

MINUTES
UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY
DEFERRED COMPENSATION BOARD
REGULAR MEETING
Wednesday, November 13, 2024, 10:00 AM

The Athens-Clarke County Deferred Compensation Board (DC Board) held its regular meeting on Wednesday, November 13, 2024 in person at City Hall, 301 College Avenue, Room 301B and by WebEx and Live Stream on YouTube in accordance with the Open Meetings Act. The following were in attendance:

Voting Members

John Culpepper, Commissioner and Deferred Compensation Board Chair
Niki Jones, Acting Manager (via WebEx)
David Boyd, Finance Director
Vicki Casella, Human Resources Director
Harrison Daniel, Employee Representative
Bruce Lonnee, Employee Representative
Dennis Smillie, Community Representative

Ex Officio members

Sara Ivy, Assistant Human Resources Director
Bonni Hall, Benefits Administrator
John Hawkins, Chief Assistant Attorney

The meeting was called to order at 10:01 a.m.

David Boyd moved to approve the minutes of the August 14, 2024 regular meeting seconded by Dennis Smillie. The motion passed unanimously.

Due to the physical absence of the Acting Manager, the Board was unable to update the Corebridge Resolution Authorizing Individuals (RAI) document to add HR Director Vicki Casella. This will be accomplished at the next Deferred Compensation Board Meeting where all signatories are in attendance in person for wet signatures.

Corebridge representatives Jeff Cohen and Kathy Hoang provided the Board with market updates, fund performance, and investment review. Jeff did mention that while there is an investment policy statement (IPS) on file, it is broad in nature and not tied to metrics to evaluate fund performance. Kathy advised that three (3) funds have been placed on watch for 3Q; Corebridge watches funds for a minimum of four (4) quarters before recommending any changes. Based on data provided on ClearBridge Small Cap Growth Fund (A), Dennis Smillie moved to replace it with another fund from a list of alternatives to be provided by Corebridge at the next scheduled regular meeting in February with an estimated replacement date of May 2025. This motion was seconded by Harrison Daniel, and the motion passed unanimously.

Dennis Smillie requested that Corebridge provide the net cost per year (what participants pay). Per Lilia Pivetta, participants are paying the net from what the fee is minus the reimbursement from

the fund – and it’s usually minimal. For example, in 2022 the participants paid \$0 because the reimbursement from the funds paid for the entire fee. Administrative and fund fees must also be considered, as they are separate. For the next scheduled regular meeting, Corebridge agreed to provide the breakdown of all fees for the Board’s review.

Lilia Pivetta provided to the Board the Q3 2024 Executive Summary as of 09/30/2024:

| Plan Overview: Key Metrics | | | |
|----------------------------|---------------------|-------------------|-------------------|
| | 457(b) | Matching Plan | Management Plan |
| Ending Balance | \$69,723,950 | \$12,859,531 | \$4,846,420 |
| Contributions | \$1,249,530 | \$275,924 | \$85,541 |
| Total Participants | 2,281 | 2,306 | 82 |
| Active Participants | 1,323 | 1,334 | 37 |
| Distributions | \$-2,015,310 | \$-327,655 | \$-199,514 |
| Total Loans | 41 | N/A | N/A |
| Total Loans Balance | \$253,718 | N/A | N/A |

Jason Rossiter introduced Aon’s Onboarding Cost Analysis presentation to review the true costs of replacing employees for any reason within ACCGov (both tangible and intangible). As expected, the cost of turnover with sworn/certified personnel is higher because (a) their pay is typically higher on average, and (b) they have a longer probationary period that requires more testing and training; however, the total general cost of turnover is higher than the total sworn cost because there are more general employees in the population (70% versus 30%). In summary, in 2024 the expected average onboarding cost for ACCGov is expected to be \$3.5 million based on an average of 200 new employee hires/year. Over a 30 year period, it is anticipated that onboarding costs will increase to \$4.5 million based on the same onboarding average.

Aon staff believe is it unlikely for changes to either the Defined Benefit (Pension) or Deferred Compensation plan will be completely offset by a decrease in onboarding costs. Approximately 36% (\$1.5 million) of ACCGov’s annual turnover is “fixed,” meaning it is due to retirements, disabilities and/or deaths. With an average onboarding total of 200 employees a year, the remaining 64% of turnover (approximately \$2 million) is caused by separations (voluntary and involuntary) and just about equals the value of any proposed change that has been reviewed to date for either the pension or defined contribution plan.

Discussion ensued over what the Deferred Compensation Board would recommend as their top recommendations for a new Employer Match option when meeting with the Pension Board in 2025. Scenario 4 (maximum employer match = 4% with employee contribution of up to 16%; \$400k implementation cost increasing to \$1M in less than 10 years) and Scenario 2 (maximum employer match of 2%; \$800k implementation cost increasing to over \$1M in 10 years) were of interest to several Board members. Bruce Lonnee asked if Aon could provide ACCGov any recent data that would support the premise that increasing the employer match would help increase employee retention.

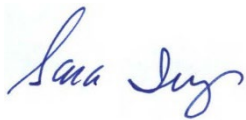
John Hawkins reintroduced the float agreement issue with Empower Retirement (formerly Hartford Life) from the August 14, 2024 regular meeting. Historical data that had been requested by Board

members on that date was collected and distributed by the Secretary to all Board members for review before the scheduled meeting. Dennis Smillie asserted that the \$185 cost would be a non-issue. John Hawkins recommended we not execute the DocuSign float agreement but instead ask for a copy that the Board Chair could sign and the Board Secretary could attest if at all possible. Dennis Smillie made a motion to approve the float agreement and authorize the Board Chair and Secretary as signatories. The motion was seconded by John Culpepper and passed unanimously.

Corebridge and Aon staff excused themselves for the annual performance review of professional firms that serve as advisors to the Board and/or that act on behalf of the Deferred Compensation Plan. The Board members concurred that both Corebridge and Aon have served ACC well, but we do need to verify that we have a valid contract with Corebridge. If we cannot confirm a current and valid contract, we need to get one in place as quickly as possible. Details would be worked through at a special-called meeting if needed.

Dennis Smillie moved to adjourn the meeting, seconded by Bruce Lonnee. The motion passed unanimously, and the meeting adjourned at 12:04 p.m.

Respectfully submitted,



Sara Ivy
Secretary to the Deferred Compensation Board