

**California Public Agencies
Self-directed Tax Advantaged Retirement System (STARS)
Joint Teleconference of the 401 and 457 Executive Committees**

**Teleconference Minutes
Friday, May 16, 2025**

Members Present

Deona Knight, Chair
Richard Averett
Joseph Chan, Secretary
Davina Vrazia

Agency

Regional Government Services Authority
STARS Executive Committee
STARS Executive Committee
Transbay Joint Powers Authority

Others Present

Lindsay Rice
Edward Wagner
Shana Aleem
Patrick Washington
Jennifer Seibert

Regional Government Services Authority
SageView Advisory Group
SageView Advisory Group
Empower Retirement
STARS Outreach Coordinator

1. The meeting was called to order by the Chair Knight at 11:33 A.M.
2. Minutes from February 6, 2025, meeting was approved with minor corrections.
3. Investment Performance report for the quarter ending 03/31/2025: Wagner provided a general summary of the capital markets for the first quarter as well as a brief overview of recent regulatory and legislative activity. In Q1 2025, international equities outpaced the S&P 500 by nearly 11%, marking a record-setting quarter for foreign stock outperformance, driven by European stimulus and a weaker dollar. U.S. markets faced headwinds from elevated valuations, tariff uncertainty, and declining consumer sentiment, as spending slowed and savings rose. Fixed income markets saw falling yields early on with cooling inflation, followed by a flight to safety amid slowing growth and policy uncertainty. The Fed's cautious stance pushed out expectations for rate cuts, contributing to another yield curve inversion and strong performance in long-duration bonds. Emerging market bonds also benefitted from the dollar's softness, rounding out a volatile yet opportunity-rich quarter. STARS Portfolio as of 03/31/2025 was valued at \$19.2 million, 28 funds in plan: outperforming the benchmark for the 3-month, 1-year, 3- year as well as 5-year time periods. DFA Intermediate Govt Fixed-Income, Victory Pioneer Fundamental Growth, Macquarie Mid Cap Growth CIT remain on the Quantitative Watch List and the T. Rowe Price Overseas Stock I remains on the Qualitative Watch List. Additionally, the Committee reviewed the MassMutual SAGIC Diversified Bond II fund and asked for recommendations on a higher yielding stable value/money market option. SageView will work with Empower to review the stable value fund options and impact on plan. SageView reviewed the underperformance of the Macquarie Mid Cap Growth CIT fund and recommended replacing the fund with JPMorgan Mid Cap Growth R6.

Action items:

- SageView will initiate the following fund changes with Empower:
 - Replace - Macquarie Mid Cap Growth CIT → JPMorgan Mid Cap Growth R6
 - Add Vanguard Target Retirement 2070 Fund
- SageView and Empower will provide alternatives to the stable value fund at the next committee meeting.

- 5 Patrick Washington presented the Plan Summary Report of record keeping services: There are 11 plans included in the STARS Portfolio; \$19.2 million in participant assets; 436 active participants, with an average account balance of \$30,987 with a participation rate of 79% and a contribution rate 14.2%. Patrick also reviewed the System and Organization Controls (SOC) report. This is a third-party audit to assess the effectiveness of the recordkeeper's internal controls and determine if those controls were effective. The recordkeeper provided their SOC reports to the Committee, noted any deficiencies identified in the SOC reports and provided their managements' responses to those deficiencies. Additionally, the recordkeeper indicated that the Plan was not impacted by any of the deficiencies noted in the report.
- 6 Administration and Outreach Activities: Jennifer Seibert provided an update on her role as the Outreach Coordinator with RGS. Jennifer reported that SageView has been hosting webinars every other month, to help generate interest with other agencies to join the STARS program. Since January, 15 participants have attended the webinars and SageView has been following up with the attendees to review and provide additional information as part of the follow-up strategy. Jennifer also reviewed web traffic and highlighted that web traffic continues to improve and there is usually a spike in the web usage after the webinars presented by SageView.
- 7 Lindsay Rice presented the financial reports as of 03/31/2025 and reported a net income of \$3,184.00. There were no other out of the ordinary expenses that came up for the quarter. Lindsay also reported that as in the debt repayment agreement between STARS and the Association of Bay Area Government (and RGS) the amount of 25% of net income at year end is to be allocated towards the long-term liability due until the amount due is equal for both. The remaining debt amount is as follows: ABAG is \$13,148 and RGS is \$11,135.
- 8 Next meeting: The next committee meeting is scheduled for Thursday, August 7th, 2025, at 10:00 A.M.
- 9 The meeting adjourned at 1:16 P.M.