

City of Seattle Voluntary Deferred Compensation Plan Regular Trust Committee Meeting Minutes

Wednesday, May 22, 2024, 10:00 am – 12:00 pm
Hybrid Meeting

TRUSTEES present: Jamie Carnell, Kimberly Loving, Jessica Jaeger, Jeff Davis, Tania Torres, Dennis Karl, and Rick Sheridan.

STAFF present: Michelle Ell, Tony Dozier, and Jesica DiCione (Plan Staff), & Gary Smith (City Attorney's Office).

CONSULTANTS present: Ted Grigsby and Jayson Davidson from Hyas Group; Gavin Parr from Mondress Monaco Parr Lockwood (MMPL).

GUESTS present: Jim Keeler, Susan Wilson, Kris Morton, and Kent Morris (Nationwide). Andrew Robinson (City Finance).

BUSINESS

Opening: Rick Sheridan, Committee Chair, started the meeting at 10:01 am.

Introductions: Rick Sheridan welcomed attendees and asked for introductions.

Public Comment: No public comment.

Minutes of March 27, 2024 Meeting: Rick asked for a review of the meeting minutes.

MOTION: Jamie Carnell moved to approve the minutes. The motion was seconded by Tania Torres and passed unanimously.

Plan Staff Update: Michelle introduced the committee to the new Deferred Compensation Analyst, Jesica DiCione. Kimberly Loving and Jeff Davis notified the committee that the Deferred Compensation Unit is transferring from Seattle Human Resources to City Retirement (SCERS), which will be effective 01/01/2025. There will be no change to the governance structure. Tania Torres and Kimberly Loving attended the Hyas Impact Conference in April, and both acknowledged that it was a positive educational experience. Michelle discussed the Fire Department and Library retroactive wages, noting the preliminary numbers of 250 employees participating with an additional \$1.7 million in contributions. A final contribution update will be provided in the July meeting. Michelle noted the coalition and non-represented employee retroactive wages will be paid on 7/12/2024. The Deferred Comp team expects to distribute forms and update the citywide retro wages SharePoint site in June. The Participant Satisfaction Survey should be released mid-July and close in early August.

Michelle briefed the Committee on proposed state legislation in the works that would allow non-state entities to implement auto-enrollment for employees with respect to their 457(b) plans. The proposed legislation is currently being shared with the Association of Washington Cities. Gavin provided some clarifying comments, stating that automatic enrollment is a common provision in non-governmental

plans where there is ERISA preemption of state laws that might otherwise preclude it and that enrollment is higher when there is auto-enroll. He noted that the proposed legislation would merely permit the plan to be amended to add automatic enrollment but wouldn't require it. Jayson mentioned that King County has auto-enrollment for some bargaining groups and that participation rates for younger groups are significant. Jamie said that the City often weighs in on issues being addressed by the Association of Washington Cities, so this wouldn't be unprecedented. Rick mentioned he supports the legislative changes. Michelle will reach out to the Office of Intergovernmental Relations to determine next steps.

Nationwide Q1 2024 Report: Jim Keeler discussed the Q1 2024 Nationwide plan overview and noted the first quarter's strong performance. He commented there are 11,183 participants in the plan. There was an increase in distributions from the plan, and a growth of Roth. Susan Wilson presented information regarding one-on-one meetings and group meetings.

Hyas Group Investment Policy Statement Discussion and Q1, 2024 Performance Review: Jayson discussed the market and economic outlook. Ted provided the Committee a review of the investment allocation, the investment options, and the Plan's record-keeping and investment fees. The Plan's assets were at \$1,849,238.739 as of 3/31/2024. The Committee reviewed the allocation amounts for the offered investment options along with the record-keeping, administrative and investment fees. Hyas Group proposed removing the American Funds EuroPacific Growth fund from the watch list and adding three funds to the watch list based on the criteria in the Investment Policy Statement. These funds are Calvert Equity R6, American Century Mid Cap Value R6 and Artisan Cap Institutional.

MOTION: Jeff Davis moved to remove American Funds EuroPacific Growth fund from Watch and add the three following funds to the watch list: Calvert Equity R6, American Century Mid Cap Value R6, and Artisan Cap Institutional. The motion was seconded by Jamie Carnell and passed unanimously.

Legal Update: Gavin provided an update regarding the status of the contract with CLA for audit services. He noted that the Empower contract was still in negotiations with an anticipated transition date of June 1, 2025. Michelle mentioned that we expect the Committee to confirm the transition date at the final Committee meeting of 2024. Nationwide will require a 150-day notice of transfer. Rick suggested we add this discussion to the July meeting.

Additional Plan Staff Update: Michelle mentioned the 2024 NAGDCA Annual Conference will be in Phoenix, AZ from 9/15-9/18. She stated interested Committee members should reach out to Plan Staff.

Adjournment: Rick Sheridan moved to adjourn the meeting. Hearing no objections, the meeting was adjourned at 11:23am.

Next Meeting: The next regular meeting is scheduled for Wednesday, July 24, 2024, at 10:00 am PT. The meeting will be hybrid via WebEx.



Jeffrey S. Davis
Secretary, Deferred Compensation Plan Committee