

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

The 401(A) Committee of the Sunshine Water Control District held a Meeting on April 10, 2024 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	Vice President/Committee Member
Carol Smith	Secretary

Also present were:

Jamie Sanchez	District Manager
Brad Larsen	NFP
Seth Behn	District Counsel
Orlando Rubio	District Engineer
Cory Selchan	Committee Member

FIRST ORDER OF BUSINESS

Call to Order

Ms. Sanchez called the meeting to order at 6:00 p.m. Committee Members Morera, Ortiz and Selchan were present. Committee Member Cindy Cerbone was not present.

SECOND ORDER OF BUSINESS

Presentation from NFP

Mr. Larsen presented the NFP Fiduciary Investment Review dated April 10, 2024. He outlined the items that will be reviewed during the meeting, including the current financial markets, the investment lineup that is offered to employees, the scorecard and a fund change, given that there is one fund that is currently on the watchlist. Otherwise, the investment lineup looks very good.

Mr. Larsen stated the scorecard is the technology that NFP uses, and it is the most widely-used in the qualified retirement plan space; all the details on how that works are in the back of the Report. He stated that NFP has a very sophisticated way of analyzing investments, utilizing a very easy decision-making tool, without having to know all the particulars that back it up. On a scale of 1 to 10, scores of 10, 9 and 8 are good, 7 is acceptable, 6 is on the watchlist and anything lower than that, NFP Staff will replace.

Mr. Larsen stated the Q4 2023 Market Review, on Page 3, provides a view of the markets. He noted that the fourth quarter data is reflected only because the first quarter data does not come out until April 15, 2024. The first quarter data will be reviewed at the next meeting; the changes will be slight.

Mr. Larsen discussed and recapped the following:

- Page 4, U.S. Equity: Includes index performance, growth versus value and sector charts. Here, NFP recommends continued diversification for plan participants and individual investors.
- Page 5, International Equity: Includes index performance, developed versus emerging markets and international versus domestic charts. Here, the consensus is that there will be a cyclical back and forth between U.S. and International stocks, which is good news.
- Page 6, Fixed Income: Includes performance by maturity, yield curve and sector charts. The good news for retirement plan participants is that the best quality portion of the fixed income market is starting to see a really nice rebound.
- Page 7, The Periodic Table of Investments: Includes a ranking by color of major asset classes from best performing to worst performing. Most participants have funds in the yellow boxes, which are more consistently-performing; never at the top or bottom.
- Page 8, The Magnificent Seven: The chart reflects that Apple, Amazon, Alphabet, Microsoft, Meta, Nvidia and Tesla are responsible for a majority of the performance in the S&P 500 Index.
- The market is and will remain volatile for the foreseeable future.
- Page 11, Summary of Considerations: Features a fund on the watchlist, LNL DirCII-American Funds Washington Mutual R6, that has a score of 7; a fund that will be eliminated, LNL DirCII-Western Asset Core Plus bond IS, with a score of 4; and a fund to be added, LNL DirCII-Loomis Sayles Core Plus Bond B, with a score of 10.

In response to a question, Mr. Larsen stated the District's employees are picking either asset allocation solutions or sticking to cash. Mr. Selchan stated his staff of seven would appreciate being better informed on investment options and asked if Mr. Larsen or another NFP representative can meet with his team. Mr. Larsen was receptive and stated an initial group meeting can be held, followed by individual, one-on-one sessions with team members.

Mr. Morera asked if Mr. Selchan's team will have the ability to perform asset-allocation based on their target dates of growth and rebalance their portfolios in the investment meetings that will be scheduled. Mr. Larsen replied affirmatively.

➤ Pages 12, 13 and 14, Plan Allocation by Investment Type: Include specialty, international/global equity, U.S. Equity, fixed income, asset allocation, cash alternatives and asset class information.

Discussion ensued regarding risks that come with diversified investments, returns, interest rates and stable value funds.

➤ Page 15, Style Box: Outlines a variety of investment options, including large cap, mid cap, small cap, international and U.S. stocks, cash alternatives and fixed income.

➤ Pages 16 through 19, Returns Analysis: Reflects the performance numbers.

➤ Pages 20 through 24, NFP's Scorecard System Methodology: Includes the scorecard point system; Acceptable is 7 to 10 points, Watchlist is 5 to 6 points and Review is 0 to 4 points.

Discussion ensued regarding Roth payroll deductions, fund changes, employer contributions, when the District changed from a retirement account to an investment group, what percentage the District contributes to employee 401 plans, rebalancing employee retirement accounts and building a diversified portfolio.

Ms. Sanchez stated that Ms. Cindy Cerbone will be removed from the 401(A) Committee and she and Ms. Smith will be added as Committee members. Mr. Larsen will prepare a new governance document that lists all current members, which will replace the previous document.

Mr. Selchan and Mr. Larsen will communicate offline to schedule an investment options meeting for District employees. Asked if any action needs to be taken, Ms. Sanchez stated action will be taken at the regular meeting.

Mr. Larsen stated NFP recently entered into an agreement to be acquired by Aon Investments, a large employee management/risk management firm, which was fast-tracked and could be confirmed by May 1, 2024. This will provide additional resources and contribute to NFP's growth. Asked if the fees will remain the same, Mr. Larsen stated, despite the merger, NFP will continue to operate independently.

THIRD ORDER OF BUSINESS

Adjournment

The meeting adjourned at 6:44 p.m.



Secretary/Assistant Secretary



President/Vice President