

**Q2 2024
Meeting Minutes**

**Central Contra Costa Sanitary District
Central Contra Costa Sanitary District 401(a) Plan**

Meeting Date: 08/07/2024

Attendees

Committee Members	Dana Lawson Grace Arellano Kevin Mizuno	Geoff Niswander Justin Mercer Tricia Cruz
Non-Committee Attendees	Phil Leiber Maxwell Blum Stacie Durocher	Jerry Ledbetter Susie Kubota
NFP	Vince Learned, CFA, CFP®, CRPS®	
Other	Erika Armstrong, MissionSquare	Hillis Haygood, MissionSquare

Administrative Review

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

Notes: 5/1/24 meeting minutes were reviewed. Justin Mercer motioned to accept and Grace Arellano seconded. Motion carried unanimously.

Investment Due Diligence

Investment Analysis Summary

- NFP provided an economic and market commentary for Q2 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 06/30/24 were \$79,260,820.36

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- 30.01% in Asset Allocation
- 18.47% in Cash Alternatives
- 6.92% in Fixed Income
- 4.56% in International/Global Equity
- 3.78% in Specialty
- 36.26% 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
 - Small Cap Value III I1 (PIMCO RAE SCV), 97184J383
 - 1 fund is on watchlist:
 - MissionSquare Retirement IncomeAdvantage Fund R5, 74440A696.icma (5)
 - Potential Replacements:

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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

Scorecard Methodology

A review of the Scorecard Methodology was discussed. The scoring system includes pass/fail criteria on a scale of 0 to 10 (10 being the best). Eighty percent of the fund's score is quantitative, incorporating both Modern Portfolio Theory statistics and peer group rankings. The other twenty percent of the score is qualitative. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may also be considered in the qualitative review. Active and asset allocation strategies are evaluated over a five-year time period and passive strategies are evaluated over a three-year time period. The Scorecard Point System is as follows: Acceptable: 7-10 points | Watch List: 5-6 points | Review: 0-4 points.

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

Fund Review

Moderate

MissionSquare Retirement Income Advantage Fund R5 (74440A696.icma) (Recent Scores: 5,5,6,5) is on the watchlist
Asset Value: \$1,486,421.14

Notes

Erika Armstrong noted that MissionSquare is still working on adding additional income products and they will keep the Committee posted.

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Fiduciary Governance

Fiduciary Governance Summary

Reviewed Fiduciary Education Module/s

Modules Reviewed: NAGDCA: Best Practices in Plan Sponsor Education

WellCents Report

As of 8/2/24, 54 participants (19.3%) have completed a WellCents assessment and 9 one-on-one sessions have been conducted. The results are encouraging and the Committee would like to see continued utilization. The WellCents team will reach out to discuss next steps, timeline, and ideas for continuing to increase employee engagement.

MissionSquare Reporting

Erika Armstrong led a review of MissionSquare's cybersecurity program. Erika reported financial guarantees in place for participants who are victims of fraud.

Hillis Haygood provided a plan review and engagement update.

Hillis also provided a brief recap/update of critical SECURE 2.0 provisions. These items will be revisited next quarter for potential Committee action.

MissionSquare also highlighted a new process for QDROs; noted a new CEO; and highlighted various web enhancements and investment in technology.

DCAC Vacancy

There is a vacancy on the Committee due to the departure of Christopher Thomas. There are currently 3 individuals under consideration to fill the vacancy.

Follow-Up Items

Budget to be reviewed next quarter

SECURE 2.0 - broader review next quarter with potential Committee action

NAGDCA Annual Conference, September 15-18, Phoenix - DCAC members let Mizuno if they wish to attend

WellCents - continued updates, as appropriate.

Disclosures

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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.

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