

AGENDA
DEFERRED COMPENSATION ADVISORY COMMITTEE
EAST BAY REGIONAL PARK DISTRICT

Thursday, May 9, 2024

A. BUSINESS BEFORE THE COMMITTEE

I. COMMITTEE REPORTS

Deferred Compensation Advisory Committee: Minutes of 3/7/24 (Guzman)

The March 7, 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 March 7, 2024, Deferred Compensation Advisory Committee (DCAC) was video recorded and may be viewed by clicking the following link: <https://DCAC March 7, 2024 Meeting>

Acting Committee Chair Pro Tempore Ben Guzman called the meeting to order at 10:03 a.m.

I. Roll Call

Connie Swisher, Recording Secretary, conducted roll call. Present were the following committee members: Acting Committee Chair Pro Tempore Ben Guzman, Deborah Spaulding, Monica Alvarez-Selles, Pete Volin, and Connie Swisher (Recording Secretary)

Staff: None
Public: None

2. Approval of the Minutes for the Deferred Compensation Advisory Committee Meeting on January 11, 2023

Motioned by Pete Volin to approve the January 11, 2024, minutes as amended, seconded by Deborah Spaulding. Motion approved.

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

3. Action Items

- a. None

4. Information Items

- a. Transition to Empower Update

Deborah Spaulding provided an update on the Mission Square to Empower transition advising the committee she and Monica Alvarez-Selles currently meet weekly with Empower. Empower confirmed all shares and investments were transferred in kind to the 401 and 457 plans, still waiting on information on the Self Director Brokerage (SDB) Assets from Mission Square. The end of the blackout period is March 14, 2024 at which time Human Resources will send out an email to participants advising they can log into the Empower website to view accounts. A notice will go out today, March 7, 2024, from Human Resources to retirees (reminding them of the website) with information on how to create and log-in to Empower's website after the blackout period.

Transition information (and documents received from Empower) in addition to being sent to Plan participants, Retirees and the Retirees Association via email and US mail is also located on the Districts Benefit Portal and the Retiree Portal [Retiree Benefit Administration | East Bay Parks \(ebparks.org\)](https://ebparks.org).

Empower is providing virtual trainings on March 20th and March 27, 2024 and one information training specifically for retirees on March 27, 2024 at 11:00 a.m. on how to log-in to the new portal, and access account information. All information on trainings have been mailed and emailed to participants, retirees, and former employees. Information can also be found on the District Benefits Portal and Retiree Portal above.

The Plan participants address and email information was provided to Empower from Mission Square.

Chair Guzman inquired if Empower will be able to monitor retirees versus those who separate from the District. Alvarez-Selles replied no but will ask Empower again.

Pete Volin requested information on the following questions:

Q.1 All of the money in the East Bay Regional Park District Deferred Compensation Plan belongs to the District's employees and retirees. There are no District funds involved in this plan. Why were both of the District's unions and the District's retirees given no opportunity to have any input at all in the process of changing the Deferred Compensation plan provider?

The Plan Administrator topic was discussed during the 2023 Deferred Compensation Advisory Committee (DCAC) meetings in January, May, July (at this time the Request for Proposal (RFP) was posted on the District website where it listed the timeline, how the proposals would be scored and the RFP process), and during the September meeting the outcome of the RFP was presented to the committee. The decision to bring it to the Board (and not the Finance Committee), was due to the Board being the fiduciary, and all members needed to weigh in and hear the full description.

Spaulding reiterated the members of the RFP selection committee, and most of the committee agreed in the RFP decision. Volin strongly expressed his dissatisfaction of the process and thought it should have been brought back to the DCAC as the retirees, owning most of the funds, were left out of the process.

Q.2 Why was the Board appointed Deferred Compensation Committee not allowed to participate in or review this decision?

The committee was updated at various meetings (see above) on the status of the RFP (which is a process that solicits qualified vendors (in this case Plan Administrators), including current one, and identifies which one is best qualified for the project i.e., the District's Deferred Compensation Plans). The results of the RFP and the strongest candidate were presented at the September 2023 DCAC meeting, and it was reiterated this was the committee's recommendation, adding the Board ultimately makes the decision.

Volin didn't think the Board had meaningful input from the retirees.

Q.3 It is standard business practice for government agencies to use a consultant in a major RFP process? Why was there no consultant used in this RFP process?

An outside consultant was not used, and historically are used rarely, there were staff members that could execute process.

Q.4 Exactly how much money will the District save this year by moving from Mission Square to Empower?

The District saves nothing, all fees are plan participant fees. The move to Empower is entirely to benefit the employee and plan participants, the saving is approximately \$200,000 a year based on the move to the new funds; plan participants will be able to earn money due to paying less in fees. This information went to the Board (and handed out at the January 2024 DCAC meeting), it can be located on the District website, and on the Retiree Info Site.

Q.5 Did the Deferred Compensation Committee surveys reveal any significant dissatisfaction among plan participants with Mission Square's services?

Overall, there was no dissatisfaction with Mission Square, however a few items were raised i.e., the fees were not clear, difficult to know what fees participants were paying, hard to locate information. The reason for the RFP wasn't dissatisfaction, its best practice too see what else is available and if it's better.

Q.6 Which District employees participated in the Request for Proposal (RFP) process?

Deborah Spaulding (Assistant Finance Officer), Ben Guzman (Police Lieutenant), Monica Alvarez-Selles (Benefits Manager), Debra Auker (Assistant General Manager/Chief Finance Officer at the time) and Jason Rosenberg, (Assistant General Counsel).

Q.7 What experience did these people have running previous RFP processes?

Spaulding advised she experience with executing a number of RFP's, noting the panel were chosen based on their education, experience in benefits, finance and procurement and law.

Q.8 Did the District reveal to Empower representatives what Mission Square was charging the District for administering the Deferred Compensation plan?

That information was not disclosed.

Q.9 Did the District research whether Empower has had much experience administering plans for government agencies?

Yes, through the Request for Proposal (RFP) process and the proposals received, we asked what agencies they work with to get a sense of who they were and other public agencies they work with. Empower is the second largest Deferred Compensation Plan Administrator in the country.

Q.10 Why did the District not notify the District's retirees, who own well over half the funds in the District's Deferred Compensation plan, directly about the change of providers?

The committee made its best efforts (which included public meetings during the year) to notify all participants, not all retiree information was up to date. When people leave the District, they may not continue to provide District with updated information and also true using Mission Square provided information, participants had not been updating their information with Mission Square.

Q.11 Does the District, which bears the responsibility for administering a number of important benefit programs for its retirees, have a list of District retirees and their contact information?

Human Resources does have a list, however not all retirees are participants of the plan, we relied on the information Mission Square provided (participants with balances) as contact information. The District worked with Empower to get the information out. The District has record of employment, but the District does not keep track of participants in the Deferred Comp plan.

Volin indicated the only information he received was from the Retiree Association and a mailer from Empower five days before the deadline. He also voiced his concern that the District didn't send any information directly to the retirees alerting/notifying of change to Empower, so the retirees would know be on the lookout for information from Empower.

A lot was learned through this process and going forward communications will improve and in the future message will go out to all retirees (even if it does not affect them). During this time communication focused on participants with account balances, that information came through Mission Square. It was also hoped that Pete Volin would have a way of contacting retirees and assist to get the information out.

Q.12 The only notice sent to District retirees about this provider change was sent to the retirees via the East Bay Regional Park District Retirees' Association. The Retirees' Association cooperated with the District's request to send out the notice to its members, but it informed the District that not all the retirees are members of the Retirees' Association. As a result, the only notice a significant number of District retirees received was directly from Empower about 5 days before the connection with Mission Square was terminated. Those retirees, especially the ones who had a portion of their retirement savings invested in the very popular "guaranteed" investment fund may have been financially disadvantaged. If the District does have a retiree contact list, why was it not used to directly inform retirees of the upcoming change in a timely fashion?

Answered above.

Volin asked if Empower will supply a contact representative (as Mission Square did with Kim Hammond), that participants (active and retirees) can schedule appointments to discuss their plan. Spaulding advised there are four representatives assigned to the plan during the first transition and one after initial transition. Volin stressed the importance of getting information out to the retirees directly from the District and not rely on the Retiree Association. Alvarez-Selles confirmed a notice, on District letterhead, will be mailed to all plan participants of the Deferred Compensation Plans, with a flyer from Empower included.

No Public Comments

b. Participation Data

Participation data information corrected, it should read December 31, 2023 at \$144,279,936 and January 31, 2024 at \$144,547,072.

Participant data is pulled monthly and will receive the same information moving forward from Empower.

No Public Comments

c. 2024 draft Work Plan

Committee drafted the 2024 Work Plan, attached.

Guzman asked the best time to address fund recommendations. Spaulding replied during a meeting when Empower is presenting, adding any change in fund line-up would require Board approval.

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

Spaulding advised an Administrative Allowance Account was not implemented with Empower, there is no budget. The committee can discuss what funds are needed and where the funds will come from. The Administrative Allowance Account funds under Mission Square were distributed/rebated to participants by Mission Square on December 20, 2024.

e. Police Association member Fund Mapping

Chair Guzman recommended moving this agenda item to a future meeting, until the District has been with Empower a bit longer. Guzman requests the Police Association have a special session with Empower either in person or hybrid. Alvarez-Selles agreed and will set-up with Empower.

No Public Comments

Q. Announcement

R. Adjournment

11:13 a.m.

Next meeting May 2, 2024