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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

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**DEFERRED COMPENSATION COMMITTEE
ANNUAL STRATEGIC PLANNING MEETING MINUTES**

Tuesday, January 14, 2025

The annual planning meeting of the Deferred Compensation Committee was held on Tuesday, January 14, 2025, at 8:30 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/2025/2025_Meetings/.

COMMITTEE MEMBERS

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

OTHERS PRESENT

Rob Boehmer, NDC Executive Officer
Bishop Bastien, Voya Financial
Rasch Cousineau, Hyas Group
Scott Darcy, Voya Financial
Vince Ortega, American Funds

Henna Rasul, Sr. Deputy Attorney General
Micah Salerno, NDC
Scott Shladovsky, JP Morgan
Sue Walton, American Funds

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

Chairman Jeff Ferguson called the meeting to order for the Nevada Deferred Compensation (NDC) Committee at 8:48 a.m. on Tuesday, January 14, 2025.

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 December 18, 2024.**

Motion by Vice Chair Debbie Bowman to approve the minutes of the December 18, 2024, meeting. Second by Ms. Samantha Jayme, the motion passed unanimously, 5-0.

4. For Possible Action – Receive and discuss annual training overview:

The Annual Training Overview was received and included the following:

- a. Henna Rasul, Senior Deputy Attorney General, presented the Annual Open Meeting Law Training overview. Highlights included:
 - i. Updated quorum rules were reviewed. Vacancies no longer counted towards a quorum.
 - ii. An overview of email rules was covered. “Reply all” was strongly discouraged.
 - iii. An overview of the Nevada Public Records Act was provided.
 - iv. Closed session rules and virtual attendance rules were reviewed.
- b. Rasch Cousineau, Senior Consultant with Hyas Group, provided a fiduciary compliance review which included:
 - i. A review of why Defined Contribution Plans were gaining in popularity and importance was discussed.
 - ii. A recap of key Defined Contribution Plan legislative events was provided – ERISA, Small Business Job Act (1996), EGGTRA (2002), PPA (2006), SECURE 1.0 (2019), SECURE 2.0 (2022), and Special Security Fairness Act (2025).
 - iii. An overview of the “Fiduciary Ecosystem” was covered, e.g., who does what.
 - iv. Fiduciary duties were reviewed – Loyalty, Process, Diversification, and Following the Plan Document.
 - v. How to maintain a competitive program was discussed.
 - vi. A Fiduciary quiz was given to ensure content comprehension.

5. For Possible Action – Investment Line-Up Discussion and Review:

A discussion and review of the investment lineup included:

- a. A review of the current NDC lineup was discussed.
 - i. There were no recommended changes to the structure of the lineup. Hyas Group noted it was working with Sterling (Bond), Vanguard (Bond Index, S&P 500, Extended Market, International Index), and JP Morgan (Large Cap Growth) to potentially convert Mutual Funds to Collective Investment Trusts (CITs). Annual participant savings would be approximately \$3,321 (Sterling), \$33,345 (Vanguard), and \$48,311 (JP Morgan) for a total savings of approximately \$84,977.
 - ii. Counting the Target Date Fund suite as one option, NDC made eleven investment options available to participants plus the brokerage. This was in line with industry best practices.
- b. Hyas Group provided an updated ESG Overview for the current fund lineup. All funds were represented except for Voya Fixed which did not have an ESG rating. Funds’ ESG ratings were provided utilizing Morningstar’s sustainability ratings. Funds ranked between 2 and 4 overall with each factor (environment, social, governance) ranging between 2.49 and 10.02.
- c. A SECURE Act 2.0 Provisions discussion was deferred until the next quarterly meeting.
- d. Vince Ortega and Sue Walton with American Funds presented an overview on the EuroPacific Growth Fund (RERGX) which had \$6.7 million (0.6%) in NDC as of September 30, 2024. The fund had struggled relative to peers due to its growth overweight (value has outperformed growth internationally). They also provided an overview of how Capital Group (American Funds) approached ESG investing. The Committee reviewed the information and thanked American Funds for their presentation.

- e. Scott Shladovsky with JP Morgan presented an overview of Large Cap Growth Fund (JLGMX) which had \$96.6 million (8.2%) of NDC assets as of September 30, 2024. Overall, the fund was JP Morgan's largest equity strategy with over \$172 billion in assets. Since its addition to NDC's lineup in April 2023, the fund had returned 67.1% versus 65.8% for the benchmark (S&P 500). The Committee reviewed the information and thanked JP Morgan for the presentation.

6. For Possible Action – Conduct annual review and discussion of current NDC governing documents and plan design.

The annual review of current NDC governing documents and plan design were discussed and included:

- a. Investment Policy Statement (IPS) – The following updates included:
 - i. The date was updated to 2025.
 - ii. Additional terms and evaluation criteria were added to the Voya Fixed Fund based on the newly negotiated contract (currently effective January 1, 2025, through December 31, 2029).
 - iii. Watch language was added for target dates composed of passive options. Hyas Group would provide a clean copy of the IPS for NDC signature and records.

Motion by Ms. Jayme to accept the recommended edits to the Investment Policy Statement. Second, by Vice Chair Bowman, motion carried unanimously, 5-0.

- b. 457(b) Plan Document – No changes were recommended although SECURE 2.0 Provisions might be added as appropriate.
- c. 401(a) Plan Document – No changes were recommended although SECURE 2.0 Provisions might be added as appropriate.
- d. Federal Insurance Contributions Act (FICA) Alternative Plan Document – No changes were recommended although SECURE 2.0 Provisions might be added as appropriate.
- e. Nevada Deferred Compensations Nevada Revised Statutes (NRS), Nevada Administrative Code (NAC), and State Administrative Manual (SAM) – The recent State Admin Manual (SAM) changes were reviewed, particularly those relating to Business Travel, Purchasing, and Contract Development and Management.
- f. Administrative Manual – The travel policy was updated. The Fee Policy Statement would also need updating based on the new Voya contract. New Voya full time fees were \$5.50 per participant per year (previously \$13.50) and FICA Alternative fees were \$1.25 per participant per year (previously \$2.20). Hyas Group would await direction from NDC prior to updating the Fee Policy Statement.
- g. Future Initiatives and Plan Design Changes – A report on the status of the Governor's recommended budget was provided and discussed. The Committee also approved replacing the Best Practices Checklist with the more comprehensive Fiduciary Checklist.

Motion by Ms. Jayme to accept the changes outlined in the Administrative Manual and Cybersecurity Policy and to do away with the Plan Governance checklist. Seconded by Vice Chair Bowman, the motion passed unanimously, 5-0.

7. For Possible Action – Review 2024 NDC Strategic Plan and discuss Plan for 2025.

A review of the 2024 NDC Strategic Plan as well as Marketing, Communication, Education Administration Plan for 2025 Included the following:

- a. The 2024 Annual Administrative and Strategic Plan was reviewed. Highlights included the following:

- i. Recent industry trends such as auto-enrollment and its relevance to NDC were discussed.
 - ii. Recent challenges with internal State Departments were shared.
 - iii. Aligning NDC strategies with the Governor’s strategic initiatives was discussed.
 - b. Voya presented the Annual Strategic Communication Plan which included:
 - i. The 2024 NDC survey results were shared.
 - a) The survey was sent out November 13, 2024, through December 12, 2024.
 - b) The survey received 765 responses.
 - c) Overall satisfaction with NDC increased from 72% (2023) to 85%. It had been 51% in 2022.
 - d) Satisfaction in categories went up approximately 7-10% per category.
 - e) Voya services, fees, investments, and satisfaction with NDC staff were rated highly in terms of satisfied/very satisfied (over 70%).
 - ii. A report on the 2025 NDC Participant Communications Calendar was shared.
 - a) Voya would leverage national campaigns where appropriate for NDC as well as create NDC-specific campaigns. Key NDC calendar highlights were discussed and featured:
 - Quarterly – “Deferred Word” NDC newsletter
 - April – America Saves Week
 - Summer – Retirement Evaluation (Managed Accounts) campaign
 - October – Nevada \$aves Month

8. For Possible Action – NDC contract(s) review and program contract evaluations.

NDC contracts were reviewed:

- a. The existing contract expirations were reviewed:
 - i. Investment Consulting/Compliance Review contract – Hyas Group, would expire May 31, 2025. Purchasing had approved a five-year extension. Executive Director Boehmer would work with Hyas Group and State parties to finalize the contract extension.
 - ii. Financial Audit contract – Casey Neilon, would expire July 1, 2025.
 - iii. Recordkeeping contract – Voya, effective January 1, 2025, through December 31, 2029. There was a possibility the contract could be extended to as high as ten years.
- b. The Mandatory Vendor Rating Evaluations were discussed for:
 - i. Investment Consultant/Compliance Audit Contractor (Hyas Group)
 - ii. Financial Audit Contractor (Casey Neilon)
 - iii. Recordkeeper (Voya Financial)Executive Director Boehmer provided vendor evaluation forms to the Committee for input. Forms would be returned to him by mid-February.

9. For Possible Action – Discuss participation in training opportunities.

The following training opportunities were discussed:

- a. Pensions & Investments 2025 DC East Conference, March 9-11 in Fort Lauderdale, Florida.
- b. Institutional Investor 35th Annual DC Institute Forum, March 25-26 in Chicago, Illinois.
- c. National Association of Government Defined Contribution Administrator (NAGDCA) Annual Conference, September 28-October 1 in San Diego, California. NDC could send as many as three Committee members plus two Staff.

10. For Possible Action – Election of Committee Chair.

- a. Vice Chair Debbie Bowman was unanimously elected as Chair for 2025.
Motion by Chair Ferguson to nominate Debbie Bowman as Chair, seconded by Ms. Robin Hager. Motion passed unanimously, 5-0.
- b. Ms. Samantha Jayme was unanimously elected as Vice Chair for 2025.
Motion by Chair Ferguson to nominate Samantha Jayme as Vice Chair, seconded by Vice Chair Bowman. Motion passed unanimously, 5-0.

11. For Possible Action – Confirm upcoming NDC meeting dates.

- a. The Quarterly Meeting to review 4Q 2024 was confirmed for March 13, 2025.
- b. The Quarterly Meeting to review 1Q 2025 was scheduled for May 28, 2025.

12. Committee Member comments

The Committee thanked NDC Staff and the presenters.

13. Update from Investment Consultant

There were no additional updates from Hyas Group.

14. Update from Recordkeeper

Voya noted recent executive changes and thanked the Committee and Staff.

15. Administrative Staff/Department of Administration Updates

NDC staff thanked the Committee members, Hyas Group, and Voya.

16. Public Comment

There were no closing public comments.

17. Adjournment

The meeting was adjourned at 3:36 p.m.

Respectfully submitted,

Micah Salerno
NDC Management Analyst