



County of Santa Cruz

DEFERRED COMPENSATION ADVISORY COMMISSION

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

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MINUTES

Regular In-Person Meeting

WEDNESDAY, February 19, 2025

1:30 to 3:30 p.m.

Primary Location: Coastline Conference Room
701 Ocean Street, Room 520
Santa Cruz, CA 95060

Secondary Location: Al Noren Conference Room
5200 Soquel Avenue
Santa Cruz, CA 95062

1. Roll Call and Introduction of Guests

- a. Call to Order: 1:33
- b. Present: Gina Borasi, Laura Bowers, Gina DeMartini Kuhns, Melissa Shaw, Michele Suttora, Jordan Malone, Brandon Marquez, Monica Rocha (late arrival 1:51)
- c. Absent: None
- d. Guests: Shelly Vomvolakis, Franchesca Diaz, George Enis, Luther Mano, Vincent (late arrival due to traffic, 1:51), James Collins (Mission Square), late arrival 1:51).

2. Approve of Minutes from November 20, 2024, regular in-person meeting

Move: Jordan

Second: Gina D

Approve: Unanimous

3. MissionSquare Retirement Updates

- a. MissionSquare 2024 Highlights
 - i. Team & Organization Updates
 - James Collins is dedicated financial planner. 2024 Planner of the Year!
 - a. Appointments going very well. Virtual and in person. Can access directly through member's account.
 - i. Open to travelling to other County campuses.
 - Jeffrey Hathorn – Retention Specialist. Goal is to take a proactive role for members to have all their options after they separate from the County.
 - b. Plan Review
 - i. Accomplishments & Results
 - Education – 146 consultations. This is an increase from last quarter.
 - Participation and Savings – 52 enrollments (down from last quarter), \$3.9M in plan contributions and \$747,009 in rollins.
 - Financial Wellness – 6,385, small decrease from last quarter.

- Retention – \$3.96 in rollouts.
- c. Client Engagement & Participant Engagement
 - i. Goal Based Programs, Campaigns, & Communications
 - ii. Retention and Outreach
 - Can bring Jeffrey to a meeting to discuss the goals and actions of the retention specialist.
- d. Financial Planning Program
 - i. Education & Resources
 - Retirement Education Center – webinars are recorded and available in case a member missed one.
- e. Legislative Updates
 - i. Limits, SECURE Act 2.0 Readiness & WEP Repeal
 - Contribution increase limits increased to \$23,500. 401A contribution limits also increased.
 - Age based contribution limits did not increase. Stayed the same.
 - Catch up contributions for ages 60–63 is optional for 2025. In 2026 it will become a negative election.
 - In 2026 – participants over age 50, employees with a County salary over \$145,000 will have to make the catch-up contributions as Roth.
- f. Client Resources
 - i. Administrative Updates, Sponsor Access, & Security
 - Social Security Fairness Act. Discuss legislative action on WEP.
 - Security Awareness Program – can bring in guests to discuss security actions taken to protect member information.

4. HYAS Group Update

- a. Fourth Quarter 2024 Performance Report as of 12/31/24
 - i. Market Commentary
 - Huge surge in cryptocurrency. Surge in the stock market.
 - Strong rally in the US Dollar compared to foreign currency.
 - Continued a Goldilocks economy.
 - Consumer Price Index remains to be fairly high.
 - We no longer anticipate three interest rate decreases during 2025.
 - ii. Current Fund Lineup Overview
 - iii. On Watch Funds: MissionSquare PLUS Fund, MFS Value Fund, MFS Growth Fund, & MFS Mid Cap Growth Fund
 - Recommendation at this time: Retain watch status for the MissionSquare Plus Fund.(No action taken)
 - Recommendation at this time: Retain watch status for the three MFS funds. (No action taken)
 - iv. Fee and Revenue Analysis

- v. Legal and Regulatory Update
- b. **Review and Take Possible Action** on the Fee Collection Structure
 - i. Discussions regarding options.
 - ii. Brandon: Motion to adopt scenario #3 of the fee collection structure.
 - iii. Michele: Second.
 - iv. Unanimous approval.

5. New Business

6. Old Business

- a. Mid-Management Commission Member Update- Monica Rocha
- b. **Discuss and Take Possible Action** on the draft Fee Policy
 - i. Discussions regarding the different options which are included in the packet.
 - ii. Brandon: Motion to create a fee policy which includes scenario number 3.
 - iii. Jordan: Second.
 - iv. Approved: Unanimous.
- c. SECURE Act 2.0 Updates
 - i. **Review and Take Possible Action** on SECURE Act 2.0 Provisions
 - ii. None to take at this time.
- d. Discuss options for the 401A Forfeiture Totals (approx. 165k)
 - i. Not recommended opening up to employee contributions.
- e. 2024-25 FY Expense/Revenue Review (3 reports)

7. Attachments

- a. November 20, 2024, Minutes
- b. HYAS/MSR Group Agenda Topics
- c. 2024 4Q Performance Report as of 12/31/2024
- d. Fee Collection Structure
- e. Fee and Expense Policy-draft
- f. Designated Fund Activity
- g. Revenues and Expenditures Report
- h. General Ledger

8. Topics for Next Agenda:

- a. Annual Investment Policy Statement Review 2Q
- b. Service Call Center Discussion.
- c. Outreach efforts.
- d. Super catch-up
- e. Draft Fee Schedule
- f. Secure Act 2.0 Provisions

9. Oral Communication

Nothing.

10. Adjournment

Motion: Jordan

Second: Gina D

Approved: Unanimous

Time: 3:30