and what areas offer opportunities for additional improvement.

The "Peer Group" comparisons used in this report are based on NRS cases, within your state, with assets of:

**\$100 million - \$1 billion**

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# EXECUTIVE SUMMARY

## Plan Contribution Limits for 2019

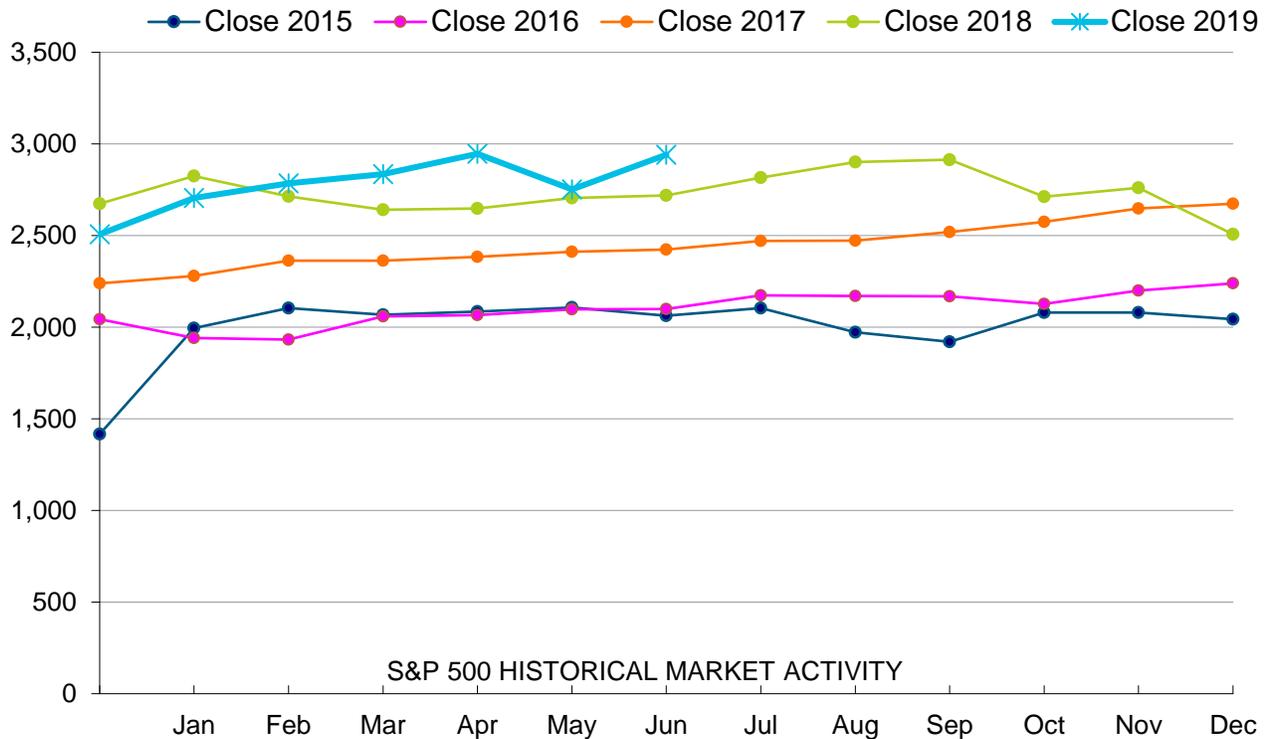
Regular Limit:	\$19,000
50+ Catch-Up:	\$25,000
3-Year Catch-Up:	\$38,000

## Quick Plan Facts

	Actual as of 06/30/19	% Chng from 1 year ago
Total Participant Count	6,529	7.9%
Total New Enrollments YTD Count	408	7.1%
Total Plan Assets (millions)	\$268.06	5.9%
Total Deferrals YTD (millions)	\$6.24	5.1%
Total Rollovers-In YTD (thousands)	\$252.85	-17.9%
ProAccount Assets (thousands)	\$21,174.63	31.8%
ProAccount Participant Count	565	11.9%

## Market Activity

S&P 500 CHANGE YTD: 17.3%



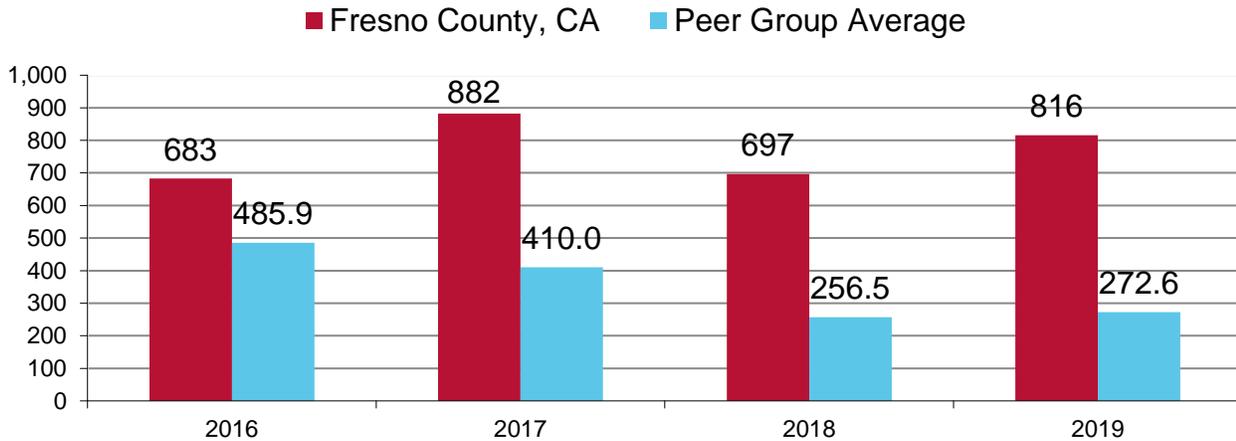
The 500 companies included in this index are selected by the S&P Index committee; a few of the mitigating factors are market size, industry representation and liquidity. This index is designed to be an overall indication of the United States stock market. The 500 securities represent approximately 75% of the total market value of all U.S. stocks.

# PLAN PARTICIPATION

Participant Status	12/31/16	12/31/17	12/31/18	6/30/19	% Chng from 1 year ago
# of Participants Actively Deferring	3,030	3,533	3,730	3,911	6.2%
# of Inactive Participants*	1,843	1,955	2,152	2,263	10.7%
# of Participants in Payout	271	309	353	355	10.2%
<b>Total Participants</b>	<b>5,144</b>	<b>5,797</b>	<b>6,235</b>	<b>6,529</b>	<b>7.9%</b>

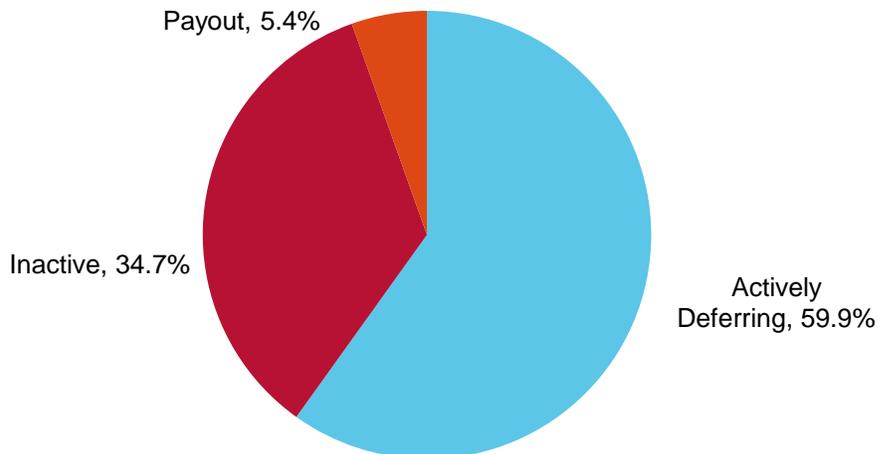
\* Inactive participants are those with a balance, not deferring and not in payout

## New Participant Count



2019 numbers are annualized

## Total Participants as of 06/30/19

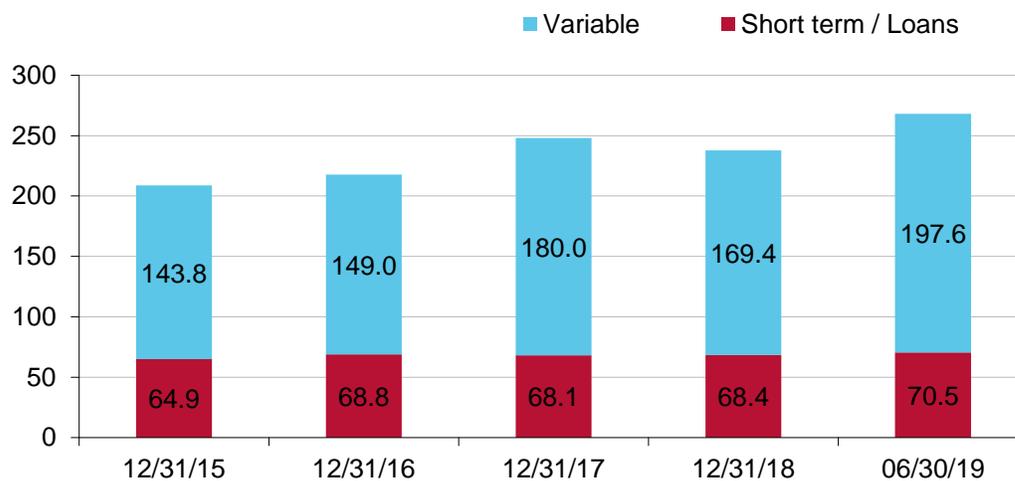


# PLAN ASSETS

## Total Plan Assets (Millions)

12/31/15	12/31/16	12/31/17	12/31/18	6/30/19	% Chng from 1 year ago
\$208.7	\$217.8	\$248.0	\$237.8	\$268.1	5.9%

## Plan Assets Summary (Millions)



## Plan Assets by Investment Class (Millions)

Investment Class	12/31/17	12/31/18	06/30/19	% of Total
Asset Allocation	\$21.28	\$23.44	\$31.60	11.8%
International	\$15.60	\$13.40	\$15.56	5.8%
Small Cap	\$10.42	\$10.46	\$11.87	4.4%
Mid Cap	\$14.11	\$12.52	\$14.77	5.5%
Large Cap	\$102.15	\$93.18	\$106.41	39.7%
Balanced	\$2.41	\$1.94	\$0.00	0.0%
Bonds	\$8.86	\$10.18	\$11.63	4.3%
Short term	\$63.22	\$63.31	\$65.03	24.3%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$5.17	\$4.24	\$5.75	2.1%
Loan	\$4.84	\$5.10	\$5.43	2.0%
<b>Total</b>	<b>\$248.05</b>	<b>\$237.78</b>	<b>\$268.06</b>	<b>100.0%</b>

# PLAN CONTRIBUTIONS

## Total Contributions by Year (Millions)

	2015	2016	2017	2018	2019 YTD	% Chng from 1 year ago
Deferrals	\$7.4	\$8.6	\$10.2	\$11.6	\$6.2	5.1%
Rollovers-In	\$1.1	\$0.7	\$1.5	\$0.7	\$0.3	-17.9%
Other	\$4.4	\$3.5	\$4.3	\$3.4	\$2.4	51.5%
<b>Total</b>	<b>\$12.9</b>	<b>\$12.8</b>	<b>\$15.9</b>	<b>\$15.7</b>	<b>\$8.9</b>	<b>13.5%</b>

## Plan Contributions Summary (Millions)



## Plan Contributions by Investment Class (Thousands)

Investment Class	2017	2018	2019 YTD	% Total
Asset Allocation	\$4,059.30	\$4,604.88	\$2,986.92	33.6%
International	\$1,107.23	\$1,365.30	\$744.91	8.4%
Small Cap	\$618.55	\$828.33	\$432.61	4.9%
Mid Cap	\$920.21	\$952.85	\$449.43	5.1%
Large Cap	\$4,790.41	\$4,166.15	\$2,198.53	24.7%
Balanced	\$70.47	\$99.86	\$33.64	0.4%
Bonds	\$808.52	\$758.54	\$421.62	4.7%
Short term	\$3,161.64	\$2,584.11	\$1,456.03	16.4%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$359.24	\$351.11	\$161.85	1.8%
Loan	\$0.00	\$0.00	\$0.00	0.0%
<b>Total</b>	<b>\$15,895.56</b>	<b>\$15,711.13</b>	<b>\$8,885.55</b>	<b>100.0%</b>

# IN SUMMARY

This report contains valuable information and insights about your plan. Now it is time to take action! Here are some suggestions to get you started:

1. Identify your top three areas of focus.
2. Consider which of the following suggestions would work best for your plan:

- Educational Workshops for your employees
- Additional 1-on-1 meetings with your Representative
- Benefit Fairs
- Open Enrollment
- Employer communication options  
(e.g. emails, staff meetings...)
- Other \_\_\_\_\_

3. Discuss your plan with your Nationwide Representative.

We look forward to working with you to bring even greater value to your employees through deferred compensation.

# YOUR PROVEN PARTNER

When you're one of the leaders in the industry, you're called to a higher standard. Nationwide's position as an industry leader stems from nearly 40 years in service to public sector retirement plan administrators like you.

Over the years, we have maintained our industry leadership position by being one of the top providers of record-keeping, sales and marketing services to public sector retirement plans in terms of number of clients served and range of assets under management. Here's why:

- Our average client tenure is 19 years
- We partner with more than 7,700 clients \* and have a 99% plan retention rate
- We provide education and service to more than 1.7 million participants \*
- We manage over \$101 billion in assets \*
- We have been featured in the top 10 most trusted companies for privacy by TRUSTe and Ponemon Institute *for the past nine years.*
- We offer recordkeeping, administration and investment products for:
  - 457(b) Deferred compensation plans serving city, county, special district and state employees
  - 401(a) and grandfathered 401(k) Defined employer-contribution plans serving city, county, special district and state employees
  - PEHP® Tax-free investment plan for post-employment health care expenses

Most importantly, *we are proud to serve you and your plan* through our representatives in the field and in our home office.

What does all this mean to you? Our tenure, our legacy, our service and our people make us uniquely qualified to handle your retirement plan needs. This **Gauging Success** report is just one of the ways that we work with you to understand both your needs as an administrator and your employees' needs for planning for their retirement.

\*As of 06/30/19

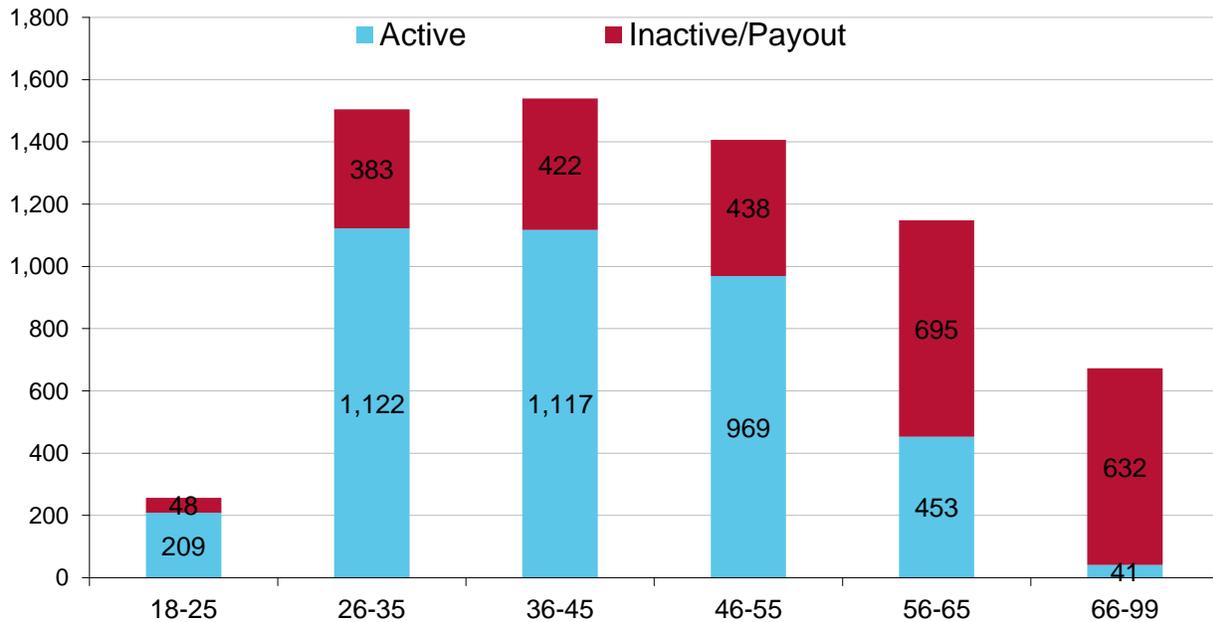
# APPENDIX

# PLAN PARTICIPATION

## Participant Counts by Age as of 06/30/19

Age Group	Total Participant Count	Male Participant Count	Female Participant Count	Actively Def Participant Count	Inactive / Payout Count
18-25	257	126	131	209	48
26-35	1,505	643	862	1,122	383
36-45	1,539	684	855	1,117	422
46-55	1,407	617	790	969	438
56-65	1,148	462	686	453	695
66-99	673	360	313	41	632
<b>Total</b>	<b>6,529</b>	<b>2,892</b>	<b>3,637</b>	<b>3,911</b>	<b>2,618</b>

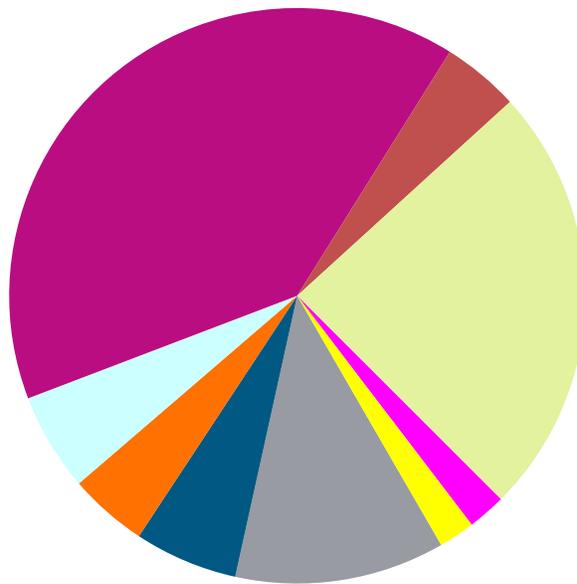
## Participant Counts by Age as of 06/30/19



# PLAN ASSETS

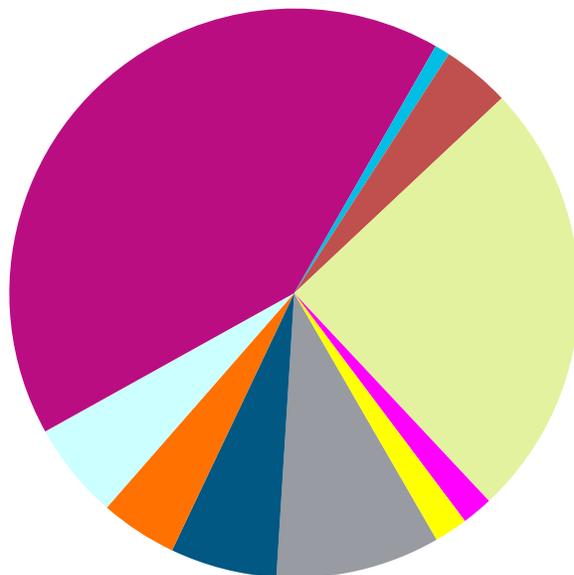
The use of asset allocation does not guarantee returns or insulate you from potential losses.

Fresno County, CA Asset Allocation as of 06/30/19



Asset Allocation	11.8%
International	5.8%
Small Cap	4.4%
Mid Cap	5.5%
Large Cap	39.7%
Balanced	0.0%
Bonds	4.3%
Short term	24.3%
SDO	0.0%
Specialty	2.1%
Loan	2.0%

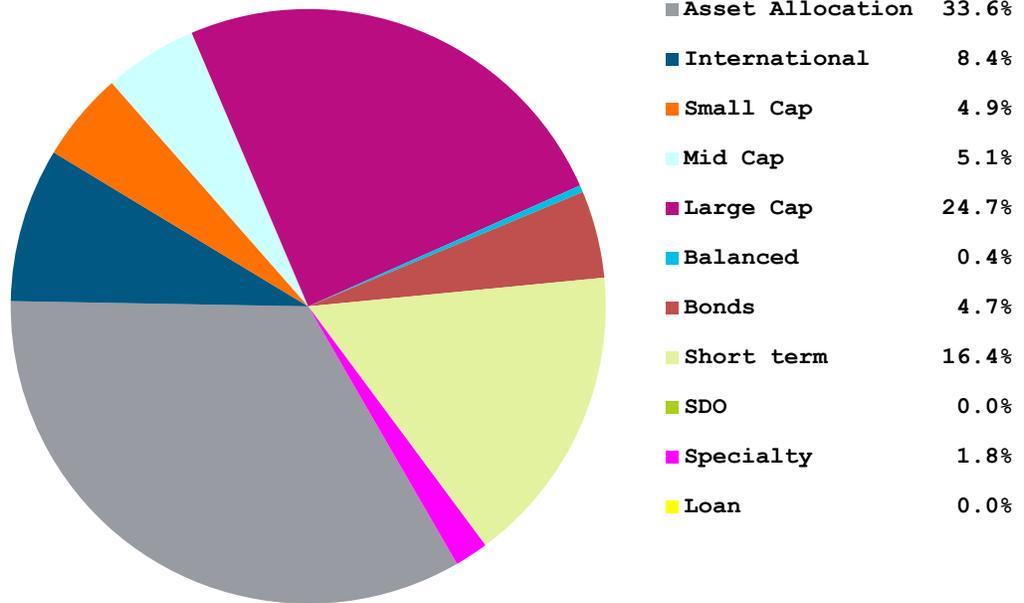
Fresno County, CA Asset Allocation as of 06/30/18



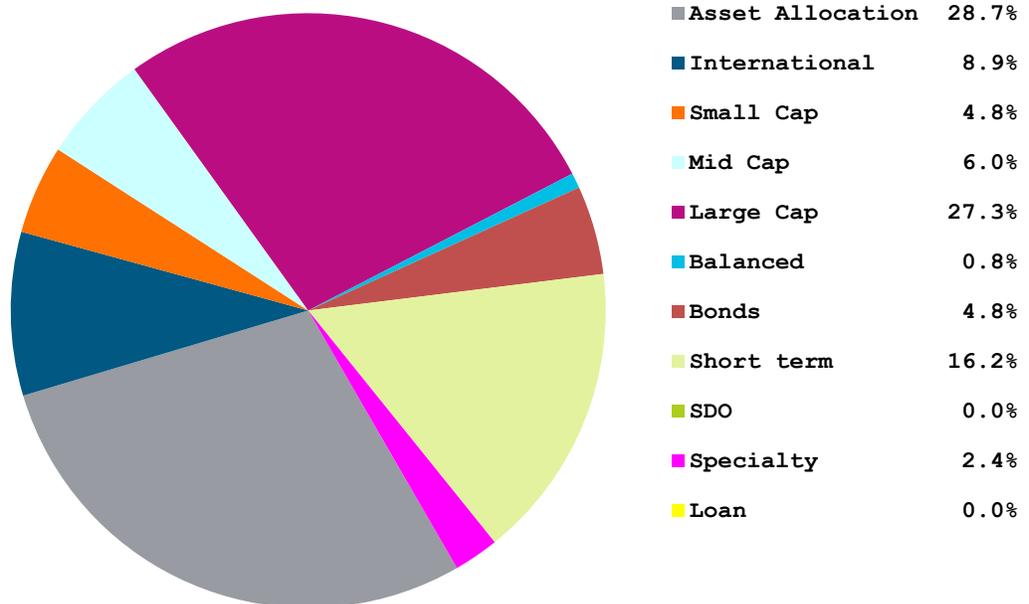
Asset Allocation	9.3%
International	6.1%
Small Cap	4.4%
Mid Cap	5.5%
Large Cap	41.3%
Balanced	0.9%
Bonds	3.9%
Short term	25.0%
SDO	0.0%
Specialty	1.8%
Loan	1.9%

# PLAN CONTRIBUTIONS

Fresno County, CA Contribution Allocation 2019 YTD



Fresno County, CA Contribution Allocation 2018 YTD



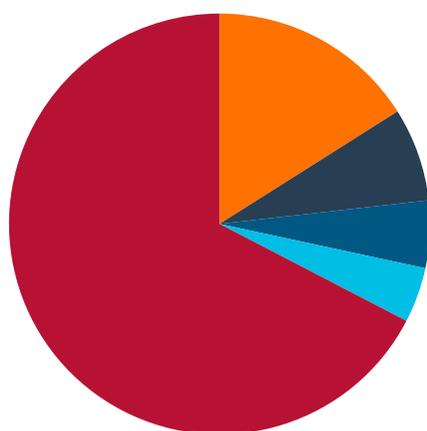
# PEER COMPARISONS

Your Peer Group is NRS cases, within your state, with assets of \$100 million - \$1 billion. The peer group consists of 14 NRS cases.

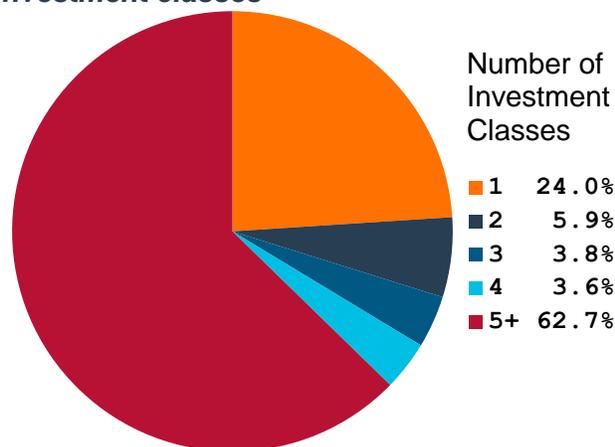
	Fresno County, CA	Peer Group	Recommended
Average # of asset classes	4.2	4.0	5.0
Average annualized deferrals	\$2,787	\$6,038	
Average assets	\$41,057	\$74,404	

## Asset Allocation Summary as of 06/30/19

percentage of participants by number of investment classes



Fresno County, CA



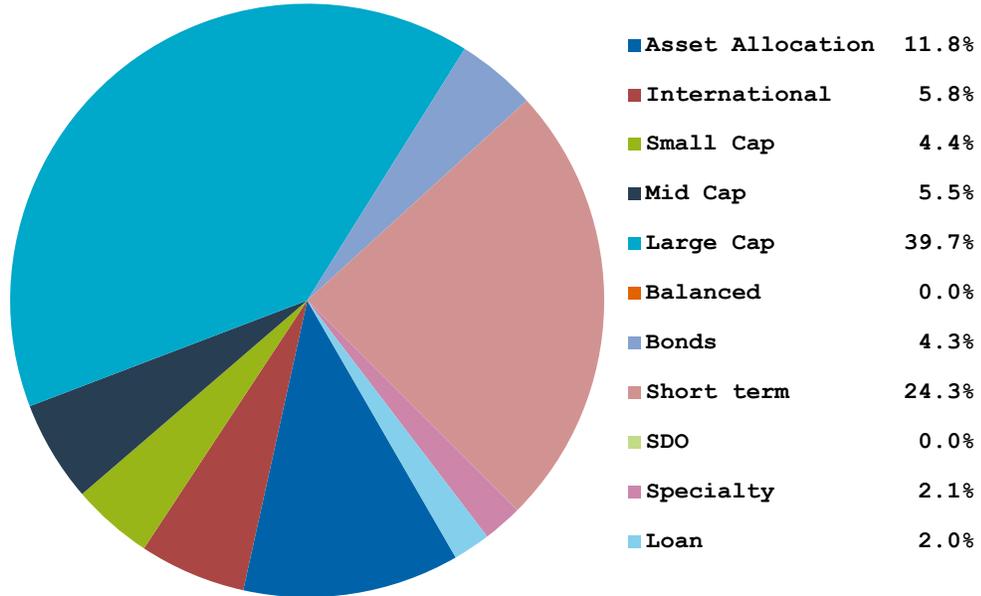
Peer Group

## Average Account Balance and Annualized Deferrals by Age Group as of 06/30/19

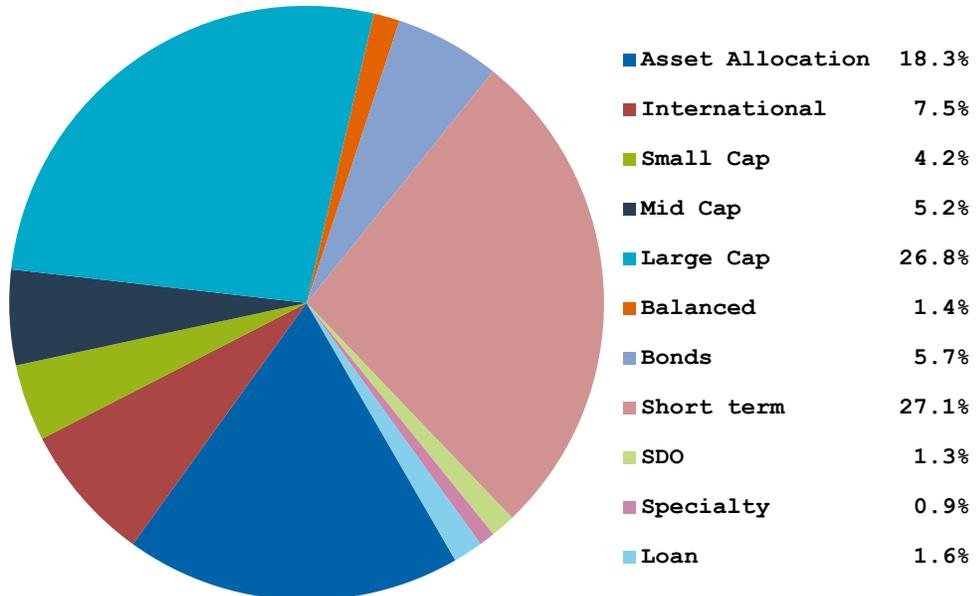
Age Group	Account Balance		Annualized Deferrals	
	Fresno County, CA	Peer Group	Fresno County, CA	Peer Group
18-25	\$2,146	\$5,545	\$1,749	\$3,147
26-35	\$5,212	\$14,757	\$1,992	\$4,119
36-45	\$18,738	\$43,506	\$2,456	\$5,191
46-55	\$50,014	\$86,906	\$3,499	\$6,925
56-65	\$78,426	\$114,904	\$4,255	\$8,818
66-99	\$104,643	\$127,857	\$5,825	\$10,272

# PEER COMPARISONS

## Fresno County, CA Asset Allocation as of 06/30/19

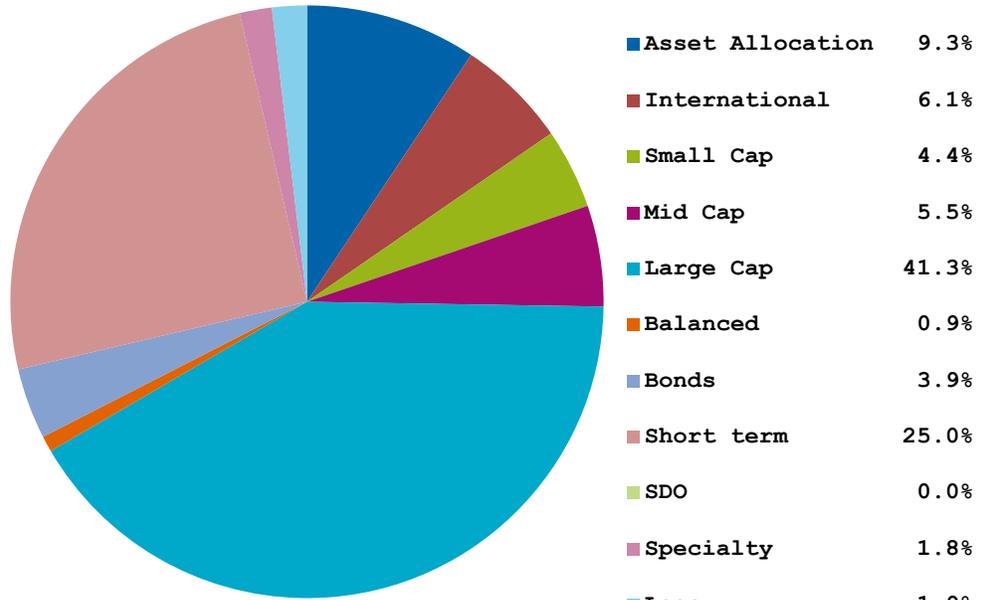


## Peer Group Asset Allocation as of 06/30/19

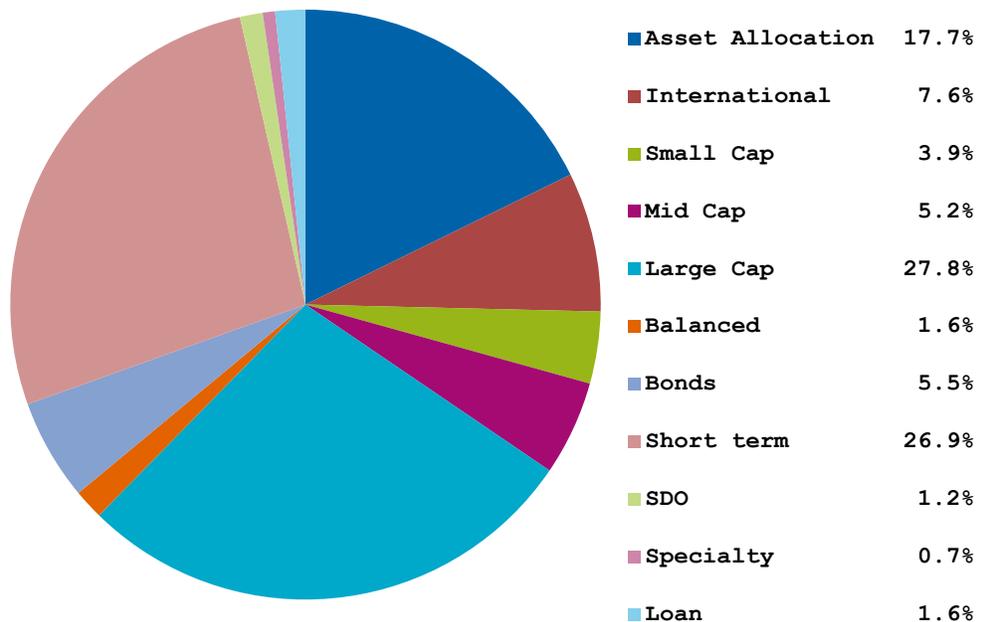


# PEER COMPARISONS

Fresno County, CA Asset Allocation as of 06/30/18

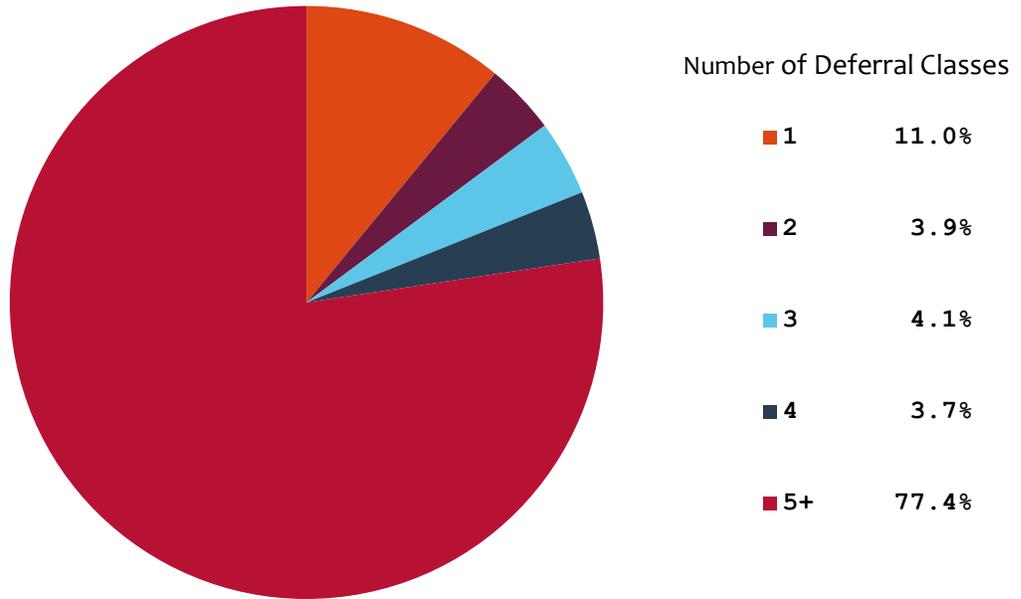


Peer Group Asset Allocation as of 06/30/18

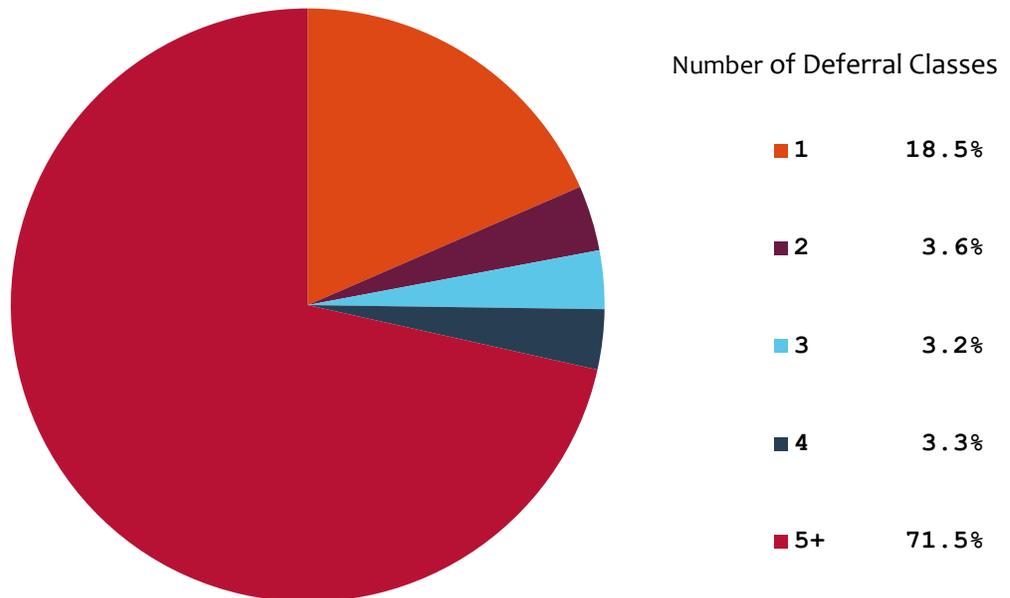


# PEER COMPARISONS

*Deferral allocation summary: percentage of participants by number of deferral investment classes*  
Fresno County, CA 2019 YTD

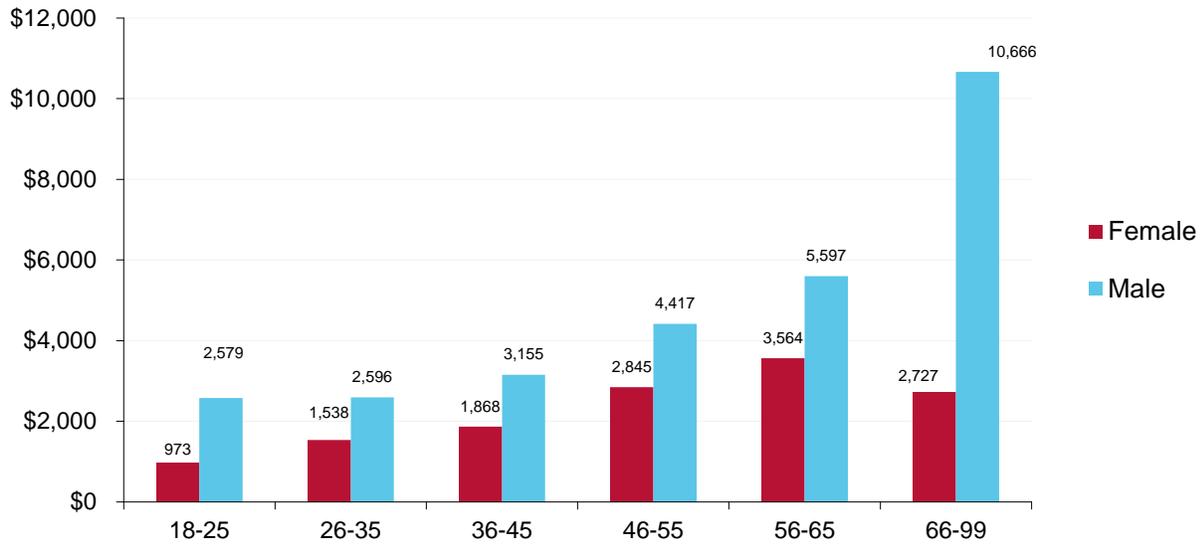


Peer Group 2019 YTD

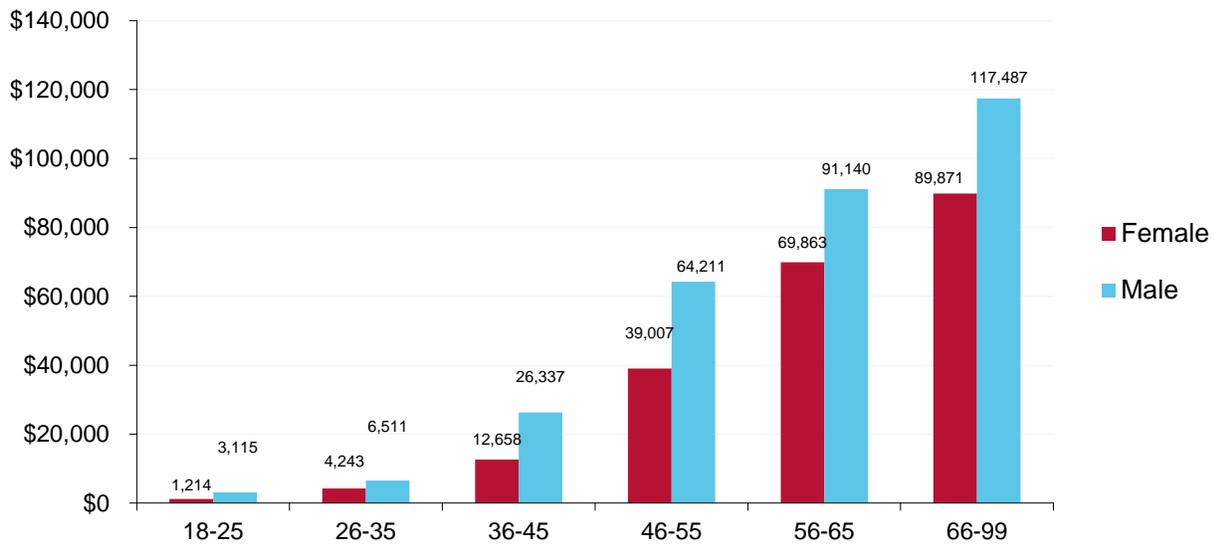


# PARTICIPANT DEMOGRAPHICS

## Male/Female Average Deferrals by Age

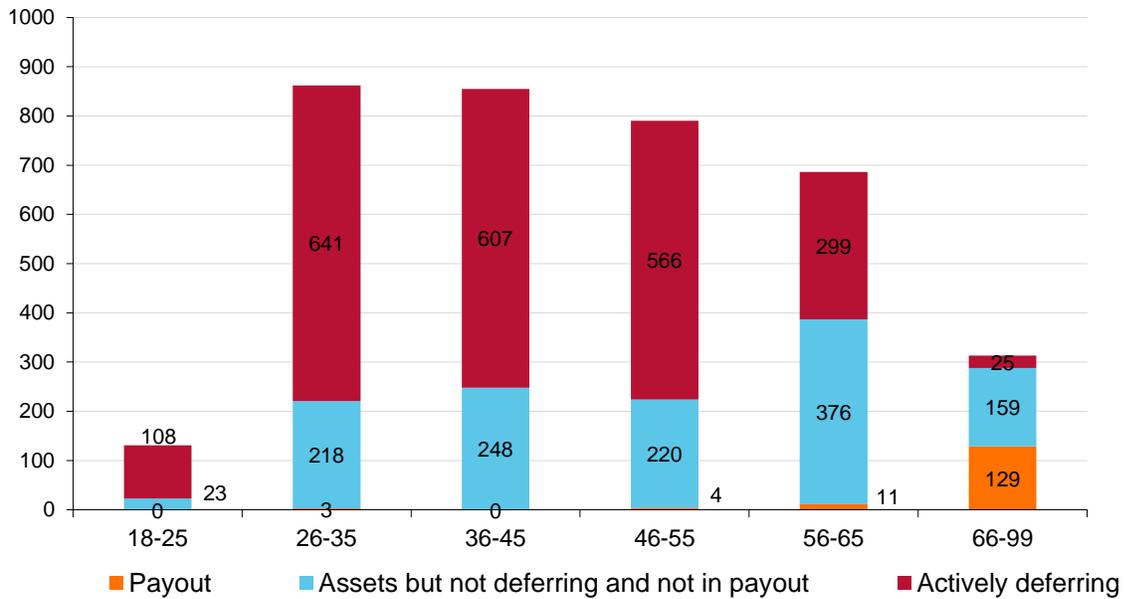


## Male/Female Average Account Balance by Age as of 06/30/19

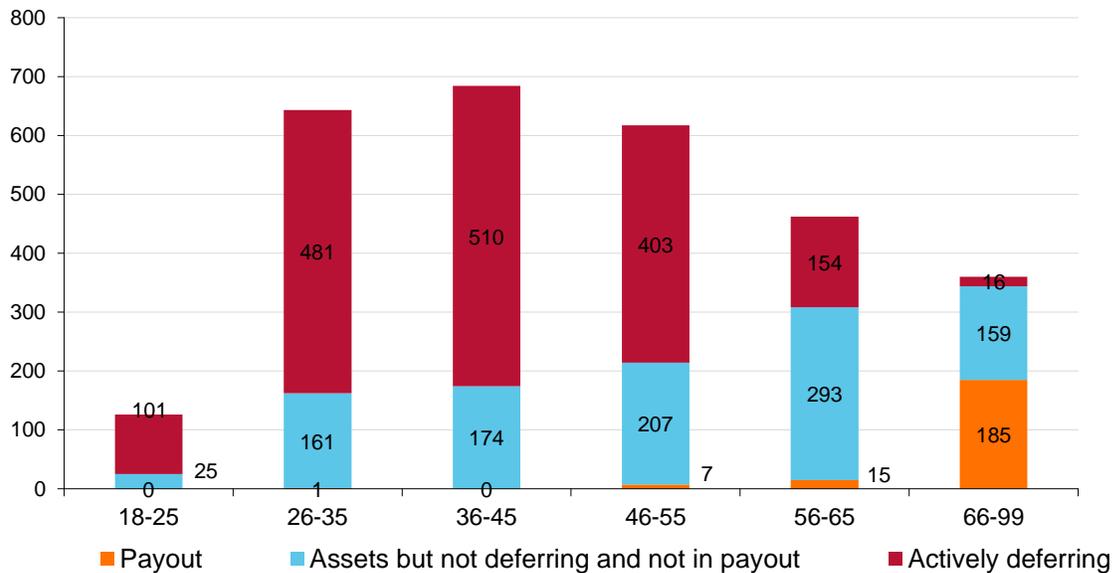


# PARTICIPANT DEMOGRAPHICS

## Female Participant Count by Age and Status as of 06/30/19



## Male Participant Count by Age and Status as of 06/30/19



# PLAN ASSETS

as of 06/30/19

<b>Fund</b>	<b>Asset Value</b>	<b>% of Assets</b>	<b>Count / % of Participants</b>	
<b>Asset Allocation</b>				
Great-West Lifetime 2015 Trust	4,257,188.26	1.6%	220	3.4%
Great-West Lifetime 2025 Trust	11,135,488.24	4.2%	500	7.7%
Great-West Lifetime 2035 Trust	6,783,988.28	2.5%	699	10.7%
Great-West Lifetime 2045 Trust	6,008,196.25	2.2%	996	15.3%
Great-West Lifetime 2055 Trust	3,419,627.64	1.3%	1,152	17.6%
<b><u>Sub-Total Asset Allocation</u></b>	<b>31,604,488.67</b>	<b>11.8%</b>		
<b>Bonds</b>				
BlackRock US Debt Index Fund W	4,803,304.43	1.8%	757	11.6%
Metropolitan West Funds - Total Return Bond Fund – Plan Class	4,809,148.77	1.8%	1,052	16.1%
Templeton Global Bond Fund - Class R6	2,015,242.11	0.8%	741	11.3%
<b><u>Sub-Total Bonds</u></b>	<b>11,627,695.31</b>	<b>4.3%</b>		
<b>International</b>				
BlackRock EAFE Equity Index Fund T	3,918,195.02	1.5%	861	13.2%
Invesco Oppenheimer Developing Markets Fund - Class R6	2,155,428.53	0.8%	1,000	15.3%
Ivy International Core Equity Fund - Class N	9,483,826.78	3.5%	1,521	23.3%
<b><u>Sub-Total International</u></b>	<b>15,557,450.33</b>	<b>5.8%</b>		
<b>Large Cap</b>				
Alger Spectra Fund - Class Z	44,380,088.54	16.6%	2,318	35.5%
BlackRock Equity Index Fund M	47,940,379.57	17.9%	2,126	32.6%
Columbia Dividend Income Fund - Class Y	14,085,348.22	5.3%	1,502	23.0%
<b><u>Sub-Total Large Cap</u></b>	<b>106,405,816.33</b>	<b>39.7%</b>		
<b>Loan</b>				
Loan Outstanding Principal Balance	5,430,954.27	2.0%	854	13.1%
<b><u>Sub-Total Loan</u></b>	<b>5,430,954.27</b>	<b>2.0%</b>		
<b>Mid Cap</b>				
BlackRock Mid Capitalization Equity Index Fund M	8,903,056.14	3.3%	984	15.1%

***Please consider the funds' investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Read the prospectus carefully before investing. Prospectuses may be obtained from your plan's website or by calling your plan's toll-free customer service phone number.***

The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.

Asset allocation funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the asset allocation fund itself, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

# PLAN ASSETS

as of 06/30/19

<b>Fund</b>	<b>Asset Value</b>	<b>% of Assets</b>	<b>Count / % of Participants</b>	
T. Rowe Price Mid-Cap Growth Fund - I Class	5,868,766.61	2.2%	998	15.3%
<b><u>Sub-Total Mid Cap</u></b>	<b>14,771,822.75</b>	<b>5.5%</b>		
<b>Short Term Investments</b>				
Fresno County Stable Value Fund	65,034,328.78	24.3%	1,868	28.6%
<b><u>Sub-Total Short Term Investments</u></b>	<b>65,034,328.78</b>	<b>24.3%</b>		
<b>Small Cap</b>				
BlackRock Russell 2000 Index Fund M	4,245,943.72	1.6%	1,111	17.0%
Janus Henderson Small Cap Value Fund - Class N	1,531,405.64	0.6%	940	14.4%
Nicholas Limited Edition Fund - Institutional Class	6,096,135.20	2.3%	483	7.4%
<b><u>Sub-Total Small Cap</u></b>	<b>11,873,484.56</b>	<b>4.4%</b>		
<b>Specialty</b>				
Fidelity Advisor Real Estate Income Fund - Institutional Class	1,822,996.20	0.7%	721	11.0%
Franklin Utilities Fund - Class R6	3,930,351.26	1.5%	326	5.0%
<b><u>Sub-Total Specialty</u></b>	<b>5,753,347.46</b>	<b>2.1%</b>		
<b>Total</b>	<b>268,059,388.46</b>			

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# Explicit Asset Fee Summary

# EXPLICIT ASSET FEE SUMMARY

	<b>Plan Sponsor Fee Amount</b>	<b>NRS Fee Amount</b>
April	\$20,572.05	\$22,858.91
May	\$19,224.80	\$21,362.45
June	\$19,411.76	\$21,568.45
2Q2019 Revenue Total	\$59,208.61	\$65,789.81

# Fee Normalization Calculation

# FEE NORMALIZATION CALCULATION

Fund Name	Ticker	04/30/2019 Account Value	05/31/2019 Account Value	06/30/2019 Account Value	April Annual Fund Srcv Fee Rate	May Annual Fund Srcv Fee Rate	June Annual Fund Srcv Fee Rate	2Q2019 Fund Service Fee Payment Amount
Alger Spectra Fund - Class Z	ASPZX	\$45,622,120.00	\$42,108,933.00	\$44,380,089.00	0.000%	0.000%	0.000%	\$0.00
BlackRock EAFE Equity Index Fund T	BLKAX	\$3,657,965.00	\$3,703,514.00	\$3,918,195.00	0.000%	0.000%	0.000%	\$0.00
BlackRock Equity Index Fund M	BLKBX	\$48,971,559.00	\$45,049,234.00	\$47,940,380.00	0.000%	0.000%	0.000%	\$0.00
BlackRock Mid Capitalization Equity Index Fund M	BLKCX	\$8,928,562.00	\$8,301,835.00	\$8,903,056.00	0.000%	0.000%	0.000%	\$0.00
BlackRock Russell 2000 Index Fund M	BLKDX	\$4,195,489.00	\$3,998,186.00	\$4,245,944.00	0.000%	0.000%	0.000%	\$0.00
BlackRock US Debt Index Fund W	BLKEX	\$5,261,759.00	\$5,252,755.00	\$4,803,304.00	0.000%	0.000%	0.000%	\$0.00
Columbia Dividend Income Fund - Class Y	CDDYX	\$14,153,094.00	\$13,454,716.00	\$14,085,348.00	0.000%	0.000%	0.000%	\$0.00
Fidelity Advisor Real Estate Income Fund - Institutional Class	FRIRX	\$974,950.00	\$1,753,638.00	\$1,822,996.00	0.250%	0.250%	0.250%	\$947.27
Franklin Utilities Fund - Class R6	FUFRX	\$3,839,388.00	\$3,855,958.00	\$3,930,351.00	0.000%	0.000%	0.000%	\$0.00
Fresno County Stable Value Fund		\$64,182,140.00	\$64,331,417.00	\$65,034,329.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2015 Trust		\$3,393,337.00	\$3,338,803.00	\$4,257,188.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2025 Trust		\$9,796,558.00	\$9,962,289.00	\$11,135,488.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2035 Trust		\$6,315,400.00	\$6,029,018.00	\$6,783,988.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2045 Trust		\$5,655,085.00	\$5,531,162.00	\$6,008,196.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2055 Trust		\$3,125,321.00	\$3,142,322.00	\$3,419,628.00	0.000%	0.000%	0.000%	\$0.00
Hennessy Focus Fund Institutional Class	HFCIX	\$5,703,070.00	\$5,564,428.00	\$0.00	0.100%	0.100%	0.100%	\$941.35
Invesco Oppenheimer Developing Markets Fund - Class R6	ODVIX	\$2,248,340.00	\$2,030,143.00	\$2,155,429.00	0.000%	0.000%	0.000%	\$0.00
Ivy International Core Equity Fund - Class N	IINCX	\$9,449,368.00	\$8,942,694.00	\$9,483,827.00	0.000%	0.000%	0.000%	\$0.00
Janus Henderson Small Cap Value Fund - Class N	JDSNX	\$1,393,834.00	\$1,344,939.00	\$1,531,406.00	0.000%	0.000%	0.000%	\$0.00
Loan		\$5,242,203.00	\$5,258,448.00	\$5,430,954.00	0.000%	0.000%	0.000%	\$0.00
Metropolitan West Funds - Total Return Bond Fund - Plan Class	MWTSX	\$0.00	\$0.00	\$4,809,149.00	0.000%	0.000%	0.000%	\$0.00
Nicholas Limited Edition Fund - Institutional Class	NCLEX	\$6,055,922.00	\$5,890,457.00	\$6,096,135.00	0.000%	0.000%	0.000%	\$0.00
Oakmark Equity and Income Fund (The) - Class I	OAKBX	\$2,176,305.00	\$2,044,598.00	\$0.00	0.300%	0.300%	0.300%	\$1,057.57
T. Rowe Price Mid-Cap Growth Fund - I Class	RPTIX	\$0.00	\$0.00	\$5,868,767.00	0.000%	0.000%	0.000%	\$0.00
Templeton Global Bond Fund - Class R6	FBNRX	\$1,713,333.00	\$1,936,232.00	\$2,015,242.00	0.000%	0.000%	0.000%	\$0.00
Virtus Seix Total Return Bond Fund - Class R6	SAMZX	\$4,106,781.00	\$4,148,068.00	\$0.00	0.000%	0.000%	0.000%	\$0.00
<b>Total</b>		<b>\$266,161,883.00</b>	<b>\$256,973,786.00</b>	<b>\$268,059,388.00</b>				<b>\$2,946.19</b>

**Your Dedicated Service Team**

# YOUR DEDICATED SERVICE TEAM

## Plan Sponsor Experience

**Andee Gravitt,**  
Managing Director  
nusaaa1@nationwide.com  
(907) 854-1458

**Jake Sours,**  
Program Director  
soursj1@nationwide.com  
(916) 708-1320

**Nate Schroeder,**  
Relationship Consultant  
(Operations)  
schroen1@nationwide.com  
(614) 435-5892

## Participants Experience

**Deanna Sisk,**  
Retirement Specialist

**Retirement Resource  
Group**

**Participant Solution  
Center**  
nrsforu@nationwide.com  
(877) 693-2457