

Nassau County Deferred Compensation Plan Board
Meeting Minutes – January 30, 2025

On January 30, 2025, the Nassau County Deferred Compensation Plan Board held a regular quarterly meeting at One West Street and via video conference call. In attendance were:

Nassau County	Empower	MMA
Steven Conkling	Gabe D’Ulisse	<u>Via Teams/Phone</u>
Glen Tuifel	Mike Ricciardi	Peter Scott
Dennis Maurus	Joe Fein	
David Chiang	Robert Lamb	
Jeff Nogid	Nina Barbarino	
Joseph Philbin	Andrew Estreich	
David DeBaun		
Ed Eilenberger	<u>Via Teams/Phone:</u>	
Irina Sedighi	Jeremy Evanko	
Andrew James	James Cordes	
Amanda Cohn	Ellen Wilson	
Harvey Liebman	Kristin Garcia	
Sean Mulligan	James Rice	
Beaumont Jefferson		
Thomas Iervese		

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

Agenda items included –

1. Approval of Minutes of December 17, 2024 meeting
2. MMA Q4 Investment Report
3. Review of Revenue Sharing Distribution Policy
4. Empower
 - 4th Quarter Report
 - Stable Value Fund
 - SECURE 2.0 Update

The first scheduled item, the review and approval of meeting minutes, was deferred pending a voting quorum. Steve Conkling moved to the next agenda item.

1. MMA Investment Review

Peter Scott of MMA provided a performance review of the Plan's Investments for the fourth quarter of 2024 updated with performance through late January.

He began with a review of Q4 2024 and current financial market performance covering domestic equity performance, current interest rate developments and noted the recent (Jan. 27th) stock market losses attributable to large technology stocks. He reviewed year-end performance of the Plan's domestic equity, international equity, fixed income, and target date funds. Overall, fund performance was satisfactory, with the exception of two funds in the large cap growth asset category, which were discussed at length in the December meeting.

Peter then discussed the two low scoring funds in the large cap growth category that warranted replacement – the T. Rowe Price Growth Stock fund (ticker PRDGX) and the Calvert Equity fund (ticker CEYIX). T. Rowe Price Growth is the single largest equity position in the plan. Its 40% loss in 2022 caused a substantial drop in its quarterly scores that continues despite acceptable 2023 and 2024 performance.

Peter provided information on the T. Rowe Price Growth Stock's performance, portfolio composition, and top holdings as well as compared and contrasted this data with two alternatives, the JPMorgan Large Cap Growth and the Fidelity Blue Chip Growth funds, both five-star rated by Morningstar.

Following this review, Peter turned to the Calvert Equity fund, which was added in 2022 to moderate some of the volatility in the large cap growth category, particularly as pertaining to GoalMaker. Calvert Equity's conservative growth stock portfolio and low allocation to the Magnificent Seven stocks caused it to substantially underperform in the 2023-2024 bull market. The Board reviewed Calvert Equity's annual and current performance, the significant differences in Calvert's sector allocations compared to its category average, and its recent drift in its holdings to a majority position in large cap blend stocks.

Following this review, Peter recommended that both Calvert Equity and T. Rowe Price Growth be removed from the Plan, both as standalone investments and GoalMaker components, with account balances mapped to the JPMorgan Large Cap Growth fund. A motion to this effect was made, seconded, and approved by the Board.

2. Review and Approval of Meeting Minutes

The next agenda item was the review of the December 17, 2024 meeting minutes. After brief discussion and upon a motion made and duly seconded, the Board approved the minutes.

3. Plan Revenue Sharing Distribution Policy

The next item for discussion was amendments to the Plan's revenue sharing distribution policy, which set out the terms and conditions under which the allocation of excess revenue sharing would be made to participants. The written policy addresses items such as the amount of excess revenue that would trigger a distribution to participants, the means of allocating revenues to participants, and the eligibility requirements to receive a distribution.

A motion to approve the revenue sharing distribution policy amendments was made and approved by the Board.

4. Empower Q4 Report

Gabe D’Ulisse provided Empower’s Q4 report. Gabe began by asking Mike Ricciardi to introduce **Andrew Estreich**, who will be covering the Nassau County Community College as a retirement counselor and who is a Nassau County resident.

Joe Fein reported on the Stable Value Fund. Joe noted that the Q1 rate remains at 2.56% and that the fund’s underlying bond portfolio is outperforming its benchmark. The Stable Value Fund’s market-to-book value ratio was 91% as of year-end.

Robert Lamb reported on the upcoming rollout of managed account, advice, and comprehensive financial planning services. These new services will have a soft launch in Q2 with a rollout scheduled for May to June. Participants will be informed of these services through emails and mailers as well as the plan website. Robert showed samples of communications to the Board and noted that Empower will be reporting on the utilization of these services. The CFP services would be at no cost to participants for two years, after which a fee would be charged for participants wishing to continue using CFP services.

Gabe D’Ulisse then reviewed the summary of year-end plan data. Highlights included -

- Year-end assets were \$1.977 billion, with 10,959 accounts.
- The average account balance was just over \$180,000.
- During 2024, total contributions were just over \$80 million while total disbursements were \$155 million.
- The majority of participants that contributed made pre-tax deferrals only (84.9%); 6.4% of contributing participants made Roth only contributions.

Gabe also reviewed additional details pertaining to contributions and distributions as well as the investment allocation methods used by participants.

Nina Barbarino provided a field report on the activities of the Field Counselors. She noted that during 2024, the Counselors assisted in bringing \$4 million into the Plan through 110 separation checks. Nina also reported that year-to-date she had 50 one-on-one enrollment meetings throughout the County, and the Counselors are seeing participants taking advantage of the increased deferral limit for those aged 60 to 63.

The Board moved to go into executive session to hear from James Rice of Empower regarding the resolution of a cybersecurity issue involving a participant. Following this discussion, the Board moved to come out of executive session.

The Board set a meeting date for the Q2 2025 meeting and then adjourned.