

Nassau County Deferred Compensation Plan Board

Meeting Minutes – December 14, 2023

On December 14, 2023, the Nassau County Deferred Compensation Plan Board held a regular quarterly meeting at One West Street and via conference call. In attendance were:

Nassau County	Empower	MMA
Steve Conkling Beaumont Jefferson David Chiang Thomas Iervese Sean Mulligan Glen Tuifel Pat McDevitt Patrick Gallagher Jeff Nogid Harvey Liebman Via phone: Dawn Wood Jones Michael Grunwald	Gabe D’Ulisse Rob Luciani Mike Ricciardi Nina Barbarino Via phone: Joe Fein Robert Lamb Ellen Wilson Jim Cordes Theresa Mansbart	Peter Scott

Board Chairman Steven Conkling commenced the meeting shortly after 10 a.m.

Agenda items included –

1. Voting Items –
 - a. Approval of Minutes of September 22, 2023 Meeting
 - b. Extension of EFPR Group service contract for 2023 audit
2. Empower Q3 Plan Report
3. MMA Q3 Investment Report
4. Update on RFP for Plan Administrator

The meeting began with Gabe D’Ulisse introducing his supervisor Rob Luciani. Following this introduction, Steve Conkling turned to the meeting agenda.

Approval of September Meeting Minutes

The first order of business was the approval of the meeting minutes of the September 22, 2023 meeting. After brief discussion a motion to approve the minutes was made, seconded and approved.

EFPR Group – Contract Extension for 2023 Plan Year

Steve Conkling informed the Board that EFPR Group’s contract allowed a second one-year extension should the Board choose to retain their services for the 2023 plan year audit.

Following a brief discussion, a motion to extend EFPR's contract for an additional year was made, seconded and approved by the Board.

Empower Q3 Report

Gabe began his remarks by discussing the successful migration of the plan to the Empower administrative platform. Despite minor file glitches, the overall migration was accomplished as planned and importantly all historic data was retained. Mike Grunwald's efforts in this migration were acknowledged and Empower's team noted that Nassau's team worked quickly to spot and help resolve issues as they arose.

Rob Luciani thanked the Nassau attendees for their continued support and cooperation during the project. He noted that the website, participant app and overall record keeping platform are improvements over the Prudential platform.

Gabe then reviewed plan statistics as of Q3. Consistent with trends across governmental employers, Nassau County retirements have increased, as have distributions from the plan.

- YTD withdrawals were \$86 million, a significant increase from the prior year. The top 250 distributions accounted for \$60 million leaving the plan.
- Investment allocation continues to be satisfactory. While the stable value fund accounted for 35% of plan assets, it received 20% of new deferrals.
- Participation in GoalMaker has increased to 4,651 participants or a 43.8% participation rate. Goalmaker balances account for 25% of plan assets.
- The average deferral percentage remains high at 13.8%. As of September 30th, there were 304 new enrollments YTD.
- The number of outstanding loans remained flat but loan activity has increased.

Nina Barbarino spoke of participant's interest in receiving investment advice, which will be possible going forward through the Empower representatives. Empower believes that offering participants investment advice would help stem rollovers from the plan. Nina pointed out a \$1.2 million increase in rollovers, a 25% increase in enrollments and a 43% increase in rate increases compared to last year at this time. Nina then recapped meetings that she held as well as meetings held by Jim Cordes and Ellen Wilson at specific locations throughout the County.

Mike Ricciardi summarized the Field Representative activity as well as the Retirement Income Calculator results year to date. Mike noted that the field reps helped participants with migration related issues and helped register participants on the new Empower site. Many participants added or updated a beneficiary as part of registering with Empower.

Robert Lamb provided the communications update and provided statistics regarding account registration and participant utilization of the app and website. He informed the Board that the custom website and flyers are ready and a "Welcome to Empower" participant educational program would commence a week after the meeting date.

401(a) Special Pay Plan Communication

The Board in response to inquiries from Empower, discussed how the Field representatives should respond to questions from participants regarding the Special Pay Plan. As this plan is expected to be implemented in early Q1 2024, the field reps were advised to direct questions to the participants' union representatives.

Marsh Q3 Investment Report

Peter Scott of Marsh McLennan provided an overview of plan investment performance for the third quarter of 2023 that included financial market updates and comparative fund performance through November 30th.

He discussed equity and bond performance in November, one of the best months that stocks and bonds had seen in many years. He noted that through November 30, participants investing in large cap equity recognized a gain of nearly 41% YTD in the T. Rowe Price Growth fund and a 20.7% YTD gain in the Vanguard Institutional Index fund. The strong post-Q3 equity performance - primarily led by large cap growth stocks - was attributed to declining inflation and the expectation that the Fed would begin easing interest rates. These factors also contributed to substantial fixed income gains in the two months after Q3.

Peter then reviewed charts comparing fund performance to category averages for the Plan's equity and fixed income funds, both as of September 30th and November 30th. All of the vintage of the T. Rowe Price Retirement Funds exceeded their category averages by a good margin through November 30th. As of that date, the Plan's equity and fixed income indexed funds exceeded their category averages as did the fixed income fund and balanced funds.

Peter concluded by reviewing a fund with recent low scores, Delaware Small Cap Value, DEVIX. He illustrated the current performance of three alternative funds in the small cap value category. Assuming that Plan administrative costs will decline because of the RFP, it may be possible to reduce the expense ratios and associated revenue sharing of this and other funds in the lineup. Replacements for this fund will be discussed at the next meeting.

457(b) RFP Update

After excusing the Empower representatives, the Board discussed the status of the RFP for 457(b) administrative services. Empower's contract for plan administrative services will be extended for a 90-day period.

Next Meeting

The Board set the date of the next meeting for February 27, 2024.

Adjournment

Having no further business, the meeting was adjourned at 12 pm.