

Nassau County Deferred Compensation Plan Board

Meeting Minutes – September 26, 2024

On September 26, 2024, 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 |
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| Steven Conkling Thomas Iervese Glen Tuifel Beaumont Jefferson Dennis Maurus David Chiang Jeff Nogid Joseph Philbin David DeBaun Ed Eilenberger Harvey Liebman Irina Sedighi Andrew James Amanda Cohn Via Teams/Phone: Mike Grunwald | Gabe D’Ulisse Nina Barbarino Mike Ricciardi Via Teams: Joe Fein Jeremy Evanko Ellen Wilson Jim Cordes | Peter Scott |

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

Agenda items included –

1. Voting Items
 - Approve Minutes of November 3, 2023, April 17, 2024 and May 14, 2024 meetings
 - Approve Amended Investment Policy Statement
 - Approve Lump Sum Distribution Policy
2. NAGDCA 2024 Annual Conference
3. RFP for Plan Auditor
4. In Plan Roth Conversion
5. Empower
 - 2nd Quarter Report
 - Stable Value Fund
6. MMA Q2 Investment Report
 - 2nd Quarter Report
 - Review of Scoring Methodology

Approval of Meeting Minutes

The first order of business was the approval of the meeting minutes of the November 3, 2023, April 17, 2024 and May 14, 2024 meetings. After brief discussion, a motion to approve the minutes was made, seconded and approved.

Investment Policy Statement Review

The next topic was the review of minor changes suggested for the Plan's Investment Policy Statement. The Board reviewed the suggested revision and determined after discussion that they were consistent with current procedures. A motion to approve the changes was made, seconded and approved.

NAGDCA Conference

Glen Tuifel reported to the Board on the NAGDCA Conference recently held in Phoenix, where he made a well-received presentation on the implementation of a Roth provision.

RFP for Plan Audit Services

Steven Conkling provided a status update on the RFP for plan audit services for the 457(b) and 401(a) Plan, which the Board had authorized at the prior meeting. The plan is to issue the RFP before year-end.

In-Plan Roth Conversions

Empower's Gabe D'Ulisse and Nina Barbarino discussed the Roth In-Plan Conversion feature, which would allow participants to convert tax-deferred funds into after-tax Roth funds (requiring the payment of federal and state income taxes at the time of conversion). Empower discussed the role that its platform would play in educating interested participants of the tax consequences of Roth conversions. Due to time constraints the discussion was tabled, to be resumed at the next meeting.

Empower Q2 Report

Gabe D'Ulisse provided the Empower plan report for Q2 2024. He began his remarks by reviewing Empower's rollout of SECURE 2.0 provisions through 2026. Gabe highlighted the difficulties that payroll personnel were having with the age 60 to 63 enhanced catch up deferral and Roth catch up provisions that are being implemented by many clients.

Plan highlights include

- As of the meeting date, Plan assets had again reached \$2 billion
- The Plan had 10,551 accounts and an \$182,000 average account balance
- Cash flow remained negative with \$41.8 million contributions and \$85 million in distributions. Cash flow included \$24 million rollovers. \$75 million of distributions were attributable to separation from service/retirement.
- Loans have tapered off
- As a general matter, separated participants are staying allocated and managing through retirement.

Mike Ricciardi provided the field report. He informed the Board of the retirement of Theresa Mansbart, who had served the Community College. Ellen Wilson will fill in for Theresa while Empower hires a new field representative.

Mike noted that there were 4,200 participants with total balances of half the Plan's assets that were separated from service. Outreach to this group was a priority for Empower. Empower will hold "Retiree Days" where all separated participants are invited to meet in person with the field representatives. Empower will emphasize the importance of registering accounts and asset allocation at these events.

Nina Barbarino gave the Retirement Counselor report. Highlights of the team's recent activities included

- Ellen Wilson held four retirement workshops at Police HQ in May and June in anticipation of the July retirements. She also presented at the PBA vendor fair in June for 30 delegates.
- Jim Cordes presented at the Corrections academy class for 35 recruits and enrolled 31. He also attended the DPW Barbeque with 90 attendees.
- Nina Barbarino held presentations to recruits at the Police Academy, to new probation officers, and held District Attorney group retirement meetings.

Stable Value Report

Empower's Joe Fein summarized the features of the Plan's stable value fund, including its fees and rate-setting formula. Joe noted the underlying portfolio's current yield of 5.5%, and the current 93.86% market to book value ratio. He noted that as bond market performance normalizes, the market-to-book value gap will diminish.

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

MMA Q2 Investment Report

Peter Scott of MMA provided a review of the performance of the Plan's Investments for the second quarter of 2024 as well as current investment performance as of September 22nd.

He began with an overview of financial market performance through late September. Equity markets had been strong as of the meeting date with the S&P 500 and the plan's two highest balance equity funds all gaining in excess of 20% year-to-date. The Plan's small cap, target date and international equity funds also had strong YTD performance, while YTD performance of the Plan's mid cap funds was generally below category average.

Equity markets responded well to the Fed's 50 basis point rate cut made September 18th. While small and mid-cap equities generally had losses during Q2, many of the Plan's domestic equity funds had year-to-date performances as of September 22nd that more than doubled their June 30th performance. This was also the case for the Plan's Fixed Income funds and was most pronounced in the Vanguard Real Estate Index Fund, where a 3% YTD loss as of Q2 was followed by a near 13% YTD gain by September 20th.

Low Scoring Investments

After reviewing comparative performance of each of the Plan's investments against category averages for Q2 and as of September 22nd, Peter reviewed the low scoring investments. These included T. Rowe Price Growth, BlackRock MidCap Equity, AB Small Cap Growth and American Century MidCap Value. Peter also mentioned Calvert Equity as receiving a failing score for the first time as it fell well below its category average gains due to its avoidance of market-leading large cap growth stocks.

Replacement of BlackRock Mid Cap Growth

Peter reviewed alternatives to the BlackRock Mid Cap Equity and reviewed its portfolio positioning which was far more aggressively growth-oriented than its benchmark or peer average. The performance, expense ratios and risk metrics of three less volatile high scoring 5 and 4 star midcap growth funds were reviewed and a recommendation that the Plan replace BlackRock Mid Cap Growth Equity with the Janus Henderson Enterprise Fund (ticker: JMGRX) was made.

After further discussion a motion was made and seconded that the BlackRock Mid Cap Growth Equity be replaced with the Janus Henderson Enterprise Fund. After discussion the motion was approved.

Next Meeting Date

The Board set December 17th as the next meeting date.

Having no further business, the 457(b) meeting was adjourned at 12:00 pm.