

**Nevada System of Higher Education (“NSHE”)  
Minutes of  
Retirement Plan Advisory Committee Meeting  
February 23, 2021**

The Retirement Plan Advisory Committee (“Committee”), the fiduciary committee for the Nevada System of Higher Education Defined Contribution Retirement Plans (“Plans”), met pursuant to notice on February 23, 2021 via video conference. Present were voting members: Michelle Kelley (Chair), Zarah Gayrama-Borines (Nevada State College; “NSC”), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Kent Ervin (University of Nevada, Reno; “UNR”), Liliana “Lily” Magana (Business Center South; “BCS”), Jennifer Schultz (Desert Research Institute; “DRI”), Scott Nielsen (Great Basin College; “GBC”), Paul Thistle (University of Nevada, Las Vegas; “UNLV”), Micle Valunte (Business Center North; “BCN”), Bob Whitcomb (Western Nevada College; WNC), and Daniel Williams (Retiree), all being voting members of the Committee.

Voting Committee members Jerry Lockhart (College of Southern Nevada; “CSN”) and Brad Summerhill (Faculty Senate Chairs) were unable to attend.

Attending the meeting by invitation were Dan Pawlisch, Leon Kung, and Joe Steen of Aon Investments USA (“Aon”).

### **Call to Order**

The meeting was called to order at 1:00 p.m. by Kelley.

### **Approval of Minutes from November 13, 2020**

The Committee reviewed and approved the minutes from the previous Committee meeting held on November 13, 2020.

### **Executive Officer Report**

Kelley reported on recent participant education sessions conducted by NSHE and TIAA, noting good attendance and participant engagement. She plans to gather participant feedback from these and future sessions and will share results with the Committee.

Kelley indicated that Alexis Kane has replaced Seamus Ewing as TIAA’s relationship manager to service NSHE and the Plans. Kelley noted that Kane has been responsive, interested in meeting NSHE’s needs, and seems to be a good fit to service NSHE and the Plans.

Kelley indicated that she, Valunte and Magana had a productive meeting with TIAA to discuss the long term issues with TIAA’s Plan Focus plan sponsor website, sharing issues and working towards solutions. TIAA implemented a quick fix on some issues, but shared they are working on a long-term solution to

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many of the issues identified by the Benefits Managers. Representatives from TIAA will follow up with Kelley in mid-March to provide a status update.

Kelley noted that participant financial advice sessions continue to be conducted by TIAA on a remote basis. TIAA will provide representatives onsite again when NSHE is ready to do so.

## **Staff Reports**

### North

Valunte indicated that she has a monthly call with TIAA to review participant advice session activity. She noted that TIAA indicated they have additional advisors available if needed, although Valunte was only aware of three, and TIAA will be providing her with the names and bios of all NSHE advisors. Valunte stated she would like more communication from TIAA regarding advisor availability. Kelley indicated she would schedule another appointment with TIAA, Valunte, and Magana to review TIAA's staffing and advisor service plan. The Committee discussed potentially conducting a participant survey about access to and service by TIAA advisors.

### South

Magana advised that TIAA's IT group has assisted greatly and been responsive in addressing issues with TIAA's Plan Focus plan sponsor website. She indicated that Wealth Management Advisor Jordan Curtis is no longer at TIAA and she did not know until a participant had told her. Magana would like better communication from TIAA about such changes. As indicated previously, Kelley will schedule a meeting with TIAA, Magana, and Valunte to address.

Magana led a discussion regarding NSHE's Long Term Disability (LTD) benefit. The Committee discussed that NSHE's LTD benefit may be going away in July 2021 due to a lack of funding and, in a settlor capacity, discussed whether there may be any way of providing a benefit in the Retirement Plan Alternative (RPA). Kelley advised that the regulations do not allow revenue credit to be used to pay for such a benefit via the RPA and that NSHE could consider separately as a human resources benefits policy. Kelley agreed in a settlor capacity to discuss with NSHE senior management and she will report back to the Committee.

## **Quarterly Investment Review**

Kung led a discussion regarding the contents of a previously distributed report titled "Nevada System of Higher Education Fourth Quarter 2020 Discussion Guide (Discussion Guide)." A document titled "Nevada System of Higher Education Fourth Quarter 2020 Investment Review" was also previously distributed for the Committee's reference.. Kung commented on the current state of the overall economy, the domestic and international equity markets, and the fixed income markets during the fourth quarter of 2020.

Kung discussed the Plans' asset allocation and participant contribution and transfer activity. During his review, he noted situations in which there were exceptions to, or comments on, the targeted performance, company structure, or other relevant aspects of the funds offered against the Plans' Investment Policy Statement. After thorough discussion and review of the materials provided, the Committee agreed that the T. Rowe Price Stable Value Common Trust Fund A be retained on "orange-level" watch status. The Committee also agreed to place the William Blair Small/Mid Cap Growth Fund on "yellow-level" watch list status.

Kung reviewed the Plans', the Annual Investment Fee Monitoring & Transparency, and the Morningstar Model Portfolios' allocations and performance as of December 31, 2020. Pawlisch indicated he has inquired with Vanguard regarding eligibility of the Plans' target date funds for lower-cost share classes. He will report back to the Committee.

Pawlisch provided an update to the Committee on Environmental, Social, and Governance investing, and considerations based on recent and potential Department of Labor regulations.

After thorough discussion and review of the materials provided, the Committee agreed, in the best interest of the Plans' participants and beneficiaries, to make no changes to the Plans' investment lineup at this time.

### **Legacy Defined Contribution Plan Review**

Kung led a discussion of a previously distributed document titled "Nevada System of Higher Education Fourth Quarter 2020 Legacy Defined Contribution Plan Review." He reviewed the Plans' asset allocation for legacy vendors TIAA and VALIC for frozen contracts no longer available to participants for current contributions. Kung reviewed the investment performance and expense ratios by vendor. Pawlisch noted that remaining legacy account with TIAA and VALIC are invested in individually directed contracts that may only be transferred at the direction of each participant. He reviewed estimated administration fees for each legacy vendor and agreed to follow up with TIAA regarding assessment of fees across all contracts and he agreed to provide an updated administrative fee illustration for VALIC as Kelley noted NSHE no longer receives revenue sharing credits from VALIC.

### **Other Business**

Kelley reviewed potential future Committee meeting dates and, after discussion, the Committee agreed to hold the next meeting on May 14, 2021 from 9:00 a.m. to 4:00 p.m. Kelley will schedule the meeting. Additionally, she will work on scheduling the November 2021 Committee meeting, noting that it will be important in discussing an anticipated recordkeeper Request for Proposal process.

### **Adjournment**

There being no further business before the Committee, the meeting adjourned at 2:55 p.m.

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Michelle Kelley, Director Retirement Plan Administration

6/2/2021

Date Signed

Reviewed by:

/s/ Joseph C. Reynolds

Joe Reynolds, NSHE Chief General Counsel

6.18.21

Date Signed