

**Q4 2023
Meeting Minutes
Central Contra Costa Sanitary District**

Meeting Date: 02/07/2024

Attendees

Committee Members	Christopher Thomas	Dana Lawson
	Geoff Niswander	Grace Arellano
	Justin Mercer	Kevin Mizuno
	Tricia Cruz	
Non-Committee Attendees	Jerry Ledbetter	Phil Leiber
	Teji O'Malley	Todd Smithey
	Amal Lyon	
NFP	Mindy Harris	Vince Learned, CFA, CFP®, CRPS®
Other	Hillis Haygood	

Administrative Review

- Reviewed Prior Meeting Notes
- Signed IPS on file
- Signed Committee Charter on file

Notes: Justin Mercer moved, Geoff Niswander seconded, to approve prior meeting minutes. Motion passed unanimously.

Investment Due Diligence

Investment Analysis Summary

- NFP provided an economic and market commentary for Q4 2023.
- 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 12/31/23 were \$73,781,720.67
 - 29.54% in Asset Allocation
 - 20.91% in Cash Alternatives
 - 7.92% in Fixed Income
 - 4.64% in International/Global Equity
 - 3.54% in Specialty
 - 33.45% 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.
 - 15 funds are acceptable:
 - Schwab Target Index Series Institutional (8)
 - iShares Russell 2000 Small-Cap Idx K, BDBKX (10)
 - BlackRock Equity Index Fund CL 1, 97183J632 (10)
 - BlackRock EAFE Equity Index Fund CL 1, 97183J616 (10)
 - BlackRock U.S. Debt Index Fd CL 1, 97183J624 (10)
 - Cohen & Steers Realty Shares Z, CSJZX (10)
 - MSQ Cash Management R5, SPUSA06CAU
 - MissionSquare PLUS Fund Class R9, 92208J600
 - Core Bond I1 (Lord Abbett Total Return), 97183J566 (10)
 - Large Cap Value I1 (Putnam LCV), 97183K381 (10)
 - Small Cap Growth II R1 (AB Small Cap Growth), 97182E212
 - International Equity I1 (Fidelity Intl Cap Apprec), 97183C348
 - MissionSquare Brokerage
 - Large Cap Growth III I1 (AB Large Cap Growth), 97184D766

Q4 2023

Meeting Minutes

- Small Cap Value III I1 (PIMCO RAE SCV), 97184J383
- 1 fund is on watchlist:
 - MissionSquare Retirement IncomeAdvantage Fund R5, 74440A696.icma (6)
- Potential Replacements:

Market Summary - Q4 2023

Equity and Fixed Income markets experienced very strong positive fourth quarter performance. U.S. Equity rose 12.1% (Russell 3000), with large cap tech stocks leading the way. For the year, large cap growth has outperformed large cap value by over 3100 basis points (42.7% vs. 11.5%). International equities rose to a lesser extent over the quarter, posting a 9.8% gain (MSCI ACWI ex U.S.). The broad U.S. fixed income market was also up, returning 6.8% (Bloomberg Barclays Aggregate) over the quarter. While the Fed likely finished raising rates, there was no indication of a rate cut, which is what market participants anticipate in 2024. This is dependent on the inflationary outlook and health of the economy, which the Fed has been closely monitoring. The U.S. labor market remained tight during the quarter with unemployment at 3.7% in December. (All data from MPI) ACR# 6216315 01/24

Scorecard Methodology

The Scorecard Methodology supports upholding the impartial conduct standards as the scores and analytics do not include any adviser compensation components and are calculated incorporating all investment fees and revenue sharing. Any and all compensation earned by the adviser (if any) is explicitly disclosed and reasonable given services provided. All information to any investment consideration has been disclosed and no misleading information has been provided to fiduciaries in their determination of action.

Fund Review

Moderate

MissionSquare Retirement IncomeAdvantage Fund R5 (74440A696.icma) (Recent Scores: 6,5,7,7) is on the watchlist
Asset Value: \$1,432,585.44

Notes

After committee discussion about keeping the MissionSquare Retirement Income Advantage Fund R5 on the watch list, Niswander moved, Grace Arellano seconded to accept NFP's recommendation to keep it on watch. Motion passed unanimously.

Fiduciary Governance

Fiduciary Governance Summary

Reviewed Fiduciary Education Module/s

Modules Reviewed: NAGDCA Best Practices in Plan Administration: Plan Structure & Design

Education Modules

Mindy Harris reviewed Best Practices in Plan Structure & Design. She emphasized that this is one of the most important areas for committees to understand and practice diligence in determining how their plan will operate and which benefits will be offered to most successfully address their participants' needs. Harris covered optional plan benefits, their features, and a committee's considerations; different levels of investment advice committees can consider; and investment issues, including the importance of an Investment Policy Statement, the trend to more simplified menus, and fee equalization and transparency.

DCAC Annual Report

Kevin Mizuno reviewed the DCAC Annual Report which will be presented to the CCSD Board of Directors in late February / early March. He reviewed the DCAC's objectives and accomplishments from 2023, as well as certain plan metrics. Mizuno asked for committee members to attend the Finance Committee meeting and the board presentation; Dana Lawson and Chris Thomas will attend and Justin Mercer will be backup. DCAC committee members approved the annual report with unanimous consensus.

Quarterly Recordkeeper Report on Plan Activity

Q4 2023

Meeting Minutes

Hillis Haygood provided plan level information about participant engagement, services, and MissionSquare's outreach and education to employees and participants for Q4 2023. Haygood noted that there are 38 participants listed as 'Active / Not Contributing' - he will send a list of names to Teji O'Malley to verify their employment status. He will also provide hard copy MissionSquare quarterly magazines for the District to put in lunchrooms and other common areas. Mizuno will let Haygood know how many.

Update on WellCents Pilot Program

Mizuno updated the DCAC on the WellCents program. The contract is nearly finished with legal review and should be signed soon. The total contract value is capped at \$14,125, and if employee utilization is very high the DCAC may be asked to authorize a contract amendment for additional funds. Mizuno expects to start rolling out the program to employees by the end of February. The DCAC consensus was to notify all employees & retirees of the new benefit and then start targeting newer and lower income employees. Mizuno will continue to update the DCAC as the program is implemented.

Unforeseeable Emergency (UE) Withdrawal Requests

As the DCAC has delegated the review and determination for UEs to MissionSquare, Mizuno asked Haygood to include data reporting on UE activity for the prior year in the annual Performance Standards. A report on Performance Standards data will be presented at the Q2 meeting and will include UE information.

Plan Provision Discussion - Accrued Deferrals / Depositing to Plan

Niswander reported attending a session at the NAGDCA conference where the City of Anaheim allowed employees to defer PTO, Overtime pay and other pay for accrued compensated absences to their 457 account. Teji O'Malley had concerns about tax treatment of the options and advocated the committee research this if there is interest in such a benefit. City of Anaheim is a MissionSquare client and Haygood will research their program and report on how it works at the next DCAC meeting.

DCAC Member Reports & Membership

There were no committee member reports or changes to committee membership.

Parking Lot / New Business

Mizuno is interested in exploring Auto Enrollment & Escalation for future consideration at the District.

Niswander asked for a discussion of Secure 2.0 optional provisions for Disaster-related Emergency and Domestic Violence Withdrawals.

Both items will be agendized in May.

Other Items

1. Vince Learned announced NFP is conducting a "457 University" training session in South San Francisco in April. Attendance fees will be waived for Central San attendees. Learned will send a flyer to Mizuno for distribution.
2. Fiduciary Training will be at the top of future agendas.
3. Mizuno requested Haygood present the Education and Outreach plan for the 2nd half of 2024, at the May meeting.
4. Mizuno announced that Mindy Harris is phasing into retirement and the next DCAC meeting will be her last. Harris thanked the group for the opportunity work together with them and commended them for being such a strong committee.

Follow Up Items

1. Mizuno will report on the DCAC annual report presentation at the next meeting.
2. Haygood will send a list of the 38 "Active / Not Contributing" participants to O'Malley for for employment status confirmation.
3. Mizuno will send the number of requested quarterly magazines to Haywood, for distribution in employee common areas.
4. Haygood will report on the plan for employee Education and Outreach for the 2nd half of 2024, at the next meeting.
5. Mizuno will provide a status update on the WellCents project.
6. Performance Standards data for 2023 will be reported by Harris and Haygood.
7. A discussion on Automatic Enrollment & Escalation, and Secure 2.0 provisions for Disaster-related and Domestic Violence withdrawals will be presented by NFP.

Additional Comments

There being no further business, the meeting adjourned as 12:15.



Q4 2023
Meeting Minutes
Disclosures

This material contains an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources.

It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor. The indices mentioned are unmanaged and cannot be directly invested into. Past performance does not guarantee future results.

Securities offered through Kestra Investment Services, LLC (Kestra IS), member FINRA/SIPC or Executive Services Securities, LLC, member FINRA/SIPC. Investment Advisory Services offered through Kestra Advisory Services, LLC (Kestra AS) an affiliate of Kestra IS. NFP Retirement Inc., an affiliate of NFP Corp. (NFP), is a Registered Investment Adviser. Advisory services are offered to clients or prospective clients where NFP Retirement Inc. and its representatives are properly licensed or exempt from licensure. No advice may be rendered by NFP Retirement Inc. unless an investment adviser agreement is in place. Insurance services offered through a licensed subsidiary of NFP or a member of PartnersFinancial or Benefits Partners, which are platforms of NFP Insurance Services, Inc. (NFPISI), a subsidiary of NFP. Some members of PartnersFinancial and Benefits Partners are not affiliated with NFP. Neither Kestra IS nor Kestra AS are affiliated with NFP, NFP Retirement, Inc., or NFPISI. www.kestrafinancial.com/disclosures

ACR# 6020444 10/23