

Item 5.c.

**Q4 2024 Regular Meeting Minutes
(No Meeting)**

**Q4 2024
Meeting Minutes
Delray Beach
City of Delray Beach- 457 Plan**

Meeting Date: No

Attendees

Committee Members	Duane D'Andrea	Jeffrey Rasor
	Laura Thezine	Lisa Castronovo
	Daniel De Franceschi	

NFP Jamie Hayes, CPFA, C(k)P, AIF

Administrative Review

Reviewed Prior Meeting Notes

Notes: No meeting, will have a combined quarterly review on February 6, 2025 to review the 9/30/24, and 12/31/24 quarterly reports and minutes.

Investment Due Diligence

Investment Analysis Summary

- NFP provided an economic and market commentary for Q3 2024.
- NFP reviewed the investment scoring methodology and criteria for monitoring, watchlisting and removing investments from the fund menu.
- NFP reviewed plan asset balances across all investment options.
 - Assets of the Plan as of 09/30/24 were \$86,048,555.49
 - 36.75% in Asset Allocation
 - 16.41% in Cash Alternatives
 - 3.39% in Fixed Income
 - 8.03% in International/Global Equity
 - 5.54% in Specialty
 - 29.88% in U.S. Equity
- NFP reviewed the Plan's investment scorecard covering available funds as well as their current scores and performance metrics, scoring history, asset class coverage, as well as other key metrics.
 - All funds were reviewed from a quantitative and qualitative perspective.
 - 20 funds are acceptable:
 - JPMorgan SmartRetirement Blend Target Date Series R5 (8)
 - Cohen & Steers Real Estate Securities I, CSDIX (10)
 - MassMutual High Yield Svc, DLHYX (9)
 - Dodge & Cox Stock I, DODGX (10)
 - Fidelity Puritan, FPURX (10)
 - Carillon Eagle Mid Cap Growth I, HAGIX (8)
 - MFS Intl Diversification R4, MDITX (7)
 - iShares Russell 2000 Small-Cap Idx Inv A, MDSKX (10)
 - Invesco Discovery Mid Cap Growth Y, OEGYX (8)
 - PIMCO Income Adm, PIINX (9)
 - Victory Sycamore Established Value I, VEVIX (10)
 - Allspring Special Mid Cap Value Inst, WFMIX (10)
 - iShares S&P 500 Index Investor A, BSPAX (10)
 - PIMCO RAE US Small Instl, PMJIX (9)
 - iShares Russell Mid-Cap Index Inv A, BRMAX (9)
 - Victory RS Global R6, RGGRX (10)
 - MSQ Cash Management R5, SPUSA06CAU
 - MissionSquare PLUS Fund Class R5, 92208J303
 - Small Cap Value II I1 (American Century SCV), 97182E444
 - Large Cap Growth III I1 (AB Large Cap Growth), 97184D766
 - 2 funds are on watchlist:
 - Fidelity Select Technology, FSPTX (6)
 - MissionSquare Retirement Income Advantage Fund R5, 74440A696.icma (5)
 - Potential Replacements:

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- Fidelity Diversified International, FDIVX (10)
- Invesco Global R5, GFDDX (7)
- Western Asset Core Bond I, WATFX (5)

Market Summary - Q2 2024

U.S. Equities rose 3.2% (Russell 3000), with large cap tech stocks leading the way. Large growth stocks continued to outpace large value stocks over the quarter and are ahead by over 1,400 basis points year-to-date (20.7% vs. 6.6%). International equities rose to a lesser extent over the quarter, posting a 1.0% gain (MSCI ACWI ex U.S.). The broad U.S. fixed income market was flat, returning 0.1% (Bloomberg Barclays Aggregate) over the quarter. The Fed held rates steady over the quarter as inflation readings throughout the economy continued to persist. Expectations for rate cuts later in the year were steadily scaled back over the quarter, introducing volatility at the longer end of the curve. The U.S. labor market remained tight during the quarter though unemployment rose slightly to 4.1%
ACR# 6778743 07/24

Fund Review

Moderate

MissionSquare Retirement Income Advantage Fund R5 (74440A696.icma) (Recent Scores: 5,5,5,6) is on the watchlist
Asset Value: \$2,952,349.30

Technology

Fidelity Select Technology (FSPTX) (Recent Scores: 6,6,6,6) is on the watchlist
Asset Value: \$3,929,211.30

Core Fixed Income

Eliminate Western Asset Core Bond I (WATFX) (Recent Scores: 5,5,5,5)
Map to American Funds Bond Fund of Amer R4 (RBFEX) (Recent Scores: 10,10,10,10)
Asset Value: \$1,742,962.10

Global Equity

Eliminate Invesco Global R5 (GFDDX) (Recent Scores: 7,7,7,7)
Map to Victory RS Global R6 (RGGRX) (Recent Scores: 10,10,10,10)
Asset Value: \$1,113,022.31

International Large Cap Growth

Eliminate Fidelity Diversified International (FDIVX) (Recent Scores: 10,10,9,6)
Map to International Growth II I1 (MFS Intl LCG) (97183C728)
Asset Value: \$746,894.30

Fiduciary Governance

Fiduciary Governance Summary

Reviewed Fiduciary Education Module/s Modules Reviewed:

Legislative Update - Q3 2024

NFP provided an update on the legal and regulatory landscape. Highlights include:

- **Automatic Portability Transactions:** These transactions involve mandatory distributions from retirement plans of benefits valued at less than \$7,000 to an IRA established on behalf of an individual when they leave a job. These benefits are then transferred to an eligible plan sponsored by the new employer when the individual gets a new job, provided they have been given advance notice and have not opted out
- **Locate and Match Process:** The Portability Services Network (PSN) searches its network to locate the terminated participant's new plan. Once located, PSN notifies the terminated participant and informs them of their options to consent or opt out of the transfer to the new plan
- **Agreements and Fees:** The automatic portability program is governed by three agreements with recordkeepers, plan sponsors, and the automatic portability provider. PSN receives a one-time fee charged to the participant's Conduit IRA based on the account balance at the time of consolidation
- **Considerations for Adoption:** Employers need to update the Summary Plan Description (SPD) to describe the

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auto portability program and associated fees. They also need to appoint a plan official to monitor auto portability transfers into the plan and confirm that amounts received on behalf of a participant are invested properly

ERISA Section 404(c)

NFP went over the annual participant notice to be provided. In addition, NFP reviewed the checklist indicating how the plan is compliant with the dozens of subsections within ERISA Section 404(c). NFP reminded the committee that this code section is what transfers liability away from the plan sponsor to the participants for their investment decisions.