

CLAYTON COUNTY PENSION BOARD

Regular Deferred Compensation Meeting
11:00 a.m.

November 14, 2019

MINUTES

PRESENT: Chairman Terry Hicks, Pamela Ambles, Vice Chair; Ramona Bivins, Secretary; Katherine Dodson, Member; James Crissey, Member.

ALSO PRESENT: Rick Arenburg, Bryan Cave Law Firm; Chad Smith, Morgan Stanley; Stephenie Carter, Prudential; Kerri Hathaway, Falisha Smith and Vanessa Sarden, Finance Department.

1. Chairman Hicks called the regular scheduled Deferred Compensation Meeting to order.
2. Katherine Dodson made the motion to adopt the agenda and Pamela Ambles seconded the motion. The vote was unanimous.
3. Chairman Hicks opened by stating the Board has minutes for May 9, 2019 and August 8, 2019 that need to be approved.

Pamela Ambles stated she wasn't present at August 8, 2019 meeting.

Chairman Hicks made a motion to approve the May 9, 2019 meeting minutes. The motion was seconded by James Crissey. The vote was unanimous of those present at the meeting.

4. Chairman Hicks stated Pamela Ambles had a comment on the minutes from the August 8, 2019 minutes.

Pamela Ambles opened by saying the reason she wants to address the Board is because she takes what she does seriously in all aspects. Ms. Ambles expressed she became very concerned and confused about some of the contents she read from the meeting minutes in regards to the transition to Prudential. She stated it is written in black and white. She stated, in the minutes, it was expressed, there was some frustration with the tasks Human Resources was supposed to have done. She stated she wanted to make it very clear that Human Resources is responsible for Employee Benefits. She clarified, Human Resources does not handle the day-to-day operations of Retirement, nor the Deferred Compensation Plans. She continued by stating, due to the fact Debbie was going out on extended leave, she stepped in to assist with getting letters out to the employees. Ms. Ambles said she took it upon herself to send out notification to the employees regarding the upcoming workshops. She brought

copies of emails, just in case the Board Members would like to review them. Ms. Ambles stated she sent emails to the Leaders of Clayton County, Department Heads and Elected Officials, first to make them aware of the onboarding of Prudential, and then to make them aware the Pension Board voted to discontinue service with Nationwide and VOYA.

Ramona Bivins assured Ms. Ambles that was not the context of the minutes. Ms. Ambles requested to finish her statement. Ms. Bivins assured Ms. Ambles, it wasn't about if she sent anything out, it was about the telephone calls Human Resources agreed to field by Human Resources, but instead the staff were sending calls to the Finance Staff telling the employees it wasn't Human Resources' responsibility. She added the questions the employees had were about the 30 day notification period.

Ms. Ambles accepted Ms. Bivins' input, Ms. Ambles requested her concerns be put on record. She continued by stating, she only recalled Human Resources agreeing to send notification to the employees regarding the change. She stated the notification was sent to the Department Director's first, advising them of the fact Human Resources was going to send notification to the employees via the department contacts. Afterwards, a final email was sent to everyone informing them of the change with an attached letter.

Chairman Hicks asked Ms. Ambles if this information was sent to the active employees.

Ms. Ambles confirmed it was for active employees. She stated secondly, she was going to notify employees of the upcoming meetings. As in her email submission to Debbie Decker, inquiring about the dates Human Resources should send out notification; emails were sent on August 16, 2019, August 19, 2019 and August 22, 2019. Ms. Ambles stated, in regards to the telephone calls relating to fielding calls, her employees would not have been able to assist anyone because it is not something HR handles every day. She reminded the Board this is not a responsibility for Human Resources. She stated this is the reason why she asks so many questions before she gives her vote. She stated she prefers to gain a clear understanding, due to her not being involved with the day-to-day operations. She stated to Ms. Bivins "with all due respect, I hear what you are saying, but based on what I saw in the minutes, there was frustration because that was something Human Resource was supposed to do." She continued by stating, HR was not involved in sending out any other packages. As the Human Resource Director, Ms. Ambles said her job is to try to bring everyone together and to help in whatever capacity they can help. Ms. Ambles stated she takes what she does very seriously.

Ms. Bivins expressed to Ms. Ambles she thinks everyone understands she takes her job seriously. It was not about the context nor about a job not getting done. The context was the Finance Staff getting inundated with calls. She said she'd spoken with Debbie also and it was agreed Human Resources would field any calls regarding the 30 days. It was not about whether any notices were sent out. Ms. Bivins affirmed to Ms. Ambles this was a reflection of what was talked about at the August 8, 2019 meeting.

Ms. Ambles concluded by stating she stands by what she said and her team would not have been able to answer those types of questions that may have been asked by the employees, because it is not a HR area of responsibility. She stated she just wants her concerns to be put record.

Ramona Bivins made a motion to adopt the August 8, 2019 minutes. Terry Hicks seconded the motion. The vote contained three affirmative votes, with no dissenting votes. Pamela Ambles and Jim Crissey were not in attendance at the August 8, 2019 meeting.

5. Chad Smith of Morgan Stanley, opened with the Market review data for the third quarter, which is the first review since the transition from Nationwide and VOYA to Prudential. Mr. Smith explained the characteristics of the plan for the participants. He stated the majority of the Plan assets 24.39% are in Target Date funds and 24.35% are in Money Market/Stable Value funds. The Prudential Stable Value Fund earned 0.56% and US SA Stable Value earned 0.54% in the third quarter. The Vanguard Total Bond Market Index has \$695 thousand. For the Quarter, the Vanguard Total Bond Market Index fund was up 2.43%, verses its peer group at 1.99%; which is in the top decile. The majority of all of the funds in the lineup were positive for the Quarter. The Prudential Day One 2050 pension fund was up 20 basis points for the Quarter. The target date funds in the plan outperformed their respective target date benchmarks by an average of 20 basis points for the third quarter. Mr. Smith suggested the American Funds Investment Company of America A be added to the watch list, because it is slightly down for the Quarter.

Chairman Hicks made a motion to add America Funds Investment Company of America A to the watch list. James Crissey seconded the motion. The vote was unanimous.

6. Stephenie Carter with Prudential introduced herself and began giving an update on the transition. She thanked the Board for choosing Prudential. She stated since Prudential went live in mid-August, she did not have much to report at this time. At the next meeting, she will look at the overall balances of the plan, a breakdown of participants by age, discuss the trends and provide their average balances. It is reported that the participation rate is 18.13%.

Chairman Hicks stated the Board has discussed coming up with ways to encourage participation to join this supplemental plan.

Pamela Ambles shared with Ms. Carter, in New Employee Orientation, VOYA and Nationwide used to conduct a presentation. She stated they would sign up employees who were interested in the plan. She asked if there was a process in place where Prudential would be able to attend meetings.

Stephenie advised she would be able to assist with that, as they have built in eleven educational dates. Ms. Ambles advised Ryan Shaw is the person who manages that area.

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Secretary Bivins asked if that would be considered an education day. Having a presentation once a month is more than what is built in the agreement. Ms. Carter shared with the Board, Prudential has a virtual one-on-one system in place.

Mr. Dennis Baker said he receives a lot of input from retirees. He asked if something could be worked out, because approximately 90% of retirees wants face to face. Chad Smith suggested a Quarterly session be done, not necessary a monthly session. Chad volunteered to assist with the educational meetings, not as a Prudential Representative, but as someone of interest in the plan.

Secretary Bivins asked if it was possible to give Prudential the email addresses for the new employees. She said this could give an introduction to them, schedule a one-on-one with the employees and not use all eleven days at the New Employee Orientation. Vice Chair Ambles was apologetic and stated she was not aware of the eleven built in days. Secretary Bivins' stated you could show the employees how \$50 is not really \$50 a pay period. Mr. Smith inquired about the average participation at New Hire Orientation. Vice Chair Ambles replied, it could be 60 to 70 personnel. Secretary Bivins' asked if there would be a way to send a link to HR and provide Prudential with an employee email listing.

Ms. Carter stated she did not have anything of what they were requesting. Currently, the system they have in place, the participant will receive an email congratulating them for being eligible to participate in the plan. The individual is then scheduled to speak with a Prudential staff member. The phone meeting is handled by the counseling group of Prudential, which is the same as the Educational Team. She added there's a plethora of reports on the Prudential website, recording every dollar in the County's plan.

Chad concluded by stating, the contract of the previous vendor was 30 plus years old and antiquated with an expensive fee structure. Also, Nationwide had a 60 basis point on two of the fund expenses. Their baseline requires revenue from just record keeping.

There was no further business to discuss, Katherine Dodson made a motion to adjourn. It was seconded by Secretary Bivins. The vote was unanimous.

Clayton County Pension Board

Terry R. Hicks
Terry Hicks, Chairman

2/13/2020
Date

Ramona Bivins
Ramona Bivins, Secretary

2/13/2020
Date