Board of Trustees for the Salary Deferral Plan and Employee Matching Plan

Retirement Board

Minutes

www.coweta.ga.us

Shannon Zerangue
Fran Collins
770.254.2601

November 14, 2024	**9:00 AM**	**Commission Chambers**

Board of Trustees for the Salary Deferral Plan and Employee Matching Plan

Roll Call

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

The Board of Trustees for the Salary Deferral Plan and Employee Matching Plan met in Regular Session on Thursday, November 14, 2024.

Mr. Zach Walley and Ms. Katrina Vanderdray from OneDigital were in attendance.

Mr. Aaron Schluep from Empower attended the meeting remotely.

Meeting Called to Order

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

Approval of Minutes

1. Request Approval of the Minutes from the Regular Meeting Session Held on August 15, 2024

   Motion to: **Approve**

   The Board voted to approve the minutes from the Regular Meeting Session held on Thursday, August 15, 2024.

   RESULT: Passed (UNANIMOUS)
   MOVER: Kelly Mickle
   SECONDER: Catherine Farr
   AYES: Michael Fouts, Kelly Mickle, Catherine Farr, Carla Green, Annamarie Salazar

Information for Trustees

2. Presentation from OneDigital of the Quarterly Investment Report

   Ms. Vanderdray encouraged the Board to consider its goals, objectives, and priorities for the retirement plans and organization for 2025 and requested that the Board keep OneDigital informed of any changes that could affect the plans. She reminded the Board that OneDigital provides digital resources and complimentary online tools through its Financial Academy to participants and fiducial governance through the Fiduciary Academy to those that work on retirement plans. She highlighted regulatory and legislative news and explained that the IRS is providing tax relief in disaster situations from Hurricanes Helene and Milton and OneDigital can provide assistance if needed. Lastly, there is a growing demand for support of retirement income solutions to help retirees manage their savings and generate a steady income throughout retirement and OneDigital does not plan to be an early adopter of these products at this time.

   Mr. Walley explained that there are many nuances to retirement income solution products that are available on the market, and OneDigital will continue to research and perform its due diligence. In the future, if they find suitable products, and if the Board is interested in adding them to the Plan, they can bring some options to the Board for their consideration.

   Mr. Walley provided an overview of the economy and market status (S&P Index, DOW, NASDAQ, interest rates, volatility, Presidential election, sector returns, Gross Domestic Product, job market, inflation, housing, Consumer Price Index, Federal Reserve expectations, and scoring standards of funds). He also provided a brief review of the asset allocation breakdown for the Salary Deferral Plan noting allocation funds totaling $6,676,457, equity funds totaling $11,776,472, fixed income funds totaling $3,693,392, and a Plan portfolio total value of $22,146,323 as of September 30, 2024. He explained that all funds, investments, and scoring metrics in the Employee Matching Plan are exactly the same as the Salary Deferral Plan and the total portfolio value was $21,779,806 as of September 30, 2024. In closing, he explained that both Plans have grown considerably since inception and there are no recommended fund changes at this time.

3. Presentation from Empower of the Management Report

Mr. Schluep explained that Mr. Sam Lyons is Empower's new Retirement Plan Advisor for Coweta County and has met with some of the benefits staff. Mr. Lyons has received positive feedback regarding his expertise and professionalism. Mr. Schluep encouraged committee members to consider meeting with Mr. Lyons so he can outline the process he would take an employee through during a retirement readiness review meeting. During the retirement readiness review meeting, he discusses the employee's goals, age they plan to retire, income needed in order to maintain their lifestyle, and to determine the most appropriate savings rate and asset allocation strategy. For those employees closer to retirement, they will also discuss distribution strategies to make their funds last and how to do so in the most tax efficient manner.

Mr. Schluep explained that a Secure Act 2.0 training was recently conducted, and he wanted to make the Board aware that it is being considered internally and being worked on. Much is being rolled out and there are no necessary deadlines for certain provisions. For mandatory provisions included in the Secure Act 2.0, Empower is rolling those out to meet Federal Regulatory deadlines.

Mr. Schluep provided a data quality overview including the number of eligible participants in the Salary Deferral Plan. He provided an overview of the year-over-year changes ($15.9 million to $22.1 million) in participant assets. He briefly highlighted Plan analytics including participant assets, number of participants with a balance, average account balance, investment strategy utilization, allocations by asset class, participation rate, contribution rate, participant activity, lifetime income score, and the percent of participants reaching a standard income replacement of 75%. He reviewed the average contribution rate and said that the area of focus for educational engagement for individuals contributing below this rate is through email, banner pop-ups, etc. He presented a snapshot of the distribution activity, including approximately $1.2 million over the rolling 12-months, most of which is from separation of service and required minimum distributions (RMDs), then a few from hardships and from death of individuals.

Mr. Schluep discussed the investment strategy utilization by employment status in more detail, and pointed out that the My Total Retirement option carries an additional fee (the participant pays) which allows a level of customization in their portfolio that a Target Date Fund does not. Generally speaking, employees who are a little bit older (closer to retirement) with more complex finances, benefit more from My Total Retirement than a younger person with fewer assets.

In response to a question from Board Member Farr, Mr. Schluep explained that the fee charged for the My Total Retirement option is a percentage based on the first $100k and decreases as the account grows.

In response to a question from Board Member Farr, Ms. Vanderdray advised that she does not recommend that the County absorb the costs of the My Total Retirement fees because it would be better for the Plan Sponsor to remain neutral and not provide more benefit to some users.

Mr. Schluep briefly reviewed participant equity exposure glide paths, Do-It-Yourself participants with high equity exposure, and the benefits of their analysis for those at the various equity risk levels.

For the Employee Matching Plan, Mr. Schluep provided an overview of the year-over-year changes ($15.3 million to $21.5 million) in participant assets, with an average participant balance of $18,066, and 1,190 participants with a balance.

In response to a question from Board Member Farr and Administrator Fouts, Community and Human Resources Manager Patricia Palmer explained that participant milestone notifications would be difficult to perform on a regular basis.

Mr. Schluep explained that participants should receive notifications to increase savings to receive an increased match if data is received, and those with less than 5% or less receive periodic reminders to increase their savings. The reminder helps only if they pay attention to those emails.

Comments

Chairman Fouts called for any further comments. There were none.

Schedule Next Meeting

Motion to: **Schedule the Next Meeting**

The Board voted to schedule the next meeting on Thursday, February 13, 2025 at 9:00 a.m.

RESULT: Passed (UNANIMOUS)
MOVER: Catherine Farr
SECONDER: Kelly Mickle
AYES: Michael Fouts, Kelly Mickle, Catherine Farr, Carla Green, Annamarie Salazar

Adjournment

Motion to: **Adjourn**

The Board voted to adjourn the meeting.

RESULT: Passed (UNANIMOUS)
MOVER: Catherine Farr
SECONDER: Kelly Mickle
AYES: Michael Fouts, Kelly Mickle, Catherine Farr, Carla Green, Annamarie Salazar