



Joe Lombardo
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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

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**DEFERRED COMPENSATION COMMITTEE
QUARTERLY MEETING MINUTES**

Wednesday, June 12, 2024

The quarterly meeting of the Deferred Compensation Committee was held on Wednesday, June 12, 2024, at 9:00 a.m. by videoconference/teleconference and in person at the Nevada State Library and Archives Building, 100 N. Stewart Street, Boardroom, Carson City, Nevada.

A copy of meeting material including this set of meeting minutes, the agenda, and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at:
https://defcomp.nv.gov/Meetings/2024/2024_Meetings/.

COMMITTEE MEMBERS

Robin Hager
Samantha Jayme
Debbie Bowman, Vice Chair
Jeff Ferguson, Chair

OTHERS PRESENT

Lauren Anderson, Reno Tahoe Visitor's Authority	Susan Gebo, Voya Financial
Bishop Bastien, Voya Financial	Henna Rasul, Sr. Deputy Attorney General
Rob Boehmer, NDC Executive Officer	Joel Smedes, Purchasing
Rasch Cousineau, Hyas Group	Lynda Thomassen, NDC
Scott Darcy, Voya Financial	Homa Woodrum, Purchasing

1. **Call to Order/Roll Call**

Chairman Jeff Ferguson called the meeting to order for the Nevada Deferred Compensation (NDC) Committee at 9:00 a.m. on Wednesday, June 12, 2024.

Rob Boehmer took the roll, determined a quorum was present, and confirmed the meeting was properly noticed and posted.

2. **Public Comment**

There were no public comments.

3. **For Possible Action- Approval of Nevada Public Employees' Deferred Compensation Program (NDC) Committee (Committee) meeting minutes for Committee Meeting held on February 29, 2024.**

Motion by Vice Chair Bowman to approve the minutes from the February 29, 2024, meeting. Second by Ms. Jayme. Motion passed unanimously, 4-0.

4. For Possible Action – Receive, discuss, and approve Executive Officer’s Report of first quarter 2024.

Mr. Boehmer reviewed his quarterly report including:

- a. The FY2024 Budget Status Report (BSR) was provided.
 - i. There was a slight adjustment to the Casey Neilon contract.
 - ii. A work program was submitted to account for upcoming Cost of Living Adjustments for NDC Staff.
 - iii. NDC Staff was researching costs for office signage.
 - iv. Travel funds were utilized for the Hyas Group Fiduciary Impact Conference in Phoenix. They were also used for in state travel for the Executive Officer and Ms. Jayme.
- b. The Quarterly Plan Activity and Data Report was received and discussed.
 - Staff provided presentations to employees discussing the difference between employer only and employer/employee tiers within Nevada PERS.
 - The presentations had been effective and in one department the participation rate increased from 7% to over 90%.
 - Staff also provided a well-received total benefits presentation to the Governor’s office. Attendees recommended NDC provide the presentation to other State employees.
- c. A Contract Management Report was given and discussed.
 - i. Casey Neilon’s current contract would expire July 1, 2025.
 - ii. Hyas Group’s contract would expire May 31, 2025. NDC discussed potentially extending the contract without an RFP. Staff would follow-up with Hyas Group.
 - iii. The Voya Financial current contract would expire December 31, 2024.
- d. The 2026/2027 Budget Build Report was received.

Motion by Ms. Jayme to accept the Executive Officer report, second by Vice Chair Bowman, motion passed unanimously, 4-0.

Motion by Ms. Jayme to take discussion related to item 5 into closed session. Second by Vice Chair Bowman, motion passed unanimously, 4-0.

Motion by Vice Chair Bowman to take discussion related to item 5 back to open session. Second by Ms. Jayme, motion carried unanimously, 4-0.

5. For Possible Action – Purchasing Division

The State Department of Administration Purchasing Division presented the results of Request for Proposal (FRP) 08DOA-S2719 Recordkeeping and Plan Administrative Services in closed session. After the NDC Committee, Administrative Staff, Purchasing Division Representatives, and contracted Investment Consultant reviewed the results of the evaluation of proposals for the contract and the negotiated terms of the contract in a closed session, the Committee, back in an open meeting, voted and approved to award the contract pursuant to NRS 333.335 to Voya Financial.

Motion by Ms. Jayme to award the contract to Voya Financial pursuant to NRS 333.335 and granting authority to Mr. Boehmer to sign and execute contracts. Seconded by Vice Chair Bowman, motion carried unanimously, 4-0.

6. For Possible Action – Receive and approve Hyas Group Investment Consultant’s review of first quarter 2024.

Hyas Group provided the Investment Consultant Review which included:

- a. The First Quarter 2024 performance report – Features of the report were:
 - i. Market Commentary – 2024 markets seemed to pick up where 2023 left off. Stocks ended each of the first three months higher than the previous month. At the end of the quarter, the S&P 500 had added another 10.56% to 2023's increase of 26%. The Dow and NASDAQ also kept pace, up 6.14% and 9.31% respectively. Equity market had been up for five consecutive months, going back to November 2023. History tells us when a consecutive three-month runup has started the year, the final nine months have been
 - ii. Plan Data Review – March 31, 2024, full-time Plan assets were \$1,118,141,979 which represented a market gain of \$52,198,829 for the quarter. Net cash flow was negative for the quarter and year-to-date at -\$5,487,445. For the First Quarter, \$729,683 transferred into fixed income.
 - iii. Current Fund Lineup Overview and Performance Review –
 - a) Sterlin Capital Total Return Bond (STRDX) was placed on watch last quarter for qualitative reasons (ownership change). Hyas Group had no performance concerns and would provide an update at the next meeting.
 - iv. Plan Fee/Revenue Analysis – Fees were weighted at 25.2 basis points, down by 8.3 basis points since March of 2020.
- b. The Voya Fixed Account and Corporate Ratings Analysis (as of December 31, 2023) was reviewed and discussed.
 - i. The General Account benchmark was provided. The Voya General Account was underweighted to US Government securities by 44.6% and overweight to MBS, Corporate Bonds, ABS, and CMBS by 3.3%, 8.8%, 5.4%, and 8.1%, respectively.
 - ii. Portfolio duration was provided (6-6.5 years).
 - iii. The full-time Plans crediting rate was 3.00%. The FICA Alternative Plan was 2.25%.
 - iv. As a reminder, the analysis would typically be a quarter behind as it depended on Voya Wall Street data which was not usually available until after the NDC meeting took place.
- c. Legal and Regulatory Communication updates included:
 - i. Where was NDC with 2024 SECURE 2.0 implementation?
 - a) NDC discussed section 603 (Roth age-50 catch-up) which would be effective January 1, 2026.
 - b) Section 603 might not apply to the State since the State did not pay into Social Security.
 - c) Section 603 might apply to the Political Subdivisions that do pay into Social Security. NDC was beginning to determine which subdivisions would be impacted by Section 603.
Hyas Group and Voya would continue to update the Committee and Staff as appropriate.
 - ii. Fiduciary Advisory Newsletter topics:
 - a) The Department of Labor (DOL) recently released their final version of the Fiduciary rule. The rule aimed to extend fiduciary responsibility to investment professionals who advised retirement plan participants. It could potentially reduce rollouts and slow plan leakage. Significant developments from the rule included:
 - Investment advice fiduciaries would no longer be allowed to sell annuities and other insurance products to plans and IRAs.
 - IRA to IRA rollovers were not covered by the rule.

- Point in time singular advice would create a fiduciary relationship.
- Previously a fiduciary relationship was created primarily from regular, ongoing advice.
- There no longer needed to be a “mutual understanding” between the participant and investment professional that there was a fiduciary relationship; the fiduciary relationship would exist automatically.
- The rule was already being challenged by industry organizations and would be subject to appeal.
- The regulations were scheduled to become effective on September 23, 2024, but some changes could be delayed until September 2025.

Hyas Group would provide updates as necessary.

Motion by Vice Chair Bowman to accept the Investment Consultant report. Second by Ms. Jayme, motion passed unanimously, 4-0.

7. For Possible Action – Receive and approve plan activity and service report from recordkeeper Voya Financial for first quarter 2024.

Voya Financial provided their First Quarter 2024 Report for the period ending March 31, 2024. Highlights included:

- a. Voya’s Plan activity included:
 - i. As of June 11, 2024, assets were \$1.186 billion.
 - ii. Overall net cash flow was negative (\$5,487,445 million) for the quarter.
 - iii. Top rollover recipients were Edward Jones, LPL Financial, Raymond James, Charles Schwab, and Fidelity.
- b. Voya’s Communications update included:
 - i. The recently developed brochure comparing NV PERS tiers was discussed. An electronic version would be available on the NDC website and also emailed to NV employees (likely from DHRM).
 - ii. Voya also discussed the “Summer Saving” email series.
 - iii. An improved online account registration process was recently released.
 - iv. Voya was submitting on behalf of NDC for the NAGDCA Art Caple award Submission was due by the end of June.
 - v. Voya provided an overview of the NDC Communication calendar.
- c. Voya’s Field Activity update included:
 - i. 308 enrollments, 60 group meetings, and 2,084 individual meetings were conducted during the quarter.
 - ii. Voya provided a brief overview of the Voya Cares initiatives.

Motion by Ms. Jayme to accept the Voya Financial report, second by Ms. Hager. Motion passed unanimously, 4-0.

8. For Possible Action – Receive, discuss, and approve Interlocal Contract.

- a. Douglas County School District
- b. Nevadaworks FICA

Motion by Vice Chair Bowman to accept the interlocal contracts for Douglas County School District and Nevadaworks FICA. Second by Ms. Jayme, motion carried unanimously, 4-0.

9. For Possible Action – Discuss participation in the following training opportunities:
- a. NAGDCA Annual Conference September 15-18, 2024, in Phoenix, Arizona.
The Executive Officer would submit a work program to authorize attendance for the entire Committee.
 - b. Institutional Investors Conferences- DC Institute Symposium September 10-11, 2024, in Half Moon Bay, California; DC Institute Summit December 10-11, 2024, in Boston, Massachusetts.

The Executive Officer would be attending

10. For Possible Action – Schedule upcoming NDC meeting dates.

- a. The 2Q 2024 quarterly meeting was confirmed in person on August 29, 2024
- b. The 3Q 2024 quarterly meeting was scheduled in person on December 18, 2024

11. Committee Members comments

There were no additional Committee Member comments.

12. Update from Investment Consultant

There were no additional updates from Hyas Group.

13. Update from Recordkeeper

Voya thanked NDC for the contract renewal and NDC's continued confidence in Voya.

14. Administrative Staff/Department of Administration Updates

NDC staff thanked the Committee members, Hyas Group, and Voya. The Executive Officer also noted recent changes in the Department of Administration and that the State might be reclassifying some job positions.

15. Public Comment

There were no closing public comments.

16. Adjournment

The meeting was adjourned at 12:09 p.m.

Respectfully submitted,

Micah Salerno
NDC Administrative Assistant