Trustees of Salary Deferral Plan & Matching Plan

Retirement Board Meeting Session

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Shannon Zerangue
770.254.2601

Thursday, May 16, 2024 | **9:00 AM** | **Commission Chambers**

~ Minutes ~

Call to Order

Attendee Name	Title	Status	Arrived
Michael Fouts	Chairman	Absent	
Kelly Mickle	Employee Member 1	Present	
Cathy Farr	Employee Member 2	Present	
Carla Green	Citizen Member 1	Absent	
Annamarie Salazar	Citizen Member 2	Present	
Sandy Wisenbaker	Assistant County Administrator	Present	
Shannon Zerangue	Clerk	Present	
Patricia Palmer	Community and Human Resources Director	Present	
Julie Millians	Benefits Manager	Present	
Hans Wilson	Finance Director	Remote	
Amy Henson	Assistant Finance Director	Remote	

The Board of Trustees for the Salary Deferral Plan and Employee Matching Plan met in Regular Meeting Session on Thursday, May 16, 2024.

Mr. Zach Walley from OneDigital was in attendance.

Ms. Katrina Vanderday from OneDigital and Mr. Aaron Schluep from Empower also attended the meeting remotely.

Acting Chairman Mickle called the meeting to order at 9:00 a.m.

Minutes Approval

1. **Minutes of Wednesday, February 28, 2024**

The Board voted to approve the minutes from the Regular Meeting Session held on Wednesday, February 28, 2024.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Cathy Farr, Employee Member 2
SECONDER:	Annamarie Salazar, Citizen Member 2
AYES:	Kelly Mickle, Cathy Farr, Annamarie Salazar
ABSENT:	Michael Fouts, Carla Green

Information for Trustees

2. 14366 Presentation from OneDigital of the Quarterly Investment Report

Mr. Walley briefly highlighted the 2024 Plan contribution limits, engagement tools available to participants, and employer resources such as the fiduciary academy and webinars. He also provided a legislative and regulatory update noting that the Department of Labor (DOL) proposed updating the definition of an investment advisory fiduciary.

Mr. Walley provided an overview of the economy and market status (sector returns, Gross Domestic Product, job market, inflation, housing, Consumer Price Index, Federal Reserve expectations, scoring standards of funds.

Mr. Wally noted a share class change from the T. Rowe Price Target Date Funds. He explained that the asset allocation of the funds, the cost of the funds, and management of the funds all remain the same.

Mr. Walley also provided a brief review of the asset allocation breakdown for the Salary Deferral Plan noting allocation funds totaling $5,721,839, equity funds totaling $10,527,464, fixed income funds totaling $3,679,734, and a Plan portfolio total value of $19,929,038 as of March 31, 2024. He explained that all funds, investments, and scoring metrics in the Employee Matching Plan are exactly the same and the total portfolio value was $19,298,115 as of March 31, 2024. In closing, he explained that both Plans have grown considerably since inception and there are no recommended fund changes at this time.

RESULT:	**ACCOMPLISHED**

3. 14367 Presentation from Empower of the Management Report

Mr. Schluep, briefly highlighted Plan analytics including participant assets, number of participants with a balance, investment strategy utilization, average account balance, participation rate, participant activity, and lifetime income score including ways to improve it.

Mr. Schluep fielded a question from Ms. Farr regarding lifetime income score and whether projected Social Security income can be included in a participant's estimation of retirement income. He explained that each participant can personalize their information on Empower's website and app to include projected Social Security as well as to add any of their (participant) other assets.

In response to a comment from Ms. Farr regarding her concerns that the average participant account balance seems low, Community and Human Resources Director Patricia Palmer explained that overall the County's workforce consists of younger employees with fewer years on the job.

Mr. Schluep noted that there is a breakdown in the report that shows average balances by both age and years of service categories.

Mr. Schluep explained that review of the data associated with investment strategy options indicates that good choices are being made by participants.

Mr. Schluep also provided information regarding participant total equity exposure compared to the equity allocation of a representative target date glide path noting that most participants get more conservative with their investments the closer they get to retirement. He explained that there are a few participants that are outside of the glide path and recommended that a conversation take place with them to ensure they are taking advantage of their investment options.

Regarding average participant balances, Mr. Schluep provided Plan insight information based upon age and tenure.

Ms. Mickle noted that the balances for thirty (30) years of service or more might be affected by the Group Pension Plan because most employees with that tenure are participants in that Plan.

In response to a question from Ms. Farr, Mr. Schluep explained that there are currently 73 participants who are saving less than 5%.

Ms. Mickle explained that the percentage of the County's match/contribution is tiered, based upon tenure.

In response to a question from Ms. Mickle, Benefits Manager Julie Millians explained that currently participants are not being notified when they become eligible for an increased contribution from the County (based upon tenure).

Mr. Schluep explained that just like auto enrollment, auto contribution escalation is available with an opt-out option for participants.

Ms. Millians explained that participants can change their contributions at any time. New employees are auto enrolled at 5% and they have ninety (90) days to opt-out completely. She explains all of this at orientation. She further explained that currently the County does not do auto escalation.

Mr. Kearta "Kiki" Sewell from Coweta Fire Rescue expressed his belief that many employees do not understand how the Plan works, and he feels that is another contributor to the low average balances and lower percentages of contributions. He further noted that if the County were not doing auto enrollment, he feels that the balances would be even lower. He believes that younger employees do not think about aging and planning for retirement. He asked if there are more ways (workshops, videos, technology, etc.) to get additional information out to employees in order to garner more participation.

Ms. Millians explained that it is a challenge to get employees to read or participate in the information that is being provided and Human Resources is open to suggestions.

Mr. Schluep explained that Empower's team is happy to participate in site visits. He also explained that many clients "piggyback" retirement meetings, workshops, training, etc with mandatory meetings (i.e., safety training sessions) to ensure participation, and this has been a successful approach. His team would be happy to work with Ms. Millians to coordinate these events. In closing, he explained that even without auto escalation, Empower is pushing out communications to participants.

RESULT:	**ACCOMPLISHED**

Comments

Comments

Acting Chairman Mickle called for any comments. There were none.

Schedule Next Meeting

Motion To: **Schedule Next Meeting**

The Board voted to schedule the next meeting on Thursday, August 15, 2024 at 9:00 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Cathy Farr, Employee Member 2
SECONDER:	Annamarie Salazar, Citizen Member 2
AYES:	Kelly Mickle, Cathy Farr, Annamarie Salazar
ABSENT:	Michael Fouts, Carla Green

Adjournment

Motion To: **Adjourn**

The Board voted to adjourn the meeting.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Cathy Farr, Employee Member 2
SECONDER:	Annamarie Salazar, Citizen Member 2
AYES:	Kelly Mickle, Cathy Farr, Annamarie Salazar
ABSENT:	Michael Fouts, Carla Green