Wednesday, February 28, 2024 **9:00 AM** **Commission Chambers**

~ Minutes ~

Call to Order

Attendee Name	Title	Status	Arrived
Michael Fouts	Chairman	Present	
Kelly Mickle	Employee Member 1	Present	
Cathy Farr	Employee Member 2	Present	
Carla Green	Citizen Member 1	Remote	9:15 AM
Annamarie Salazar	Citizen Member 2	Present	
Fran Collins	Deputy County Clerk	Present	
Patricia Palmer	Community and Human Resources Director	Present	
Julie Millians	Benefits Manager	Present	

The Board of Trustees for the Salary Deferral Plan and Employee Matching Plan met in Regular Meeting Session on Wednesday, February 28, 2024.

Mr. Zach Walley and Ms. Katrina Vanderdray from OneDigital and Mr. Aaron Schluep from Empower were also in attendance.

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

Minutes Approval

1. **Minutes of Wednesday, November 08, 2023**

The Board voted to approve the minutes from the Regular Meeting Session held on Wednesday, November 8, 2023.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Cathy Farr, Employee Member 2
SECONDER:	Kelly Mickle, Employee Member 1
AYES:	Michael Fouts, Kelly Mickle, Cathy Farr, Annamarie Salazar
ABSENT:	Carla Green

Information for Trustees

2. 14350 Presentation from OneDigital of the Quarterly Investment Report

Ms. Vanderdray provided a brief fiduciary update regarding litigation landscape and trends in 2023, and the fiduciary academy calendar available to the Board and Plan participants.

Mr. Walley provided an overview of the economy and market status (Standard & Poor's, DOW Industrial, NASDAQ, stocks, bonds, sector returns, Gross Domestic Product (GDP), Consumer Price Index (CPI), inflation, and federal rates) as of December 31, 2023. He noted that the market had a good year in 2023 and was led by Large Cap Growth Stocks with S&P sectors led by Information Technology. The economy does shows signs of slowing with a rise in new early delinquencies (auto loans, mortgages, and credit cards); however, housing and car inventories should also begin to rise. He explained that the National Bureau of Economics Research (NBER) variables used in making recession determination do not show any full signs of recession, just a slowing of the economy.

Mr. Walley also reviewed the asset allocation breakdown for the Salary Deferral Plan noting allocation funds totaling $5,105,437, equity funds totaling $9,403,955, fixed income funds totaling $3,586,020, and a Plan portfolio total value of $18,095,414 at the end of 2023. He provided scoring metrics/scoring reports, asset class style boxes, and noted that the T. Rowe Price Retirement 2005 fund is slightly below the target for the fourth quarter of 2023 with all other funds are above target. He highlighted different performance metrics of various Target Date Funds noting that they are typically more volatile and explained that returns have been good. Therefore, there are no recommended fund changes at this time. In closing, he explained that all of the funds, investments, and scoring metrics in the Employee Matching Plan are exactly the same, and the total portfolio value as of December 31, 2023 was $17,466,194.50.

RESULT:	**ACCOMPLISHED**

3. 14349 Presentation from Empower of the Management Report

***Ms. Carla Green joined the meeting remotely at 9:15 a.m.*

Mr. Schluep provided a snapshot of key statistics for the Salary Deferral Plan and the Employee Matching Plan through December 31, 2023. He explained that the Salary Deferral Plan has assets totaling $18,093,774 with 1,105 participants and the Employee Matching Plan has assets totaling $17,277,788 with 1,133 participants. He presented a combined executive summary of both Plans showing allocations by fund category, investment strategy utilization, and the lifetime income score of Plan participants.

Ms. Mickle expressed concerns regarding employee turnover and large numbers of new employees affecting the average balance and lifetime income score. She questioned whether data can be pulled by tenure and from longer term employees (5-10 years of service or more) for a more accurate snapshot.

Mr. Schluep explained that demographic data is received from clients and Empower can teach their system to extrapolate different groups of employees under the umbrella of the Plan. He continued his presentation of the executive summary and explained that there is an 88% participation rate, and the average contribution rate is 6% with 5.3% of participants contributing over 10% to the plan. He highlighted the equity exposure of both Plans compared to the equity allocation of a target date glide path and the distribution activity by month for all those actively employed, and employees separated from service for 2023.

Mr. Schluep fielded questions from Ms. Farr regarding hardships, Required Minimum Distributions (RMD), and any associated penalties.

Mr. Schluep reviewed Empower's data tracking and engagement with participants via email, messaging, website and mobile application logon, and via an assigned retirement plan advisor. He explained that data shows participants who engage with the website and/or the dashboard save a higher percentage than those that do not. Empower's communications plan is to also engage participants through a variety of topics to encourage increased savings. He reviewed demographic data response rate (those that click on email and go to the website) for 2023 by generation (age), income, years of service, and account balance, and Empower's 2024 communication plan campaign topics. In closing, he explained that the retirement plan advisor can provide fiduciary level advice in person or virtually and can enhance advice delivery through the Integrated Best Interest profile (aka BIP) tool.

In response to a question from Ms. Green regarding the new SECURE 2.0 Act concerning auto enrollment, Coweta County Benefits Manager Julie Millians explained that the County already auto-enrolls new employees at a 5% contribution rate.

Mr. Schluep explained that specific to this plan, once hired, an employee can change their own deferral rate at any time or opt out of the Plan altogether.

In response to a question from Ms. Farr regarding an error in vesting rates in the Empower system, Ms. Millians explained that the previous retirement plan third-party administrator (Ascensus) did not provide vesting data during the transition to Empower, and she is working to update that information.

Administrator Fouts explained that he will meet with Community and Human Resources staff regarding training and the BIP educational tool, and to discuss additional actions that can be taken to increase awareness and utilization.

Community and Human Resources Director Patricia Palmer explained that the Plan does not allow for any type of regular distributions after an employee retires, it has been that way since the Plan was created, and most retirement plans allow for this option. She requested that the County consider adding the option, explained it would raise the total amount in the fund as well as make it easier and less expensive for retirees.

Mr. Schluep explained that Empower would like for retirees to have the option to keep their money in the Plan after they terminate service. If the Plan is a good place to accumulate money throughout their career, then it is also a good place to leave money and withdraw it during their retirement years. In addition, retirees would have the advantage of the Board of Trustees overseeing the mutual funds along with an investment consultant and Empower can manage the approval of distributions as part of the service agreement. The Plan rules would need to be updated to allow for periodic payments and the service agreement updated to authorize Empower to manage and approve distributions.

Administrator Fouts explained that the County would be responsible for any additional administrative fees and asked if there is a way to pass on those costs to someone who is not an employee.

Mr. Schluep explained that he would find out the answer.

RESULT:	**ACCOMPLISHED**

Comments

Comments

Chairman Fouts 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, May 16, 2024 at 9:00 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Fouts, Chairman
SECONDER:	Kelly Mickle, Employee Member 1
AYES:	Fouts, Mickle, Farr, Green, Salazar

Adjournment

Motion To: **Adjourn**

The Board voted to adjourn the meeting.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Cathy Farr, Employee Member 2
SECONDER:	Kelly Mickle, Employee Member 1
AYES:	Fouts, Mickle, Farr, Green, Salazar