

NEW CASTLE COUNTY GOVERNMENT DEFERRED COMPENSATION COMMITTEE MEETING MINUTES of 11/18/2021

The meeting of the NCC Deferred Compensation Committee was held on November 18, 2021 via Zoom. The meeting was called to order at 10:03 am

COMMITTEE MEMBERS PRESENT:

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

STAFF PRESENT:

Vicki Workinger, Human Resources Assistant
Rowena Liles, Program Analyst
Daniel Mann, Pension Program Analyst
Grace Dehel, Pension Program Analyst
Mengting Chen, Assistant County Attorney 1

INVITED GUESTS:

Lisa Rydzefski (MetLife)
Stephanie Rinschler (MetLife)

COMMITTEE MEMBERS ABSENT:

Jacqueline Jenkins, CHRO
Karen Brown, Benefits & Pension Administrator

STAFF ABSENT:

OTHERS PRESENT:

Robert Wasserbach
Rinku Banerji
Theresa Baldwin

Agenda Item	Discussion	Action
Old Business	<ul style="list-style-type: none"> • Approval of Meeting Minutes • Discussion on Consulting Services (Update) • Executive Session • NCC Code (Sec. 26.03.206) Deferred Compensation Plan (Update) • NCC 457(b) Deferred Compensation Plan Administrator RFP Process (Update) 	<ul style="list-style-type: none"> • Review and approval of Meeting Minutes from the 08/12/21 meeting • Update on Consulting Services. • Discussion on Consulting Services • Update on NCC Code (Sec. 26.03.206) – Loan Provisions • Update on NCC 457(b) Deferred Compensation Plan Administrator RFP Process
New Business	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> •
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 09/09/2021.

Stephanie Scola made a motion to approve the minutes of the September 09, 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.

During our May 13, 2021, Deferred Compensation Committee meeting a motion was made to accept the defined contribution consulting services proposal from NEPC as outlined in the presentation.

Due to the confidentiality of the legal service agreement, the committee will exit this meeting and go into Executive Session. Once the Executive Session has been completed, the meeting will be called back to order.

Michael Smith made a motion to move into Executive Session. The motion was seconded by Stephanie Scola and approved.

A discussion was held on the Consulting Services.

Saul Polish made a motion to exit the Executive Session. The motion was seconded by Michael Smith and approved.

The Executive Session ended. Rollcall taken and the meeting was called back in order.

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

During our March 11, 2021 Deferred Compensation Committee meeting there was a discussion on loan provisions. Lengthy discussions were held and supported by the Committee.

The committee continues to require additional time for further research and development of a resolution regarding the loan provisions and will provide the Deferred Compensation Committee's an update during our next regularly scheduled meeting on December 09, 2021.

No motion is necessary.

457(b) Deferred Compensation Plan Administrator RFP Process (Follow-up)

During our July 8, 2021 Deferred Compensation Committee meeting, a discussion was held and included that a best practice would be to place our current deferred compensation third party administration

services out to bid. After our discussion, a motion was made to place our current deferred compensation third-party administration services out to bid via RFP process in line with New Castle County Code and procurement guidelines.

The approved investment lineup changes were executed effective July 19, 2021.

The only outstanding item remaining from this exercise was clarification and options available for the stable value annuity fund or capital preservation. Over the past several months, there have had several meetings/discussions with MetLife, Brighthouse and NCC's defined contributions consultant NEPC.

New Castle County finally received a response from the Brighthouse Financial Plan Sponsor Services Team to the questions we asked several months ago which included:

- Would it be possible to provide me with the performance for the SVA going back at least 10 years? BH response: The SVA is a fixed annuity and historical performance is not calculated as the crediting rate of interest is set on the prospective basis.
- Can you also provide me a contact at Brighthouse who will be able to discuss waiving surrender charges? BH response: Waiving the surrender charges is not something we can support given the registered nature of the product and doing so would be considered discriminatory.

This plan is unique in the sense that they are individual contracts between participants and Brighthouse, administratively restrictive and not very transparent.

With that said, the County has a couple options to explore. MetLife currently offers another option called "The Standard" for replacement of the SVA but would not help with the surrender charges.

Knowing the County is in the vendor process search of custodian and third-party administrative services; the County can incorporate the intent to exit the SVA in the RFP. Many vendors can price in or amortize the surrender charges in the services agreement with pricing breakdown for transparency.

Stephanie Scola asked about the timing of the RFP and notice to Brighthouse and MetLife? Frank said that he is working with Procurement concerning the RFP and it depends on the completion of the RFP.

Sau Polish inquired if the County still had a contract with Brighthouse? Frank confirmed that yes, the contract has been extended to July 30, 2022.

Saul also asked if would be possible to have this project settled by the next contract? Frank replied that is the goal.

Saul asked who would be sitting in the interviews for the vendors? Frank explained that this process involved both the Pension Board and the Deferred Compensation Committee. Both entities would make a recommendation and be involved while interviewing the potential vendors. When the interviews occur, both the Pension Board and the Deferred Compensation Committee would be present if agreed upon.

Stephanie Rinschler with MetLife asked about Retirees who have money in Brighthouse would they be able to keep it in that account or would those funds have to move to the new vendor as well? This plan has a 3.5% guaranteed rate for some participants that is not common in most plans. Frank said that if it would restrict portability of each plan, further research would be necessary. There will be further discussion with the board and committee regarding this issue.

Frank will continue to work with the New Castle County Procurement Department and are currently in discussions on how to proceed with the RFP. Frank will provide the Committee with an update at our next regularly scheduled meeting on December 09, 2021.

Additional Comments

Frank asked Stephanie Rinschler and Lisa Rydzefski from MetLife to provide feedback from the County Health Fair that occurred in September. Stephanie confirmed that during Health Fair they had the following activity...

- 8 increase in contributions
- 1 new enrollee
- 20 appointments made to discuss participation, out of those 20 there were 7 new enrollees

November and December Lisa and Stephanie will be working with Public Safety to meet with Police Officers to answer questions or to set up new accounts.

Since May of 2021 they have begun to reach out to new hires and to date have a 30% participation rate. They will be reaching out to those whom have not responded yet to inquire if their situation has changed, and they are ready to enroll into the program.

Frank mentioned in an effort to increase participation rates, the Pension office is working on creating educational opportunities and communications to send out to the employees.

Adjournment

Frank Benevento made a motion to adjourn the meeting at 10:32 am. The motion was seconded by Michael Smith and approved.