

St. Mary's County Government 457 (b) Governance Committee (Thursday, February 24, 2022)

Members Present

David Weiskopf, Acting County Administrator

Jeannett Cudmore, Chief Financial Officer

Dylan Payne, employee member

Zane Rettstatt, employee member (via Zoom)

Chris Thompson, employee member

Members Absent

Marvin Butler, Chief of Staff

Chris Kaselemis, Director

Others Present

Catherine Pratson, Plan Administrator

Tracie McPherson, Recorder

1. CALL TO ORDER

A. The 457 (b) Governance Committee was called to order by David Weiskopf, at approximately 3:00 PM. Meeting interrupted due to technical difficulties. Meeting rejoined at 3:10 PM.

2. ROLL CALL

A. Approval of the February 24, 2022, Meeting Agenda

Motion 1: I move to approve the 457 (b) Governance Committee meeting agenda for February 24, 2022.

Motion by Jeannett Cudmore, second by Zane Rettstatt

Yea: Zane Rettstatt, Jeannett Cudmore, Dylan Payne, Chris Thompson

Final Resolution: Motion Carries

B. Approval of the November 18, 2021, Meeting Minutes

Motion 1: I move to approve the 457 (b) Governance Committee meeting minutes for the November 18, 2021.

Motion by Zane Rettstatt, second by Dylan Payne

Yea: Zane Rettstatt, Jeannett Cudmore, Dylan Payne, Chris Thompson

Final Resolution: Motion Carries

3. NEW BUSINESS

A. VOYA presentation (S. Katta & L. Gilarde)

Voya Plan Update and 4th quarter 2021 report

Sarala Katta, Voya Plan Representative, presented an update for year ending December 31, 2021, as well as some plan highlights:

- The plan ended the year with \$19,373,753.95 in assets which is an 18.2% increase since the beginning of the plan year.
- Payroll deferral contributions totaled \$1,251,111.15, which is a 15.3% increase from the previous year and 97% of those contributions are being made with the pre-tax options versus the ROTH option.
- An additional \$1,098,683.60 was added to the plan through other activity to include asset transfers, fees, and revenue credit. This amount is almost double from the previous year.
- Distributions were down approximately 27% from the prior 1-year period.
- An additional \$1,184,130.24 was added through Appreciation.

Plan Demographic highlights:

- 23 new accounts over the past year –which is the same as the previous year
- 7 individuals that separated from service and withdrew their funds from the plan leaving a total of 350 participants in the plan which includes active employees and individuals who have separated from service.
- 350 participants total participants; 105 participants that have separated from service but have decided to keep their money in the plan.
- Average account balance is \$55,354 which is higher than the benchmark.
- Average deferral amount is \$215 and considered very healthy and significantly higher than the previous one-year period.

- Average investment options held by a participant is 1.7 which is lower than the benchmark due to utilizing the target date funds. Overall, the plan is very healthy.

Employee Plan Engagement:

- 67% of the participants utilize the participant website, mobile app, and the Voya customer call center which is 2% more than the previous one-year period.
- The VOYA website was the most utilized tool.
- There were 53 participants that utilized the digital tools; 30 of those participants took action to increase their contributions.
- 397 participants have either called or had an in person or virtual appointment with Marta Steane from 1/1/21 thru 12/31/21. In person visits have resume twice monthly.

New options added from Voya

- Voya Retire Better Resources available on the website
- 2–page checklist and downloadable workbook available to help prepare for retirement
- IRS 2022 limits announced

Lisa Gilarde, Voya Plan Representative, presented market updates as well as an investment lineup. Supporting documentation maintained in Board Docs.

Board Questions & Follow up

- Catherine Pratson asked Lisa why the American Funds were not rated. Lisa responded that the target date funds are not rated as they are an investment blend.
- David Weiskopf asked if it is possible to offer more investment options. Lisa responded yes; you are in control of your menu. Voya can assist when increasing plan options. Dylan Payne stated he has gotten the same response from other employees. Catherine stated the goal was to have a reduced menu with the new plan. She also stated that the self-directed brokerage option within the plan menu provides employees with the option to purchase whichever funds or stocks they wish. David requested that VOYA present the Committee with a proposed menu of three or four additional options in each category. Catherine agreed but cautioned that VOYA does not provide us with investment advice.

- Jeannett Cudmore asked if the VOYA documents for the presentation can be shared with employees. David Weiskopf answered, yes.

B. Fiduciary Risk Management Training Opportunity (C. Pratson)

- Catherine Pratson summarized the opportunity for the Committee. There's a webinar scheduled for March 23, 2022, from 2–3PM. The meeting invite will be sent to all the Committee members.

4. OLD BUSINESS (C. Pratson)

A. Proposal to develop Investment Policy Statement

- Catherine Pratson summarized the need for an Investment Policy Statement.
- Discussion amongst the Committee members
- Catherine advised we have a balance in our escrow account of \$28,799 that could be used to pay for the \$3,000 fee.

Motion: I make a motion to contract Bolton to put together an Investment Policy Statement for the 457 (b) Plan for a cost of \$3,000.

Motion by Zane Rettstatt, second by Jeannett Cudmore

Yea: Zane Rettstatt, Jeannett Cudmore, Dylan Payne, Chris Thompson

Final Resolution: Motion Carries

5. COMMITTEE REPORTS (T. McPherson)

Administrator's Report (T. McPherson)

- Nothing to report

6. PUBLIC COMMENTS

- No public comments

6. ADJOURN

A. Adjourn

Motion 1: I move to approve adjourning the 457 (b) Governance Committee meeting

Motion by Chris Thompson, second by Jeannett Cudmore

Yea: Zane Rettstatt, Jeannett Cudmore, Dylan Payne, Chris Thompson

Final Resolution: Motion Carries

The meeting was adjourned at approximately 4:00 PM