



DEFERRED COMPENSATION 457(b) ADVISORY COMMITTEE Minutes

April 4, 2025
9:30 a.m. – 11:30 a.m.

700 H Street, Sacramento, CA 95814
4th Floor Conference Room

DEFERRED COMPENSATION ADVISORY COMMITTEE

Member	Role	Present	Absent
Sylvester Fadal	Plan Administrator	X	
Chad Rinde	Ex-Officio Member	X	
Dave Irish	Retiree Member	X	
Chris Giboney	Member	X Late-Item 2	
Dalen Fredrickson	Member	X	
Hang Nguyen	Member	X	
Chris Baker	Member		X
Kim Nava	Member		X
Vacant	Member		X
Vacant	Member		X
Vacant	Member		X

Quorum = 6 We have a quorum: **Yes**

DEFERRED COMPENSATION WORKING COMMITTEE

Member	Role	Present	Absent
Alice Krueger	Personnel Services – Member		X
Alex Leos	Personnel Services – Member	X	
Tracy Daniels	Personnel Services – Member	X	
Bernard Santo Domingo	Finance – Member	X	
David Matuskey	Finance – Member	X	
Ashley Wisniewski	County Counsel – Member	X	

GUESTS

Name	Organization	In-Person	Remote
Brent Petty	NWCM		X
Nicholas Axline	NWCM		X
James Robbins	Personnel Services	X	

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Item #	Presenter	Item	Attachment Consent
1.	Personnel Services	Call to Order and Roll Call	
James Robbins called the meeting to order and provided housekeeping details, including the schedule and break times. Roll call was conducted, and a quorum was confirmed			
2.	Personnel Services	Approval of Meeting Minutes – December 6, 2024	Attachment Consent
No public comment on the December 6, 2024, meeting minutes. There were six votes to approve, and the motion passed.			
3.	Personnel Services	Public Comments on Off Agenda Items	
There were no public comments on off-agenda items.			
4.	Plan Administrator Sylvester Fadal	Comments from Plan Administrator	
Sylvester Fadal stated the new Director of Personnel Services would be starting the following Monday. There were no public comments on this agenda item.			
5.	Personnel Services	Contracting with Fidelity Investments	
The deferred compensation recordkeeping contract has been finalized with Fidelity Investments. This contract is from January 1, 2025, through December 31, 2029, with the possibility of two one-year extensions. Some enhancements in the contract include a significantly lower per participant fee from Fidelity for their services, potential for total retirement compensation statements, more administrative services, and additional days per year of service from the Workplace Financial Consultants. There were no public comments about this agenda item.			
6.	Personnel Services	Audits	
<p>The Department of Finance is getting close to finishing the internal audit and we hope to have meetings to finalize soon.</p> <p>Moss Adams did not complete the limited scope review prior to the contract expiring, and thus we are re-contracting. They requested audit materials and reports and have a team to perform the work. They have provided a quote for a full-scope audit for the 2023 plan year and for a multi-year contract instead of individual year contracts. We are also looking at potentially expanding on an auditing contract currently in place through the Department of Finance for these ongoing services.</p> <p>There were no public comments about this agenda item.</p>			
7.	Personnel Services	Communications to Participants	
The recent internal communication campaigns resulted in an increase in engagement with the NetBenefits site, new enrollments, increased deferrals, planning and guidance interactions. We will look for more ways to target messaging as changes occur to reach specific individuals. One			

<p>campaign that has been successful each year has been the July Cost of Living Allowance (COLA increases), and we will continue that this year. Annual message includes adding a beneficiary or reviewing and updating your beneficiary for participant's accounts, Black History Month, Women's History Month, Financial Wellness Month, America Saves Week, and National Retirement Security Month. Additionally, we have been targeting PEPRAs employees who have a different retirement tier with SCERS and need their deferred compensation savings more than prior tiers.</p> <p>There were no public comments about this agenda item.</p>			
8.	Personnel Services	Ongoing Advisory Committee Training	
<p>This afternoon we will have another training for the Advisory Committee with Investing 101 topics including:</p> <ul style="list-style-type: none"> •Investing terms and concepts •Building blocks of investing •Investor types •Role of equity compensation •Planning for multiple goals •Applying sound investing principles <p>Future topics coming your way are intermediate investing and courtroom lessons. Please let us know if there are other topics you would like to see in the future.</p> <p>There were no public comments about this agenda item.</p>			
9.	Parnassus	Presentation – Parnassus Core Equity Fund	Attachment
<p>Todd Ahlsten from Parnassus provided an update on the firm's Core Equity strategy, focusing on high-quality U.S. companies with competitive advantages and sustainability. The presentation included discussions on the firm's investment philosophy, risk management, and recent performance. Todd emphasized the importance of investing in durable, strong U.S. companies with competitive advantages and sustainability. He highlighted the firm's focus on high-quality companies like John Deere, Microsoft, MasterCard, and Costco, which have competitive advantages and are expected to perform well even in volatile markets. Todd also discussed the firm's commitment to sustainability, noting that 93% of the portfolio has signed on to net-zero carbon targets.</p>			
10.	Fidelity	Presentation – Q4 2024 Deferred Compensation Plan Review	Attachment
<p>Suzanne Rogers presented plan statistics, highlighting strong participation rates, age-appropriate asset allocation, and engagement levels. Mike Gomes provided updates on on-site and virtual engagement efforts. Discussions included the impact of auto enrollment on participation rates and strategies for</p>			

<p>increasing engagement among new hires. Suzanne Rogers also discussed the importance of targeted communications and the ability to provide detailed participation data by department.</p> <p>Mike Gomes provided updates on on-site and virtual engagement efforts.</p>			
11.	Fidelity	Presentation – County of Sacramento Investment Review	Attachment
<p>Bernard Santo Domingo stated there are three funds on the watch list, the two J.P. Morgan funds that we just reviewed and Parnassus. He said that the funds are evaluated against the investment policy and benchmarks. There were no public comments about this agenda item.</p>			
12.	NWCM	457(b) Plan Highlights & Key Observations	Attachment
<p>Brent Petty discussed the performance of funds on watch, including JP Morgan Equity Income, Parnassus Core Equity, and JP Morgan Small Cap. The performance of the Vanguard Target Date Funds and Galliard Stable Value Fund was also reviewed. Discussions included the impact of market conditions on fund performance and the importance of diversification. Brent emphasized the importance of staying diversified and mentioned that the Parnassus fund, despite recent underperformance, has historically been a strong performer.</p>			
13.	NWCM	Target Date Funds – Fiduciary Review	Attachment
<p>The performance of the Vanguard Target Date Funds and Galliard Stable Value Fund was also reviewed.</p>			
14.	Finance	Q4 2024 Performance Update Watch List	Attachment
<p>A brief update to the finance report was provided, with no significant changes noted. Discussions included the impact of recent market volatility on the plan's assets and strategies for managing risk. It was noted that the Department of Finance report showed stable performance despite market fluctuations, and the committee discussed the importance of maintaining a diversified portfolio to mitigate risks. The Finance team also highlighted the need for ongoing monitoring of market trends and adjusting investment strategies accordingly.</p>			
15.	Finance	Defined Contribution Plans Portfolio Analysis for Year Ended December 31, 2024	Attachment
<p>A brief update to the finance report was provided, with no significant changes noted.</p> <p>There were no public comments about this agenda item.</p>			
16.	Personnel Services	Adjournment	
<p>The meeting adjourned at 11:30 a.m.</p>			