

St. Mary's County Government 457 (b) Governance Committee (Thursday, August 26, 2021)

Members Present

Marvin Butler, Chief of Staff (via phone call)

Jeannett Cudmore, Chief Financial Officer, Acting Chair

Chris Kaselemis, Department Director

Zane Rettstatt, employee member (via Zoom)

Members Absent

Dr. Rebecca Bridgett, County Administrator

Dallas Bonner, employee member

Shawn Moses, employee member

Others Present

Catherine Pratson, Plan Administrator

Tracie McPherson, Recorder

1. CALL TO ORDER

A. The 457 (b) Governance Committee was called to order by Jeannett Cudmore, Acting Chair, at approximately 3:02 PM; Jeannett Cudmore requested a roll call of members present. Committee members present are Jeannett Cudmore, Chris Kaselemis, Zane Rettstatt (via Zoom) and Marvin Butler (via phone call), Catherine Pratson (Plan Administrator).

2. ROLL CALL

A. Approval of the August 26, 2021, Agenda (J. Cudmore)

Motion 1: I move to approve the 457 (b) Governance Committee meeting agenda for August 26, 2021.

Motion by Chris Kaselemis, second by Zane Rettstatt

Yea: Zane Rettstatt, Jeannett Cudmore, Chris Kaselemis, Marvin Butler

Final Resolution: Motion Carries

B. Approval of the May 20, 2021, Meeting Minutes (J. Cudmore)

Motion 1: I move to approve the 457 (b) Governance Committee meeting minutes for the May 20, 2021.

Motion by Chris Kaselemis, second by Marvin Butler

Yea: Zane Rettstatt, Jeannett Cudmore, Chris Kaselemis, Marvin Butler

Final Resolution: Motion Carries

3. NEW BUSINESS (C. Pratson)

A. VOYA presentation (S. Katta)

2nd Quarter Plan Performance

Sarala Katta, Voya Plan Representative presented an update of the 457(b) Plan and of Voya recent web site enhancements.

The data presented from the plan year July 1, 2020, through June 30, 2021:

- 7/1/20 plan year assets \$13,900,000
- \$1,100,000 added to the plan through payroll deferrals
- 97% of contributions were made on a pre-tax basis
- Contributions increased 21% from the previous plan year and distributions decreased
- Dividend, asset transfers, revenue credit, fees are consistent with previous plan years.
- 6/30/21 plan assets \$18,000,000 a 30% increase from 7/1/20
- Considering employee contributions, asset value, and distributions; the plan is healthy

Plan Demographics:

- 18 new accounts –opened lower than the previous period
- 7 individuals that separated from service and withdrew their funds from the plan
- 341 participants total participants; 77 participants that have separated from service; 14 have less than \$5,000 in their accounts
- Average account balance \$52,900, book of business average balance \$47,700
- Average deferral \$212, book of business \$109

- Average investment options held by a participant is 1.6, book of business 2.8; largely due to the target date funds as the default option

Employee Plan Engagement:

- 64% of the participants utilize the participant website, mobile app, and the Voya customer call center
- 57% engaging digitally
- All age groups are accessing the participant website; younger participants do not utilize the call center as much as older plan participants

Board Questions & Follow up

- Chris Kaselemis questions why the numbers do not add up to 100% in each age group. Sarala responds that she will take the information back and get an answer.
- Chris Kaselemis questions fund performance. Sarala Katta will follow up with the fund performance and then going forward she will include that as part of the Board summary.
- Zane Rettstatt asks if we are doing enough to inform new employees about the opportunity to get into the Voya program. We currently provide email blasts, weekly Fitbit updates, enrollment information during new hire orientation, monthly one-on-one visits with a Voya representative. Additionally, Voya recently created a brain shark that provides an overview of the plan for those individuals that would like to enroll on their own. The directions are provided to employees along with Marta's contact information.
- Approx. 40% of employees participate in the Plan
- Chris Kaselemis asks why aren't all deferrals pre-tax? Sarala responds that the Plan has the option of saving with a Roth

Motion: I move to approve the 457(b)-plan summary as presented by Voya

Motion by Zane Rettstatt, second by Chris Kaselemis

Yea: Zane Rettstatt, Jeannett Cudmore, Chris Kaselemis, Marvin Butler

Final Resolution: Motion Carries

4. OLD BUSINESS (C. Pratson)

A. Alternate employee deferral option

Catherine summarizes the plan has been amended to add a percentage deferral option in addition to a cash deferral option. For current participants no action is required, and the option is available to them at any time. New enrollees will be encouraged to select the percentage deferral option, although they too will have a choice.

B. Fiduciary Role

Catherine directs attention to the Fiduciary guide, the 457(b) guide to Governments and the Government Plans and Fiduciary Responsibility guide included in the agenda and encourages Board members to review these. Catherine clarifies that Voya is the Plan Recordkeeper and does not act as the investment manager for the Plan, Voya will provide performance returns but will not make investment recommendations. In addition to reviewing the fiduciary documents, the board may wish to consider developing an investment policy statement. Catherine will inquire with current vendors regarding sample policy statements and or suggested next steps.

5. COMMITTEE REPORTS

Administrator's Report (T. McPherson)

- Nothing to report

Jeannett asks if there are any other comments from any other Board members before adjourning. Catherine Pratson states she would like to propose a calendar for next year. If the Board is satisfied with meeting quarterly on the fourth Thursday with the pattern February, May, August, and November we would need a motion to approve. The only exception to the fourth Thursday is in November because of Thanksgiving and the meeting will typically be held the third Thursday. Catherine follows up with letting the Committee know we will send out the 2022 calendar to everyone.

Motion 1: I move to approve the 457 (b) Governance Committee 2022 meeting calendar

Motion by Zane Rettstatt, second by Marvin Butler

Yea: Zane Rettstatt, Jeannett Cudmore, Chris Kaselemis, Marvin Butler

Final Resolution: Motion carries

5. ADJOURN

A. Adjourn (J. Cudmore)

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

Motion by Chris Kaselemis, second by Zane Rettstatt

Yea: Zane Rettstatt, Jeannett Cudmore, Chris Kaselemis, Marvin Butler

Final Resolution: Motion Carries

The meeting was adjourned at approximately 3:33 PM