

**WASHOE COUNTY DEFERRED COMPENSATION COMMITTEE
MEETING MINUTES**

Wednesday, November 15, 2023

COMMITTEE MEMBERS

Kendra Materasso (Judicial/Probation/Chairman)
Justin Norton (WCEA/Vice-Chair)
Cathy Hill (Management/Secretary/Treasurer)
Russell Morgan, Comptroller (Comptroller Alternate)
Trevor Solano (WCSDA)
Jason Leshar (WCSDA) (arrived late)

Committee Members Absent

Darrell Craig (WCEA)
Lisa Gianoli (Retiree)

SUPPORT STAFF

Ashley Berrington, Human Resources
Kristie Harmon, Human Resources
Trent Ross, DA
Mike Fleiner, AndCo
Joe Carter, AndCo
Tom Verducci, Voya
Bishop Bastien, Voya

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1. Call to order and roll call.
Meeting called to order at 2:01 pm and a quorum was confirmed.
 2. Public comment.
None.
 3. Approve August 9, 2023, meeting minutes.
Member Norton motioned to amend the minutes to correct the spelling of Darrell Craig and Kendra Materasso's names; member Hill seconded the motion. Motion passed unanimously.
 4. Treasurer's report reviewing the Deferred Compensation Administrative Fund (Cathy Hill).
Member Hill stated the ending cash balance is higher than anticipated. Based on a recent audit, GASB determined that fiduciary funds be reported on an accrual basis vs. cash basis. She will continue to monitor and if the cash balance increases will bring back to DCC for review.
 5. Discussion, and possible action regarding the Washoe County retiree representative on this Committee, appointed by the Committee as authorized by Resolution 18-069. To include discussion of the reappointment of Lisa Gianoli, current representative, or to solicit interest from eligible candidates and appoint a new retiree representative.
Member Hill motioned for the Committee to support Ms. Berrington sending an announcement to retirees notifying them of the opening, to be brought back to the Committee for review, and selection. Member Norton seconded the motion and motion carried unanimously.
 6. Recognition of WCEA Committee appointment of Darrell Craig and Justin Norton for a one-month extension to their current appointment, ending December 31, 2023. This extension is at the request of WCEA due to the pending Committee determination of the retiree Committee appointment (Item 5). WCEA will plan to have their two (2) seats appointed for the full 2-year term at the next Committee meeting on February 14, 2024, as outlined in Resolution 18-069.
Mr. Ross stated the WCEA Board governs their appointees on this Committee. Request to put renewal time frame on 02/14/2024 Agenda.
 7. Discussion and possible action for the setting of the Deferred Compensation Committee meetings for calendar year 2024.

Ms. Berrington reviewed the Deferred Compensation Committee meeting calendar for 2024 stating historically the meetings are scheduled the second Wednesday of the month in February, May, August, and November.

This Item was reopened after Item 12 for further clarification of the dates this Committee will convene in 2024. Chair Materasso made a motion to continue the meeting calendar for 2024 recognizing quarterly meetings held the second Wednesday of the month (02/14/2024, 05/08/2024, 08/14/2024, and 11/13/2024) to occur at 2 pm. Member Norton seconded the motion; the motion carried unanimously.

8. Update and discussion regarding progress of outside counsel's review and production of custom Washoe County Deferred Compensation 457(b) and 401(a) Plan Documents based on current plan design and the addition of an in-service and retired participant ROTH conversion plan provision for the 457(b).

Ms. Berrington stated the 401A plan document has been completed. The 457-plan document is projected to be completed by the end of November 2023. Both will be submitted to the Board of County Commissioners for approval at the 12/19/2023 BCC meeting.

9. Review and discussion of the Deferred Compensation Committee's operating expenses, funding thereof, and participant fees, and, based on that discussion, possible action to adjust the current administrative fee of .02% and revision of the Committee's Excess Revenue Policy and Expense Fee Policy.

Ms. Berrington states this is an annual item that the Committee reviews each November. Mr. Fleiner recommended no adjustment based on Voya's fee schedule and the review of the Deferred Compensation treasurer report.

10. Review, discussion, and possible action regarding results of AndCo's benchmarking survey and subsequent negotiations with Voya Financial for a new Plan Administrative Services Agreement effective June 1, 2024.

Mr. Fleiner recommends moving forward with Voya's new Plan Administrator Service Agreement as the proposal reflects a decrease in administrative fees, a guaranteed floor rate of 2.75% for the Voya fixed account for 5 years in addition to Voya having been a good partner. Member Hill motioned to continue with Voya via a new Administrative Services Agreement effective June 1, 2024, for a five-year period, and member Norton seconded the motion. Motion carried unanimously.

11. Review of Voya's account service objectives for the most recent quarter; and update, discussion and possible action regarding campaign and communication strategies provided by or presented by Voya to participants, both active and retired, as it relates to the participants' beneficiary, eligible employee engagement and other Committee initiatives.

Mr. Bastien reviewed the Third Quarter 457 and 401a Plan reports; and demographics surrounding the fixed account. The Committee requested targeted messaging to individuals solely invested in the fixed account possibly starting with the Sheriff's office.

Mr. Bastien reviewed the Voya participant website updates to go live January 19, 2024.

12. AndCo's report and presentation regarding fund performance update for the most recent quarter, and possible recommendation, discussion, and action to change investment fund lineup. Discussion and possible action to include replacement of American Century Equity Income Fund with alternative large cap value-based strategy fund.

Mr. Fleiner reviewed the Investment Performance Review report ending September 30, 2023.

Mr. Fleiner reviewed four potential large cap managing firms (Dodge & Cox Stock Fund Class X, All Spring C&B, MFS Value R6, and Vanguard Equity) to replace the existing American Century Equity Income Fund and recommended Dodge & Cox Stock Fund Class X.

Member Norton motioned to replace the American Century Equity Income Fund R6 with Dodge & Cox Stock Fund Class X. Chair Materasso seconded; motion passed unanimously. Member Solano dropped off Zoom and was replaced by member Leshar as a voting member for this agenda item.

13. Comments by Committee or staff members

Member Materasso requested to add discussion on the 02/14/2024 Agenda, to vote to have Zoom as an option or remove it as an option.

Member Hill requested feedback from member Leshar and Mr. Morgan on the NAGDA conference last October. Member Leshar's takeaway was the possible tax implications for retirees drawing their pension and decumulation strategies. Mr. Morgan was particularly interested in how to keep "retiree" money in the plan and engagement strategies with both the active and retiree population.

Member Norton noted that individuals within his group initially have an OBRA and then are provided with a 457 account. He asked if there was a way to streamline or method to automate combining the accounts, for which Ms. Berrington responded they need the employee to initiate a plan-to-plan transfer and Tom Verducci would be available to assist in that process.

14. Public comment.

None.

15. Adjournment.

Meeting adjourned: 3:47 pm

Next meeting: February 14, 2024, at 2:00 pm