

# Nassau County Deferred Compensation Plan Board

## Meeting Minutes – May 16, 2023

On May 16, 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 Pat McDevitt Thomas Haughton Tom Iervese Michael Maloney Beaumont Jefferson Glen Tuifel Jeff Nogid David DeBaun Dawn Wood Jones (via Teams) Harvey Liebman	Gabe D’Ulisse Joe Fein Mike Ricciardi Ellen Wilson Rocco Attanasio Via Teams: Nina Barbarino James Cordes Maria Vazquez Perez Theresa Mansbart	Peter Scott

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

Agenda items included –

1. Approval Minutes of February 7, 2023 Meeting
2. RFP For Plan Administrator
3. Empower Q1 Plan Report
4. MMA Q1 Investment Report

### Approval of Minutes

The first order of business was the approval of the meeting minutes of the February 7, 2023 meeting. After brief review, the minutes of the February 7<sup>th</sup> meeting were approved by the Board.

### RFP For Plan Administrative Services

The Board asked Empower’s team to excuse themselves from the meeting to discuss matters relating to the timing of an RFP for recordkeeping services for the 457(b) plan and a planned 401(a) termination pay deferral plan. Steve Conkling will follow up with David DeBaun and Peter Scott.

Following Empower’s return to the meeting, the Board discussed questions regarding eligibility and participation in a proposed 401(a) termination pay plan; these matters and available options regarding participation will be analyzed in the weeks following the meeting.

### Empower Q1 Plan Report

Gabe D’Ulisse addressed three specific topics prior to reviewing the plan’s Q1 statistics. Empower’s efforts regarding **SECURE 2.0** are underway; Empower is seeking IRS or DOL regulatory guidance on

many of the optional provisions and advises clients to wait for such guidance. Gabe then updated the Board on the future of the **migration to the Empower platform**, scheduled for September 15 to 17, 2023. The participant impact is expected to be minimal; participants will not be able to process account transactions for a day or two. Empower will provide extensive communications to participants as the transition date nears. No changes to the plan investment lineup are possible prior to migration to the Empower platform. **Roth implementation** is ongoing; Empower is working closely with Mike Grunwald on payroll file specifications and data feeds.

### **Plan statistics**

Plan statistics as of March 31<sup>st</sup> included:

- Plan assets were \$1.72 billion, held across 10,600 participant accounts
- Participant account balances averaged over \$156,000
- Plan cash flow was negative; outflows exceeded inflows by \$16.4 million
- GoalMaker assets rose from \$415 million at year end to \$434 million
- Roth assets reached \$1.2 million among 441 participants
- New enrollments of 113 represented a healthy increase from the Q1 2022 figure of 70
- The average contribution rate of 13.4% was quite high compared to similar governmental plans on Empower's platform.

### **GoalMaker changes**

Joe Fein discussed changes to GoalMaker that will coincide with the Empower migration. An Informative mailing will go out to participants about these enhancements, which include –

- A much longer glide path once the participant reaches his/her retirement age.
- Every five-year retirement date bracket will have distinct conservative, moderate and aggressive portfolios, increasing the overall number of portfolios from 12 to 42.
- Rebalancing will occur on each participant date of birth and on a quarterly basis thereafter.

**Rocco Attanasio** reviewed for the Board Empower's communication efforts pertaining to the upcoming migration in September.

**Mike Ricciardi** spoke about Empower's web registration campaign and the plan's recent NAGDCA submission. The web registration campaign helped Empower capture additional email addresses before the September migration, while the NAGDCA submission this year was the addition of the Roth feature to the plan.

**Ellen Wilson** discussed Empower's efforts during America Saves Week. The Empower team had over 200 + meetings during America Saves Week. **Nina Barbarino** held over one hundred one-on-one meetings in her departments alone. **Ellen Wilson, Jim Cordes and Theresa Mansbart** held successful enrollment meetings for, among other groups, the 911 operators, police recruits and college staff. Combined the team has sixty rollovers into the plan YTD totaling \$2.4 million in assets, with pending rollovers of \$600,000 in process.

### **MMA Q1 Investment Report**

Peter Scott provided an overview of financial markets through Q1 2023 including recent market and performance as of April 30<sup>th</sup>. Peter noted that the equity and bond markets recovered ground in Q1

after large losses in 2022, however equity volatility remained high. The S&P 500's worst performers in 2022 tended to be among the top performers in Q1 as investor interest in AI led to strong gains among many top tech stocks.

Large cap growth funds outpaced other equity categories; large cap growth made substantial gains in 2023 through the meeting date. Selected bank stocks were among the biggest losers among S&P 500 stocks in Q1; the mid-March failures of Silicon Valley Bank and Signature Bank caused losses in large cap funds that had significant positions in the financial sector. Bonds had a positive 1<sup>st</sup> quarter with all major fixed income classes up by 3 percent or more, although many fixed income classes lost ground after Q1.

Plan assets rose by almost \$62 million in Q1 2023, with the allocation to T. Rowe Price Growth increasing by \$28.7 million in Q1. Following its 1<sup>st</sup> quarter gain of over 16 percent, T. Rowe Price Growth was upgraded back to a 3-star fund by Morningstar. Only one of the top ten holdings in the T. Rowe Price Growth Fund had a negative performance YTD through April 30<sup>th</sup>, the opposite of its performance in 2022.

The Delaware Small Cap Value fund continued to underperform; as of April 30<sup>th</sup> it trailed its category average by nearly 4 percentage points. Two alternatives that have tended to outperform Delaware Small Cap Value were briefly discussed; these and other high performing small cap value funds will be discussed in depth at the next meeting should the fund's underperformance continue.

#### **Other Business – NAGDCA Meeting**

Upon a motion made and duly seconded, the Board approved the attendance of representatives at the next NAGDCA annual meeting scheduled for mid-October in Seattle.

#### **Next Meeting**

The Board set the next meeting date for September 22<sup>nd</sup>.

#### **Meeting Adjournment**

Having no further business, the meeting adjourned at 12:15.