

Nassau County Deferred Compensation Plan Board

Meeting Minutes – November 30, 2021

On November 30, 2021, the Nassau County Deferred Compensation Plan Board held a regular quarterly meeting with several Board members participating via conference call. Board Chairman Steven Conkling commenced the meeting at 10:05 a.m.

Attendees:

Nassau County Board	Prudential (via phone)	MMA (via phone)
Steve Conkling Jeff Nogid Glen Tuifel Michael Maloney Beaumont Jefferson Tom Iervese Sean Mulligan	Gabe D’Ulisse Joe Fein Rocco Attanasio Maria Vazquez Perez Ellen Wilson Nina Barbarino Theresa Mansbart James Cordes Danya Ziebell	Peter Scott

Sergio Blanco was also in attendance from Nassau County. Dan Grippo joined the call at approximately 10:45 a.m.

Agenda items included –

- Approval of the September 22, 2021 meeting minutes
- Prudential's Q3 2021 report
- MMA’s Q3 2021 investment due diligence report
 - High Yield bond discussion
- Other Business

Meeting Minutes

Following a roll call, the first item of business was the review and approval of the September 22, 2021 meeting minutes. The Board reviewed the minutes, a motion to approve the minutes was made, seconded and unanimously approved. Steve Conkling noted that going forward meeting minutes would need to be finalized and posted online within two weeks of the meeting date.

Prudential report

Gabe provided Prudential’s 3rd quarter report. He began by providing an update of the Empower transaction, noting that it remained on track to close at the end of the first quarter of 2022. Prior to reporting on the plan’s Q3 statistics Gabe noted that the 457 deferral limit would increase by \$1,000 to \$20,500 in 2022.

Gabe provided plan statistics as of September 30th, including:

- Plan assets were \$1.9 billion at quarter-end and had reached \$2.0 billion in November
- The average account balance was \$179,000
- GoalMaker assets were \$469 million
- The number of participants using electronic delivery reached 6,000
- Account investment gain YTD through Q3 was \$260 million, up from \$139 million by Q3 2020
- Rollovers from the plan rose due to relocations of retiring participants. 189 persons rolled \$46.5 million from the plan through Q3.

The plan experienced a negative cash flow of \$20 million for the quarter as distributions totaled \$69 million while contributions and incoming rollovers totaled \$49 million. An increased number of early retirements contributed to the rise in distributions.

Rocco Attanasio spoke next and discussed generally the ways that the field representatives were servicing the plan's participants, and the acceptance of virtual and hybrid models by participants.

Nina Barbarino discussed the anticipated year-end separations County-wide retirement webinars she conducted in September and November. The meetings focused on account retention, separation check procedures and the Special 3 Year Catch Up. She described her effort to set up retirement webinars with Human Resources and individual departments that may be hard hit with terminations as a result of the County Executive election. She offered the Board members to reach out to her if their area is affected by terminations. Nina also informed the Board of her efforts to increase participation and reported on the increase in the number of rollovers into the Plan from 59 as of 9/30/2020 to 106 as of 9/30/2021.

Jim Cordes discussed his efforts to connect with his departments to help participants increase their deferral rate to maximize 2022 deferrals. Jim also reported on his use of Prudential's virtual capabilities to reach out to participants, enabling him to capture over 25 separation checks so far from participants retiring this year. He noted his appreciation for the support he receives from the HR staff of his individual departments for putting his name on the list of important people to contact when someone is retiring, resulting in the capture of assets from the separation checks.

Ellen Wilson reported on an uptick in retirements from police officers and police civilians for December and January. She also recounted conversations she had with the families of 3 participants who passed away this quarter within a 30-day period. She provided details of how she assisted the families: having them report deaths over the recorded line, setting up additional meetings to review options, answer questions and complete the beneficiary paperwork, in addition to advising them to speak with their accountants.

Danya Ziebell updated the Board on communication efforts since the last meeting. Danya noted an October campaign promoting the Retirement Income Calculator and current campaigns focused on participant account registration.

Other Business –

IRS Audit - Steve Conkling provided an update on the IRS audit of the plan. A formal response to the IRS questions will be sent shortly. Maria Vazquez Perez informed the Board that Prudential will distribute excess deferrals to two participants upon their return of necessary paperwork.

Roth Initiative - Steve Conkling provided the Board with a recap of steps taken to bring the option of Roth contributions to the plan; no further Board action is needed; Prudential's documentation to add the feature will be reviewed and signed shortly.

Extension of Prudential Contract

The Board briefly dismissed Prudential and MMA from the meeting to discuss the extension of Prudential's five-year contract to provide administrative services to the plan, which expires on December 31, 2021. The Board approved a one-year extension of this contract. Following this action Prudential and MMA rejoined the meeting.

MMA Investment Report

Peter Scott of MMA provided an overview of investment performance including Q3 performance supplemented with investment performance through November 19th. Peter began his report by acknowledging the significant volatility that the equity markets are experiencing since the end of the 2nd quarter including recent volatility caused by the Omicron variant. Market performance in July and August was excellent, while September erased a good portion of those equity gains.

The post Q3 period through late November saw excellent stock gains with the major domestic indices hitting record highs, with the S&P 500 gaining nearly 400 points in October through mid-November. The plan's investments including incoming fund AB Small Cap Growth had good Q3 scores. One exception was the American Century Mid Cap Value fund, which had a low score for the 2nd consecutive quarter. This fund will be reviewed in depth at the next meeting. The exceptional year-to-date performance of the plan's T. Rowe Price target retirement funds was noted; all but one had a top decile category rank.

Peter concluded his remarks with a review of high yield bonds, a category that is not currently available among the plan's fixed income investment options. He reviewed several highly ranked high yield bond funds and noted their relative performance against intermediate bonds and equity funds.

Next Meeting

Steve Conkling set the next meeting date for March 9, 2022.

Having no further business, the meeting was adjourned.