



**SAN JOAQUIN COUNTY DEFERRED COMPENSATION ADVISORY COMMITTEE  
MEETING MINUTES**

Thursday, February 27, 2025; 10:00 a.m.  
County Administration Building, Room 146

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**MEMBERS:**

**Present:** Jennifer Goodman  
Sandy Regalo  
Jason Whelen  
Mario Gardea  
Jeff Woltkamp  
**Absent:** Kathy Herman  
Phonxay Keokham  
Steve Hopkins

**OTHERS:**

Kimberly Johnson, County Counsel  
Christine Vega, County Benefits Personnel Analyst  
Shundel Graves, County Benefits Personnel Analyst  
Donna Strange, County Administrative Support  
Vincent Galindo, Senior Consultant, Hyas Group  
John Steggell, Executive Relationship Manager, Nationwide  
Brenda DeVecchio, Retirement Specialist, Nationwide  
Eric Glinsky, Defined Contribution Product Specialist, Nationwide

The meeting was called to order at 10:04am by Jennifer Goodman, Committee Chairman and Plan Administrator as the Director of Human Resources.

**Approval of Minutes**

The Committee approved the Minutes from the last Advisory Committee meeting of October 24, 2024, with a vote of 4-0-1. (Motion: Whelen; Second: Goodman; Abstention: Gardea).

**Public Comment**

There was no public comment.

**Program Status Reports: Fourth Quarter 2024 - Nationwide**

Mr. John Steggell of Nationwide presented an overview of the 2024 Nationwide Fourth Quarter Report, which included the following:

- There was negative market activity in the fourth quarter. End of fourth quarter balance sheet for total plan summary shows a balance of \$605M.
- Overall, the plan is very strong, very solid and has good diversification.

**457B Plan**

- 7,428 participants with an average participant balance of \$77,454.
- 1,215 participants with Roth usage, with total assets of \$9.2M.
- 12 participants using the self-directed brokerage account (SDBA), with an average balance of \$165,428.
- Contributions to the 457B account for the quarter totaled \$7M.
- Rollovers out of the plan amounted to \$6.5M. This is money that was moved upon separation from employment to another record keeper or a different type of product elsewhere.
- There are 368 active loans with an average balance of \$9,393. New loans numbered 57, and there were 15 loans closed.
- Online engagement is growing.
  - 5,345 accounts are receiving eDelivery (72%);
  - 4,737 online account participants (64%);

- 756 transactions for online distributions (77%)
- 6,663 accounts have updated their beneficiaries online (90%);
- 6,735 have email connected to their accounts (91%);
- 194 of enrollments were done online (25%).

#### **401A Plan**

- 145 participants with an average balance of \$222,818.
- Contributions to the plan total \$328,056, and distributions of \$258,645.
- Asset Balance is \$32.3M

Ms. Brenda DeVecchio of Nationwide shared that the webinars done in Northern California had San Joaquin County's attendance at a higher-than-average level. The County's benefits team did a fantastic job pushing out the webinar invitations to the employees. On the low end there were about 40 attendees, and on the high end, about 60 attendees. Brenda visited the Agricultural Commissioners offices and the Sheriff's office. She was planning on visiting the Probation office later in the week.

#### **In-Plan Guarantee Products**

Mr. Eric Glinsky, Defined Contribution Product Specialist at Nationwide, presented an overview of an in-plan guaranteed product called 'Retirement Income Builder'. He shared that over the last few years there has been an emphasized focus on retention of assets. Across the country, participants do a really good job saving for retirement, but upon reaching retirement, they need additional help with how to use the retirement savings to supplement their pension and social security benefits. Mr. Glinsky continued, stating that the industry as a whole started asking if creating investments that can be added within a 457 or 401a plan could be used as an opportunity to turn savings into a stream of lifetime income, all while keeping the money within those plans. He further stated that for San Joaquin County, Retirement Income Builder is the best solution that makes sense.

He presented the product as a series of target date funds that sit within a Collective Investment Trust (CIT). What is different about this product is that at age 47, it begins looking at your account balance and captures a 'high water mark' each quarter. At the end of each quarter, if the account balance is higher than the previous quarter, the 'high water mark' gets locked in. The high water mark is captured between the ages of 47 and 65.

Starting at age 65, the participant then has the ability to start receiving income from the account and will receive 6% of the captured high water mark every year for the rest of their life. If the account balance is exhausted down to zero, the participant will still receive 4.5% of the high water mark for as long as they live. All participants must be invested in the plan by the age of 61. Anyone older than 61 is not eligible to begin investing in this program.

A motion was made to adopt the GTC Retirement Income Builder product for San Joaquin County, and the adoption passed with a vote of 5-0. (Motion: Regalo; Second: Woltkamp).

Brenda DeVecchio shared that Nationwide will be doing a new webinar series on March 6, 2025, introducing some new investment options with one being a sister option to the GTC Retirement Income Builder product, so that participants "can really secure their futures."

#### **Fourth Quarter 2024 Performance Report – Hyas**

Mr. Vincent Galindo of Hyas Group presented the 2024 Fourth Quarter Performance Report, stating that several weeks now into 2025, the numbers are good. He shared that the last 3 months of 2024 were dominated by the election, and there were surges in the market:

- Crypto currency rallied
- Bitcoin eclipsed \$100,000 for the very first time
- The stock market set new highs and continues to do so in 2025
- The 10-year treasury spiked from 3.7% yield to 4.5%
- Saw a significant rally in the US Dollar



From an economic standpoint, Mr. Galindo highlighted some economic indicators:

- Gross Domestic Product (GDP) continues in the ‘Goldilocks economy; not too hot and not too cold, rather just right, with a 4<sup>th</sup> quarter number of 2.3% which is a healthy and steady economic number.
- The Unemployment rate is also healthy at 4.0% nationally. In San Joaquin County the unemployment rate is at 6.5%
- The Consumer Price Index (CPI) sits at 3.0% with the expectation of at least three interest rate decreases in 2025. Now that has since moved to one or maybe two decreases during summer.

The bond market fell a bit due to interest rates going up in the 4<sup>th</sup> quarter. The ten-year treasury is now 4.5%, and as of February 26, 2025, there is a positive 2%, so there has been a huge swing just in the first 7 weeks of 2025.

The stock market continues to rally. The S&P 500 has a 25% YTD number.

The international market numbers showed 7.60% negative quarterly, but the YTD number was 5.53% to the positive, driven mostly by the strengthening dollar.

It was noted that in early January the Invesco Real Estate Fund was replaced by the DFA Real Estate Securities Fund, and Hyas Group is working on the Collective Investment Trust (CIT) paperwork for the Target Date Funds. Mr. Galindo also mentioned that there are some funds that are “giving us pause”. It was recommended that the MFS Midcap Growth R6 remain on watch status, and that the Vanguard International Value Inv be placed on watch status.

The 457(b) account moved from flat to positive 32 basis points in the quarter, 13% for the year. The growth of the 457 plan over time showed that in 2019, there was about \$450M in the program. It hit a high point in 2021 with about \$540M; dropped a bit in 2022, and now at the end of the 4<sup>th</sup> quarter sits at roughly \$573M. The number of participants also increased from 6,093 in 2019 to 7,431 in 2024.

The 401(a) account showed similar return characteristics with 0.5% growth for the quarter, 16.5% for the year, and 8.9% over 5 years. The number of participants stayed steady with 140 in 2019, growing to 145 in 2024.

The Record Keeper fees, Administrative fees and Investment fees were also explained.

A motion was made to place the Vanguard International Fund on watch status, as recommended by Hyas.

(Motion: Whelen; Second: Regalo) The motion carries with a vote of 5-0.

#### **Review Target Date Analysis Document**

The Target Date Analysis document was reviewed with the Committee. The current Target Date provider is T. Rowe Price. Mr. Galindo made note that the legal standard/responsibility for Hyas Group, as fiduciaries in the state of California, is not necessarily the outcome of the account, but the process, so review of the document is beneficial to the County. At this time, Hyas Group doesn’t feel there is anything wrong with the funds, but they were reviewed even so.

No action was taken by the Committee for this item.

#### **Review Document Comparing the Nationwide Annuity-Like Products**

At the request of the Committee during the last meeting, Hyas Group returned with a list of products comparing the Nationwide annuity-like products. The items reviewed included Income America 5ForLife, Lifetime Income Builder, and Retirement Income Builder.

#### **NAGDCA Conference**

The dates of the 2025 Annual NAGDCA Conference are September 28 – October 1, 2025. The conference will be held in San Diego. Committee members are encouraged to attend. Those who are interested in attending should notify Jennifer Goodman of their interest. Registration opens in April.

**NAGDCA Debrief**

This debrief is a continuation of the last meeting because all members were not present at the last meeting. There was mention of consideration to pursue with the County's bargaining groups, the automatic enrollment. It was mentioned that there was a lot of discussion of this at NAGDCA last year, with the focus on making sure that employees have all the tools they need for a secure retirement. Auto enrollment is a tool to drive up participation and begin participation earlier.

**Comments from Committee Members**


The Committee welcomed Supervisor Gardea to the Committee.

**Next Meeting**

The next Deferred Compensation Advisory Committee meeting is scheduled for Thursday, May 29<sup>th</sup>, 2025 at 10:00 a.m. in Room 146 of the County Administration Building located at 44 N. San Joaquin Street, Stockton, CA.

**Meeting was adjourned at 11:43 am.**

Respectfully Submitted,

  
Jennifer Goodman  
Committee Chair and Plan Administrator  
JG:dms