

**NEW CASTLE COUNTY GOVERNMENT DEFERRED COMPENSATION
COMMITTEE MEETING MINUTES of 04/08/2021**

The meeting of the NCC Deferred Compensation Committee was held on April 08, 2021 via Zoom. The meeting was called to order at 10:03 am

COMMITTEE MEMBERS PRESENT:

Michael Smith, CFO, Chairperson
Jacqueline Jenkins, CHRO
Francis Benevento, Pension & Benefits Administrator
Saul Polish, Union Representative
Stephanie Scola, Office of Finance Representative

INVITED GUESTS:

Elise Ornstein (MetLife)
Lisa Rydzefski (MetLife)
Stephanie Rinschler Trentowski (MetLife)
Dan Beaton (NEPC)

STAFF PRESENT:

Karen Brown, Benefits & Pension Administrator
Vicki Workinger, Human Resources Assistant
Rowena Liles, Program Analyst
Randy Vesprey, Assistant County Attorney 1

COMMITTEE MEMBERS ABSENT:

STAFF ABSENT:

Grace Dehel, Pension Program Analyst

OTHERS PRESENT:

Marco Boyce
Rinku Banerji

Agenda Item	Discussion	Action
Old Business	<ul style="list-style-type: none"> • Approval of Meeting Minutes • Discussion on Consulting Services (Update) • 457(b) Deferred Compensation Plan Review (MetLife)-Follow-up • Investment Policy Statement (Update) • NCC Code (Sec. 26.03.206) Deferred Compensation Plan (Update) 	<ul style="list-style-type: none"> • Review and approval of Meeting Minutes from the 03/11/21 meeting • Update on Consulting Services. • Update on Deferred Compensation Plan Review • Vital tool in assisting the Committee with compliance and administration of the plan • Review and discussion of current County Code
New Business	<ul style="list-style-type: none"> • Automatic Enrollment (NCC457(b) Deferred Compensation Plan) 	<ul style="list-style-type: none"> • Discuss the implementation of Automatic Enrollment (NCC 457(b) Deferred Compensation Plan)
Round Table Discussion	<ul style="list-style-type: none"> • Final notes... 	<ul style="list-style-type: none"> • Adjournment of meeting

Meeting Summary

Frank welcomed everyone and called the meeting of the Deferred Compensation Committee to order.

Old Business

First item discussed was the request to approve the minutes for 03/11/2021.

Michael Smith made a motion to approve the minutes of the March 11, 2021 meeting. The motion was seconded by Saul Polish and approved.

Consulting Services (Follow-up)

During our November 12, 2020 Deferred Compensation Meeting a discussion was held and included that a best practice would be to obtain a consultant to provide investment advisory and consulting services for the Committee. After our discussion, a motion was made to procure a firm to provide consulting services for the Deferred Compensation Committee.

Due to the close professional working relationship the Pension Board has with NEPC as a general investment consultant and defined contribution investment consultant, a request was made for NEPC to provide a proposal for defined contribution consulting services.

Dan Beaton, Senior Consultant from NEPC's Defined Contribution team, presented the proposal that outlined NEPC's experience and services. His presentation consisted on sharing the firms' experience including working with the NCC Pension Board for the past 15 years, the services and resources available, tools to ensure compliance and perform quarterly reviews to ensure best practices.

The fee for NEPC's services is \$50,000.00 a year. Stephanie asked how is the fee determined? Dan confirmed this is a flat fee. Michael Smith wanted confirmation of where the funds to pay for the consultant services would come from? Michael Smith noted he would need to determine where the money would come from; and he will do some research and report his findings at the next meeting in May 2021.

Saul Polish asked is the County Executive would have to approve this contract in order for it to be approved? Randy said that he would review the code and report back at the next meeting.

It was decided to table this discussion till the next meeting on May 13, 2021.

457(b) Deferred Compensation Plan Review MetLife (Follow-up)

During our March 11, 2021 Deferred Compensation Committee meeting a motion was approved to accept the investment listing changes recommended by NEPC.

During our discussion, the Deferred Compensation Committee Attorney (Randy Vesprey) informed the Committee that County Council may have to approve the investment changes due to the language of the services agreement with our Deferred Compensation Administrator (MetLife).

A draft resolution consenting to the investment listing changes in the Deferred Compensation Plan was previously distributed to the members of the Committee.

Councilman Smiley has been nominated to be a sponsor; Frank will reach out to him regarding the appointment and notification of the position.

Stephanie Scola made a motion to accept the draft resolution consenting to the investment listing changes in the Deferred Compensation Plan. The motion was seconded by Saul Polish and approved.

Elise with MetLife will start the paperwork to ensure everything is in place in time. It may take 3-4 weeks for Council to approve the resolution for the July 1st release date.

Investment Policy Statement (Follow-up)

During our March 11, 2021 Deferred Compensation Committee meeting there was a discussion regarding whether or not to add the “default” section piece back into the agreement. Upon further review of the section, it was agreed to add the “default” section back into the investment policy statement.

A copy of the revised draft New Castle County Deferred Compensation Committee’s Investment Policy Statement (IPS) for the New Castle County 457(b) Deferred Compensation Plan was previously distributed for review.

The New Castle County Deferred Compensation Committee is currently absent a formal Investment Policy Statement (IPS) for the New Castle County 457(b) Deferred Compensation Plan. Having a formal Investment Statement (IPS) for the Deferred Compensation Committee is a necessary and vital tool in assisting the Committee with compliance and administration of the Plan.

Saul Polish had a question about the wording in Item 6 in the Default Fund sections. The FTND is that correct or a typo? Frank confirmed it was a typo and the word should be FUND and will have it corrected by the next meeting.

Saul Polish made a motion to accept the draft Investment Policy Statement (IPS) for the New Castle County 457(b) Deferred Compensation Plan. The motion was seconded by Michael Smith and approved.

Discussion on New Castle County Code (Sec. 26.03.206) Deferred Compensation Plan

During our March 11, 2021 Deferred Compensation Committee meeting there was a discussion on two items: Open eligibility requirement to permanent part time employees and loan provisions.

We will need additional time to do research and develop policy with our legal department, MetLife and our deferred compensation consultant. Discussion will be tabled until the next meeting.

New Business

Automatic Enrollment (NCC457(b) Deferred Compensation Plan)

Frank previously distributed two articles pertaining the impacts of automatic enrollment into deferred compensation plans. Both articles refer to the same study from Vanguard. Frank reviewed the materials with the committee and explained these strategies could more than double participation.

Michael Smith inquired if this would be applicable to new hires only or also to existing employees? Frank confirmed it would be for new hires moving forward.

Elise from MetLife confirmed that while the enrollment would be automatic each employee would have a window to cancel the plan and would be refunded the funds that have been paid during that time.

Michael asked Saul about the Union perspective regarding this provision. Saul said that it would depend on the amount being deducted and how the employees would be informed about the program. Frank said that the employer would determine the initial contribution percentage which could include an “automatic escalator” feature.

Stephanie Scola asked for details about how the program would be set up and for any statistics about the performance of the plan. Frank said that a sample policy could be provided.

Elise from MetLife said that normally the program is not an administrative nightmare. Employees normally stay enrolled. Since the funds come out right from the start they do not miss the funds that much. The default plan would be Vanguard target date fund based on their age.

Dr. Jenkins noted that during NEO it would be made clear that action would need to be taken by the employee to “opt out” of participation in the plan. She continued to say that there are still some items that need to be discussed before moving forward. Frank will work with MetLife to get examples and additional information. If this does come into effect it would be a good idea to have a MetLife rep come to the NEO sessions. Stephanie with MetLife confirmed that would not be a problem and it can be done either by Zoom or in person.

Adjournment

Michael Smith made a motion to adjourn the meeting at 11:04 am. The motion was seconded by Saul Polish and approved.