

**Deferred Compensation
Meeting Minutes
August 22, 2024
In Person with Remote Attendance**

Members Present

Tom McKone (in person)
Leticia Nieto (in person)
April Morgan (in person)
Lisa Smith (in person)
Georgette Hampton (remote for business purposes)

Non-Members Present

Tamme Ford	T.J. Kistner
David Fowler	Darryl Collier
Eduardo Duran	Rachel Bossard
Janice Irving	

Call to Order

The August 22, 2024, meeting was called to order at 2:11 p.m.

Minutes

Upon a motion by Ms. Morgan and a second by Ms. Smith, minutes of the July 24, 2024, regular meeting were approved.

Hardship Report

Mr. Collier presented the July 2024 hardship report. The 457 Plan showed 52 transactions processed, with 25 pending from the previous month. There were 18 transactions approved and processed, and 26 transactions pending. There were 26 not in good order (NIGO) by the participant. The 401k Plan showed 35 transactions processed, with 11 pending from the previous month. There were 18 transactions approved and processed, and 14 transactions pending. There were 14 not in good order (NIGO) by the participant. Total paid out year to date is \$1,048,223 with an average distribution of \$5,922.

Old Business

Loans Update – Mr. Collier reported that in the 457 Plan, 937 or 12% of participants have an outstanding loan. The average balance of the loan is \$11,427 for a total of \$10.7M. In the 401k Plan, 697 or 16.6% of participants have an outstanding loan. The average balance of the loan is \$6,227 for a total of \$4.3M.

New Business

Participant Activity Report – Mr. Fowler reported for the month of July 2024 there were 261 one on one meetings, and 9 group meetings with a total of 537 group attendees of which 160 were for Financial Friday.

2Q2024 Plan Review – Mr. Collier reported for the period ended July 31, 2024, there were 7,789 participants in the 457 Plan with an average account balance of \$61,900. Total participant assets totaled \$482.1M with 41.2% of participants utilizing the target-date strategy and 57.8% utilizing the do-it-yourself strategy. The average contribution rate was 5.2% and the most utilized investment strategy was Fixed which holds 40.6% of participant assets. There were 4,206 participants in the 401k Plan with an average account balance of \$27,547. Total participants assets totaled \$115.9M with 68.9% of participants utilizing the target-date strategy and 30.9% utilizing the do-it-yourself strategy. The average contribution rate was 4.5%, and the most utilized investment strategy was Asset Allocation which holds 43.1% of participant assets.

Hardship Process Discussion – Mr. Collier reported that Empower met with Ms. Hampton and Ms. Irving, and they were going to confer with Ms. Bossard about moving towards the more standard processes to take away some of the customization that Empower has been managing through the migration. When Empower first took over from MassMutual there were a lot of similarities in the process. They have made some call-in efficiencies where loss of income will no longer require IDs on certain matters and Empower will notify participants that they have been denied. They are still working on the fine tuning everything and the blending between what Empower does and what the CTA requires.

Beneficiary Designation – Mr. Collier reported that he has been corresponding with Ms. Bossard, about offering Empower's death approval service where they will take death claims and adjudicate them all the way through approval, similar to what is done with hardships where CTA does not get involved. Ms. Irving, Ms. Hampton, and Ms. Bossard have been provided with guidelines of how that service will work. He has contractual amendment language that would need to be instituted. If CTA accepts this, there are things that would be changed with the plan document that was

recently amended. He hopes to have a proposal at the next meeting. Ms. Bossard added that the most recent amendments were made because of the difficulty of determining who the beneficiary should be when the participant is deceased. If the Plan decides that it would be easier for Empower to administer this, we will need to revert to the previous language because right now the plan is structured so that the benefits would go to a surviving spouse, or if no surviving spouse, then to the surviving children, if no surviving children, then to the estate, and Empower will only administer if it goes from the surviving spouse then to the estate. To the extent that there is no will and the estate is more than a \$100,000, more people will need to go to court to get a probate order to get those benefits. That will be a more of a burden on the participants, however with the current process, trying to administer all the beneficiary issues is a lot of work, and it is very difficult because each situation seems to be different. She believes it is in the Plan's best interest since it is included in the cost structure, to put this burden on Empower and have it be more streamlined. She received a proposed amendment from Mr. Collier, and Mr. Bora thinks that because there is no increase in the contract amount Purchasing will be okay if this committee decides on and makes this change. She is waiting to hear back from Mr. Bora on that. She also noted that if we eliminated the children so that it would just be spouse to the estate, another amendment would be needed since there has already been an amendment.

2Q2024 Due Diligence Report – Mr. Kistner presented 2Q2024 Investment Review dated August 22, 2024, which showed three funds on watch and no menu changes.

2Q2024 EBA Report – Ms. Ford presented the EBA report which showed a March 31, 2024, balance of \$201,389. Second quarter additions were \$61,202.41. Expenses that were actually paid out totaled \$61,399.41, and accrued expenses of \$114,306.25 and the estimated additions for June of \$15,500, which amounts to a projected accrued balance of \$102,386.14, and an actual cash balance on June 30, 2024 of \$201,192.39.

General Administration

Bills – Upon a motion by Ms. Morgan and a second by Ms. Nieto, an invoice for Burke, Warren, MacKay & Serritella for July 2024 was approved.

Adjournment

Upon a motion by Ms. Hampton and a second by Ms. Smith, the meeting adjourned at 2:51 p.m.

Respectfully Submitted,

Janice Irving
Plan Administrator