

**MINUTES OF MEETING  
SUNSHINE WATER CONTROL DISTRICT**

The 401(A) Committee of the Sunshine Water Control District will hold a Meeting on July 12, 2023 at 6:00 p.m., at Sartory Hall, 10150 NW 29 St., Coral Springs, Florida 33065.

**Present were:**

Joe Morera	President/Committee Member
Ivan Ortiz (via telephone)	Vice President/Committee Member
Carol Smith	Secretary/Committee Member

**Also present were:**

Jamie Sanchez	District Manager
Matt Dickey (via telephone)	NFP Senior Plan Advisor
Al Malefatto	District Counsel
Cindy Cerbone (via telephone)	Committee Member
Cory Selchan	Committee Member

**FIRST ORDER OF BUSINESS**

**Call to Order**

Ms. Sanchez called the meeting to order at 6:01 p.m. Committee Members Morera, Smith and Selchan were present, in person. Committee Members Cerbone and Ortiz attended via telephone.

**SECOND ORDER OF BUSINESS**

**Presentation from NFP**

Mr. Dickey stated he conferred with Mr. Larsen prior to the meeting and received updated information about the plan and wants to provide an update on what is happening within the regulatory environment before going over the market review.

Mr. Dickey stated NFP continues to communicate with all recordkeepers and regulators about how the current 2.0 and other looming legislation will affect the District's retirement plan and the timing of the implementation around that. NFP recently executed and forwarded a letter to Congress regarding the Roth Catch-Up Contribution, wherein anybody participating in the Catch-Up contribution provision, over age 50 and making \$145,000 or more, those contributions would have to go into a Roth account upon that Catch-Up contribution. The notice to Congress pushes back on the legislation by two years. While awaiting a response from

Congress, NFP expects to receive clarification from the Internal Revenue Service (IRS) regarding this item by the end of July. This is the biggest update on the regulatory environment.

Referencing a PowerPoint presentation, Mr. Dickey reviewed the Fiduciary Investment Review dated June 14, 2023 and discussed the Q1 2023 Market Kaleidoscope Chart, positive returns in U.S. and International equities, Fixed Income, the Federal Reserve's focus on steadying inflation and not raising interest rates, European Stock Markets, emerging markets in India, Brazil and China, Bank Outlook, Tier 1 Capital Ratio, Dodd-Frank Legislation, the Federal Reserve's continued strict lending standards and Plan Allocation by Investment Type.

Regarding two flagged fixed income funds, Mr. Dickey stated NFP will continue to monitor them; no action will be taken today and, as part of the District's transition to Lincoln from Mission Square, there will be an updated enhanced investment lineup wherein all the proprietary funds from Mission Square will be removed and replaced by a completely refreshed lineup.

Mr. Morera asked if the cash position in the allocation of funds is by design or historical investment pattern. Mr. Dickey stated it is by design. He explained that, initially, participants enrolled in the 401a plan were automatically placed in the Mission Square trust fund and, due to lack of momentum or inertia, participant monies were left in the fund and never moved anywhere else. Asked if it is a participant's individual choice to reallocate funds or if it is up to the managers to protect the employees, Mr. Dickey stated it would be up to the participant individually and NFP will facilitate a re-enrollment. Mr. Morera asked if additional meetings will be held prior to the funds being transferred and if participants will be able to make investment choices and have accompanying options prior to the conversion to Lincoln.

Mr. Dickey stated NFP will provide a group seminar to answer participant's questions about the updated investment lineup and Lincoln will likely provide educational seminars as well and all of the investment information is available through the Lincoln portal. Ms. Cerbone voiced her understanding that the transition to Lincoln already occurred and applicable changes could be made. She recalled that, in the previous Committee Meeting, the Committee approved the change to Lincoln and formally adopted the transfer in the subsequent Board Meeting.

Discussion ensued regarding the transfer date, Mission Square information in the Fiduciary report, on-site group education, the 90-day equity-wash rule, NFP's investment strategy and additional follow up questions for Mr. Dickey to pose to Mr. Larsen.

Mr. Dickey discussed the ESG Rating Methodology, Fiduciary Fitness Program, Target Date Funds (TDFs), Addressing the Participant Experience, Fee Levelization, the Scorecard System Methodology, Active Strategies including style factors, risk/return factors, peer group rankings and qualitative factors.

Mr. Dickey concluded that NFP tries to engage investment managers that are able to have continuous, successful quarters for months and years over the longer term and that have the top rankings among their peer groups.

The Committee had no further questions.

Mr. Dickey will follow up with Mr. Larsen and confirm that both NFP and Lincoln will provide education to the District's employees by reviewing investments and providing an updated investment lineup to help in the education process.

Mr. Morera asked if employees can choose to make additional contributions to the plan. Mr. Dickey replied that employee contributions must come from their District paycheck, unless it is coming from an IRA or another retirement plan that could be rolled into the 401a plan. Mr. Morera stated the District currently contributes 10% of the gross into the plan and asked if it is possible, under the Lincoln Agreement, for an employee to add additional funding to their individual plan. Mr. Dickey stated the 401a plan focuses on District funds and the District could also open another plan, such as Plan 457b for employee money, to make sure there is no comingling of the assets. There are special provisions in 457b that do not exist in 401a; it is an exceptional vehicle available for government employees. Asked if the Committee wants to add the 457b option to the account, Mr. Morera stated the participants must decide and he would like to make sure they know that the option exists and know what is required for them to take advantage of it.

Mr. Dickey will add the 457b option to the follow-up questions for Mr. Larsen and report his findings.

**Mr. Dickey left the call.**

**THIRD ORDER OF BUSINESS**

**Adjournment**

The meeting adjourned at 6:41 p.m.

  
Secretary/Assistant Secretary

  
President/Vice President