TOWN OF PALM BEACH
DEFINED CONTRIBUTION COMMITTEE

MINUTES OF THE DEFINED CONTRIBUTION COMMITTEE MEETING

HELD ON FRIDAY, AUGUST 16, 2024 AT 1:00 P.M.

I. CALL TO ORDER & ROLL CALL

The Defined Contribution Committee was called to order on Friday, August 16, 2024, at 1:07 p.m. in the Town Council Chambers. All members were present.

II. APPROVAL OF AGENDA

Motion was made by Member Barth, seconded by Member Marx, to approve the agenda as presented. The motion carried unanimously, 5-0.

III. APPROVAL OF MINUTES

1. Minutes from May 10, 2024 Meeting

Motion was made by Member Miracle, and was seconded by Member Guelli, to approve the Minutes for the May 10, 2024 meeting as presented. The motion passed unanimously, 5-0.

IV. COMMITTEE MEMBER COMMENTS

There were no comments from Committee members.

V. PUBLIC COMMENTS

There were no comments from the public.

VI. PRESENTATION BY MARINER

Dave West, Mariner

- Market and Investment Performance Review
- Fiduciary Education

Mr. West stated that an in-depth discussion on the market had occurred at the Retirement Board meeting earlier in the day, at which all of the members of the Committee were present, so he would not be speaking about those conditions at this time. He introduced Paul Murray, who was participating virtually. He provided a snapshot of the balances for the 457 and 401a plans, which were $72,089,018.

He spoke regarding the asset allocations and spoke regarding an increase to 40% in Domestic Equity from 38%. He provided an overview of the compliance sheet. He spoke regarding the continued flagging of the Neuberger Berman High Yield Fixed Income Fund and spoke regarding research that he had conducted on the fund. He stated that they would like to complete a high yield bond manager review and search and stated that they would present alternative funds at the next meeting for the Committee to consider to replace this fund. He spoke regarding that the MissionSquare Parnassus Core Equity Fund is being flagged yellow and provided an overview of the fund. He stated that this might provide an opportunity to consider moving to another active core manager. The Committee provided consensus to authorize Mariner to bring back alternatives to Neuberger Berman and MissionSquare Parnassus. Mr. West spoke regarding the Fidelity Large Cap Growth Index Fund and the Russell 1000 Growth Index and the large concentration of the S&P Magnificent Seven funds.

He reported that this summer is the 50th anniversary of ERISA (Employee Retirement Income Security Act) and spoke regarding notable ERISA Supreme Court Fiduciary Litigation over the years. He spoke regarding recent litigation trends, including excessive recordkeeper fees, target date selection forfeiture utilization and explained how his company mitigates these items. He spoke regarding the importance of the practices being in line with the plan documents. He provided additional information on forfeitures and float income. He provided an update on two recent rulings. Chair Debrincat inquired about the acquisition of the money market fund that had been previously approved.

VII. <u>MISSIONSQUARE UPDATE</u>

Travis Trujillo, MissionSquare (via Teams)

Mr. Trujillo provided an overview of the strategic outlook for 2024 and spoke regarding the features of the website for participants. He stated that the company advocates for local governments throughout the country. He stated that the value of all of the plans as of June 30 was $79.1 million and for just the 457 and 401A are $72 million. He spoke regarding approximately 2/3 of the employees who had left the Town leaving their accounts with the Town. He provided an overview of the plan asset growth and participant growth and briefly described the contributions and disbursements to the plan. He spoke regarding the Rollout Report and presented the participant status balance and asset allocation by age, as well as the investment diversification. He spoke regarding participant meetings with the Retirement Plan Specialist and the weekly CFP live seminar meetings. He provided an overview of participant activity on the website. He spoke regarding MissionSquare's 2024 Goal-Based Program and the National Retirement Security Month Campaign Plan in October. He spoke regarding the work of the MissionSquare Retirement Research Institute.

Chair Debrincat inquired about differences in the amounts of both reports, to which Mr. Murray responded and explained about the new Money Market fund, as well. Ms. Barth asked if there is a way to determine how many employees are participating in the webinars, to which Mr. Trujillo responded. Mr. Debrincat spoke regarding the employees who are no longer employed at the Town who still participate. He thanked MissionSquare for their participation in the Town's Wellness Fair and at a special presentation at the Public Works Department. He requested an annual in-person update from MissionSquare. Ms. Barth particularly commended Howard Breznick on his work.

III. MEETING SCHEDULE FOR 2024

1. Thursday, November 14, 2024

Discussion ensued regarding moving the time of the Defined Contribution Committee Meeting earlier. Jody Justice, People & Culture Senior Generalist, stated that they would look at scheduling that meeting earlier in the day, sooner after the Retirement Board. Member Miracle mentioned the possibility of moving the Defined Contribution Committee meeting to 9:00 a.m. and schedule the Retirement Board meeting after that meeting.

Ms. Justice provided an update on staff's efforts to have employees input their beneficiary information for their retirement plan. She also spoke regarding meetings that had occurred regarding the pension plan changes.

IV. ANY OTHER MATTERS

There were no other matters discussed.

V. ADJOURNMENT

Motion was made by Member Barth, and was seconded by Member Guelli, to adjourn Defined Contribution Plan Committee meeting of August 16, 2024 at 1:58 p.m.

Respectfully Submitted,

Jason Debrincat, Chairperson

Meeting audio is located at: https://townofpalmbeach.granicus.com/player/clip/3051?view_id=5&redirect=true