TOWN OF PALM BEACH

MINUTES OF THE DEFINED CONTRIBUTION PLAN COMMITTEE MEETING HELD ON

Thursday, May 26, 2022

I. **Call to Order and Roll Call**

The Defined Contribution Plan Committee Meeting was called to order on Thursday, May 26, 2022, at 1:00 pm. On roll call, Michael Marx was absent, and all other appointed members were found to be present.

II. **Election of Officers**

Ms. Le Clainche, who serves as the current Chair, stated that she would be retiring and with this election of officers, she should not be considered for an officer of the committee. Ballots were distributed and votes were tallied. Board Member Jason Debrincat was chosen as the Chairman and Board Member Michael Marx was chosen as Vice Chairman, effective immediately.

III. **Approval of Agenda**

Motion was made by Board Member Le Clainche, seconded by Board Member Guelli, to approve the Agenda, as presented. Motion carried by unanimous vote.

IV. **Approval of Minutes – March 2, 2022 Meeting**

Clarification was discussed and provided in the discrepancy of Funds in the reports provided by AndCo and MissionSquare.

Motion was made by Board Member Le Clainche, seconded by Board Member Barth, to approve the Minutes of the March 2, 2022 meeting, as presented. Motion carried by unanimous vote.

V. Communications From Citizens

There were no communications from citizens.

VI. Presentation by AndCo Consulting Paul Murray, AndCo Consulting

a. Market Review

Mr. Murray began with the handout he provided just before the meeting. This demonstrated the market review and discussed the return of the S&P. It included the time period of October 9, 2007 through April 30, 2022. He discussed the ups and drawdowns and performance over the past 14+ years. Current global issues are also big indicators that affect the bond market.

He reviewed the Market Environment Executive Summary as of March 31, 2022, noting the significant changes and influences of the global economy on each Equity and Fixed Income markets. Treasury interest rates rose in anticipation of the Fed's indication of raising interest rates. As they try to manage inflation, many other markets and factors are affected, with the potential of driving an increase.

b. Investment Performance Review

Mr. Murray reviewed plan balances as of March 31, 2022. The total combined plan balances of the 457 and 401a plans was $66.7M. The 457 plan was $48.1M, the bulk of the combined balance. The 401a balances were $15.7M and $2.9M, which was a decrease from the period ending December 31, 2021. The total RHS accounts were $5.6M.

He reviewed each of the individual funds and their managers that had any changes to note, perhaps needing further analysis or monitoring. He said that the flagged items did not necessarily require any changes at this time.

Energy and Real Estate has rebounded over the past 24 months. TCW Total Return Bond had negative returns but is tracking the Index well over longer time periods so there is no need for immediate concern. The fixed income returns have been negative given the interest rate increases and the fixed income market's volatility.

AndCo is not recommending any changes at this time.

For the next meeting, a new alternative to Brandywine Dynamic Large Cap Value will be discussed. While it is performing fine, Brandywine will no longer be offering the fund in its current form, only in Exchange Trading Fund (ETF), which are not available on MissionSquare's platform. AndCo is already preparing information for the next meeting.

There was discussion on when and what would prompt AndCo to make recommendations for changes to stave off further losses.

c. Fiduciary Education

Mr. Murray discussed one of the services that MissionSquare provides. The Self-Directed Brokerage Account allows participants to invest in additional investments outside of the standard options of the plan. It is also important for participants to understand that the risks lie with the individual using this option, the funds and fees are not monitored by the Board. The fees to set up and maintain the account are low and within market range of competitors. He briefly discussed crypto investments and the potential release of new guidelines from the DOL.

The change with Brandywine Large Cap Value can be reviewed at the August meeting.

VII. Presentation by MissionSquare, Dawn VanDyck and Steven Feigelis

a. Q1 2022 Participant Engagement Update

There have been three seminars with 11 attendees. MissionSquare has conducted 30 account reviews and 50 participant meetings. Two participants have met with Certified Financial Planners (CFP) and reviewed their accounts and 7 additional CFP webinars.

b. Quarterly Insights

Ms. Van Dyck presented information regarding the Secure 2.0 being effective in January 2023. The key provisions include 457 "First day of the month" rule, student loan payment matching, mandatory distribution age from 72 to 73 in 2023, 74 in 2030, larger catch-up contributions, and part-time workers' participation.

c. MissionSquare Updates

Ms. Van Dyck described the Managed Account changes with MissionSquare. The average daily balance for the fee calculation will be changed to monthly and prorated for the days the participant uses the account. Additional features will be an optional risk tolerance questionnaire, and within the Retirement Income Advantage, the participant can choose whether to allow Morningstar to consider it as an allocation or exclude it.

There are planned changes to the RHS plan with the default investment fund where survivors can decide to keep the funds there.

The new website will be launched later this year, the 3rd quarter. The Town and plan participants will receive communications from MissionSquare.

Mr. Debrincat asked if there would be some educational presentations by MissionSquare to assist employees in getting familiar with the plan offerings and using the new site and updated mobile app.

VIII. Any Other Matters

No other matters were discussed.

IX. Adjournment

There being no further business, the Defined Contribution Plan Committee meeting of May 26, 2022 adjourned at 2:06 pm.