

AGENDA  
DEFERRED COMPENSATION ADVISORY COMMITTEE  
EAST BAY REGIONAL PARK DISTRICT

Thursday, March 7, 2024

A. BUSINESS BEFORE THE COMMITTEE

I. COMMITTEE REPORTS

Deferred Compensation Advisory Committee: Minutes of 1/11/24 (Spaulding)

The January 11, 2024, Deferred Compensation Advisory Committee (Committee) meeting was held pursuant to the Brown Act, as amended by AB 361. Committee members and staff participated in the meeting in person at 2950 Peralta Oaks Court, Oakland, CA.

The January 11, 2024, Deferred Compensation Advisory Committee (DCAC) was video recorded and may be viewed by clicking the following link: [Jan 11, 2024, Deferred Compensation Advisory Committee Meeting - East Bay Regional Park District, CA \(swagit.com\)](https://www.swagit.com/Jan-11-2024-Deferred-Compensation-Advisory-Committee-Meeting-East-Bay-Regional-Park-District-CA)

Acting Committee Chair Deborah Spaulding called the meeting to order at 2:04 p.m.

**I. Roll Call**

Connie Swisher, Recording Secretary, conducted a roll call. Present were the following committee members: Acting Chair Deborah Spaulding, Monica Alvarez-Selles, Pete Volin, Grant Boysen (Alternate PS) and Connie Swisher (Recording Secretary)

Staff: None

Public: Bill Thornton Investment Director, John McAndrew -Internal Sales Director and Eric Leavitt - Sales Director for the West Region, with Empower Investments

**2. Approval of the Minutes for the Deferred Compensation Advisory Committee Meeting on November 15, 2023**

Motioned by Pete Volin to approve the September 28, 2023, minutes, seconded by Monica Alvarez-Selles. Motion approved.

Public Comments on Items Not on the Agenda – no public comments

**3. Action Items**

a. None

**4. Information Items**

a. Proposed Investment Policy Statement & Proposed Empower Fund Lineup and Discussion of timeline for Transition

Acting Chair Deborah Spaulding reviewed the revised draft Investment Policy Statement (IPS) with the committee (version includes edits from outside counsel and the Legal Department). The main difference is the revised version states the Deferred Compensation Advisory Committee (DCAC) do not have fiduciary responsibility and putting the fiduciary responsibility on the Board of Directors. The Board will see the final version of the Investment Policy Statement at the February 2, 2024 Board meeting as an information item.

The revised version also lists out what the Board's "Roles and Responsibilities" are on page 3.

Retiree Pete Volin requested a redline version of changes. Spaulding replied yes once no longer in draft form a redlined copy will be shared.

Bill Thornton with Empower advised in addition to above there are a few references to ARISA; Empower will make sure it is appropriate for a public plan as well as couple monitoring statistics not in the original IPS.

Spaulding also noted the previous version had the DCAC as an advisor to the Board throughout the IPS document, the revised version has no reference to the DCAC advising on investments. The DCAC is not going to have an advisory role on investments.

Empower Fund Lineup

The Committee members received a fund lineup handout, current investments with Mission Square, and on the purposed funds that would match up and if there is a cost in that fund.

Empower discussed how the guaranteed rates compare between Mission Square and Empower from the participants point of view. Empower also gave a background on how the lineup was put together, providing asset classes with the goal of reducing the number of funds, making things less expensive and easier for participants. Environmental Social Governance fund (ESG) fund has been added.

Empower discussed the mapping approach along with the explaining the cost savings to participants. The lineup will go the Board on February 6, 2024.

Grant Boysen noted expense ratio went up with the Putman Large Cap, the Empower Large Cap, Touchstone Mid Cap. Empower responded the Touchstone will be replaced with an ISA (that will be less). The Empower was higher, however, the performance was considerably better. Empower added there is not a total index fund in the draft however a Vanguard Total Stock Market could be added.

Spaulding discussed timing of the transition:

- Investment Policy Statement will go to the 2/6/24 Board meeting.
- There is a blackout period starting 2/26/24 when participants cannot make changes to their investments, deductions will continue. There is no effect to an employee's non-taxable contribution.
- During the blackout period Empower and Mission Square work together to get ready for the transition on February 29, 2024.
- March 1, 2024 is official switched over, however participant cannot access their accounts for couple days.
- Empower will send brochures out to participants, and the District has started sending out information via email and on the SharePoint portal.

No Public Comments

b. 2024 draft DCAC Workplan

Item moved to March 7, 2024, meeting.

No Public Comments

c. Participation Data

It was clarified the asterisk next to the Plan Participation number pertains to Active Contributing members (in the past this number included both active and non-active members).

No further discussion on this topic and no public comment on this item.

d. Discuss Deferred Compensation Survey – Draft

The Committee reviewed the draft with edits made during September 2024 meeting. Monica Alvarez-Selles will work with Mission Square to send out the survey, the goal is to send out before the transition to Empower. Mission Square will send the survey, create the questionnaire (based on DCAC survey draft) and provide participants, active employees, a link to survey and mail notices to retirees. The goal of the survey and the Advisory Committee is to determine why employees are not participating, what their educational needs are and address any concerns. The data collected will be used to get employees to participate. DCAC plans to do a comparison in a year.

Committee requested adding following questions to the survey:

How do you feel Mission Square did with meeting your needs with regards to: (scale rating)

- 1) Investments Options
- 2) Quality of service and education provided by the Account Representative
- 3) Quality of website

Opened ended question:

Please give any other thoughts you'd like to share.

The Committee will send the survey next year asking the same questions about Empower.

Retiree Pete Volin suggested Mission Square use the Retiree Associations list of retirees for emails and addresses.

e. 2024 Deferred Compensation Advisory Committee Budget Planning & Administrative Allowance Account

Item moved to March 2, 2024 meeting

f. Fiduciary Training

Spaulding will schedule fiduciary training through Empower for the DCAC and the Board of Directors.

g. Side by Side Comparison Services/Features provided by Mission Square vs Empower and Plan for Informing Participants about change to Empower

Spaulding distributed a draft handout, this side-by-side was suggested as a useful tool for participants to see what is changing or not changing.

- Empower will offer the ROTH IRA option however it will not be through payroll deductions, participants can contribute directly from their personal accounts.
- Participants can stay with Mission Square ROTH IRA, the same plan they have, however will not be through payroll deductions, participants can contribute directly from their personal accounts.
- Clarifying the ROTH 457 will continue through payroll deductions (Plan most employees use).
- Committee recommends spelling out ACH and ESG and clarify the different ROTH options and how to contribute.
- Clarify “link to external accounts” – goal of Empower website is to be a financial hub (include participants external accounts as well, including CalPERS), this gives Empower total picture of participants assets and liabilities.
- Clarify “Onsite Retirement Plan Advisor Can Provide One-on-One Advice to participants and act as a fiduciary”.

Spaulding will put revised copy on the benefits portal and email to participants and retirees.

No Public Comments

5. Announcement

Pete Volin requested update on the Park District employer match. Spaulding replied this is not an agenda item for the DCAC. This item was discussed during Union negotiations and questions should be addressed to the Union Stewards.

6. Adjournment

3:11 p.m.

Next meeting March 7, 2024