

**Nassau County Deferred Compensation Plan Board  
457(b) Plan**

**Meeting Minutes – May 14, 2024**

On May 14, 2024, the Nassau County Deferred Compensation Plan Board held a regular quarterly meeting at One West Street and via conference call. In attendance were:

<b>Nassau County</b>	<b>Empower</b>	<b>MMA</b>
Jeff Nogid David Chiang Thomas Iervese Sean Mulligan Glen Tuifel Joe Philbin David DeBaun Mike Grunwald Harvey Liebman Andrew James Helen Carlson Irina Sedighi  Via Teams/Phone: Steve Conkling Dawn Wood-Jones	Gabe D’Ulisse Joe Fein Mike Ricciardi Jim Cordes  Via Teams: Jeremy Evanko Maria Vazquez Perez Robert Lamb Nina Barbarino Ellen Wilson Theresa Mansbart	Peter Scott

Board Chairman Steven Conkling commenced the meeting shortly after 10:00 a.m.

Agenda items included –

1. Voting Items –
  - Approval of meeting minutes
  - NAGDCA Meeting Attendance
  - RFP for Audit Services
2. MMA Q1 Investment Report
3. Empower Q1 Plan Report
4. Update on RFP for Plan Administrator

**Approval of Meeting Minutes**

The first order of business was the approval of the meeting minutes of the January 10<sup>th</sup>, February 27<sup>th</sup> and March 15<sup>th</sup> meetings. After brief discussion a motion to approve the minutes was made, seconded and approved.

The planned discussion and review of the Investment Policy Statement was tabled due to time constraints until the next meeting.

## **NAGDCA Meeting Attendance**

After discussion, the Board approved the attendance of up to six members at the September conference of the National Association of Government Defined Contribution Administrators, to be held in Phoenix.

## **RFP for Plan Audit Services**

Steve Conkling asked the Board to authorize an RFP for plan audit services. The RFP would be for 457(b) plan audit services beginning with the 2024 plan year, and for the new 401(a) special pay plan audit services beginning with the 2025 plan year. After discussion and a motion made and seconded, the Board approved the RFP for audit services.

## **MMA Q1 Investment Report**

Peter Scott provided the Board with a review of financial market conditions and fund performance as of the end of Q1 updated with fund performance through April 30<sup>th</sup>.

In Q1 the S&P 500 rose by 10.56%, as a small handful of stocks accounted for about half of the S&P 500's gains. April saw equity markets drop as stubborn inflation lowered the expectations of interest rate cuts. The S&P 500 fell by 4.2% in April, while the tech-heavy NASDAQ dropped by 4.5%. Both indices recovered some of April's losses as of the meeting date.

The plan's largest equity positions were performing well. As of April 30<sup>th</sup>, the T. Rowe Price Growth Stock fund was up 6.86% while the Vanguard Institutional Index fund gained 6.03% as of that date. Growth funds Calvert Equity and BlackRock Mid-Cap Growth were both underperforming.

April's market losses resulted in the steepest drops to the Vanguard Real Estate Index fund and the AB Small Cap Growth fund. The T. Rowe Price target date funds continued their outperformance, with 7 of 10 ranked in the top 10 percent of peers for Q1.

Delaware Small Cap Value will be replaced with PIMCO RAE US Small I-2 (PMJPX) Fund as of June 10, 2024. This 5-star fund was outperforming its category by a wide margin.

## **Funds of concern**

- T. Rowe Price Growth Stock – despite its low score, the fund continues to out-perform. The fund's 40% loss in 2022 impacted its 3 and 5-year scoring averages against its peers and benchmark, as well as its risk-adjusted performance for the 3 & 5-year periods. However, the fund gained 45.27% in 2023.
- BlackRock Mid-Cap Equity – the fund's underperformance grew after losing more than 7% in April
- AB Small Cap Growth – its YTD return exceeds its category average by a good margin
- American Century Mid-Cap Value – its recent performance has been subpar

Peter discussed the Calvert Equity fund, a large cap growth fund that has shunned most of the Magnificent Seven stocks, and has thus performed poorly in comparison with its peers. Of concern, the fund has drifted close to a large cap blend fund which is not its intended role on the fund lineup. Peter will present alternative large cap growth funds at the next meeting.

## Empower Q1 Plan Report

Gabe D'Ulisse provided the Empower plan report for the 1<sup>st</sup> Quarter.

Gabe began his summary with a discussion of the Stable Value Fund, and asked Joe Fein to provide the Board with information on the fund. Joe Fein summarized the features of the County's stable value option, including fully transparent fees and a formulaic crediting-rate setting process. Joe discussed the quarter-end portfolio, its current yield of 5.5%, and the current market to book value ratio. He noted that as bond market performance normalizes, the market to book value gap will diminish.

Among the key statistics in the Empower Plan Insights report:

- As of 3/31/2024 the Plan assets were \$1,917,350,137.
- The average account balance among the 10,553 participants was \$181,688.
- The plan expense account held \$1.86 million. Empower is in the process of distributing \$1.25 million to participants.
- The average contribution rate was 13.6%, which is well above industry average.
- Total contributions into the Plan were just under \$20 million, with disbursements just under \$44 million.
- 10.4% of participants had a loan outstanding.

Gabe noted that some funds leaving the plan may have been from the lack of an in-plan Roth conversion. Additional information on this optional plan feature will be discussed at the next meeting.

Mike Ricciardi provided an update on retirement counselor activity. Counselors will focus on participant accounts with allocation risk, inflation risk and target date risk, as well as accounts of retired participants. To encourage asset retention, counselors propose to hold quarterly Retiree Days, where the Counselors would have one-on-one reviews and group meetings just for retirees. The Board agreed to support this effort.

Jim Cordes provided the Field Report for the Counselors. The Counselors continue to set up Plan informational meetings at their individual departments, with a big push to get the participants to register their accounts online.

- Jim described several enrollment meetings where he enrolled 52 new participants into the Plan, with 8 rollovers totaling just under \$400,000.
- Ellen and Jim continue to set up at the Police Unions as well as the precincts to conduct one-on-one meetings for account reviews and completed termination check paperwork for over 50 Officers that will be retiring this year.
- Nina scheduled a few days last quarter at the Police academy to help the new recruits complete their rollover-in paperwork. She also presented the Plan and worked with all the new hires in the Legislature & DSS. She is currently on the calendar to be at Probation and Board of Elections later in May.

- Theresa Mansbart has set up “Lunch & Learns” at the college and was invited to attend the Faculty General Membership meeting. These meetings brought 14 new enrollments & several rollovers into the plan.

Gabe concluded Empower’s presentation by thanking the Board for their support of the Plan and participants.

### **RFP Discussion**

The Board then excused the Empower attendees from the meeting to discuss the status of the RFP for administrative services, and additional follow up requested from Empower on such topics as the availability of certified financial planners, ongoing stable value fund information and outreach to retirees.

### **Next Meeting Date**

The Board set September 26<sup>th</sup> as the next meeting date.

Having no further business, the meeting was adjourned at 12:00 pm.