

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

Wednesday, January 27, 2021 10:00 am – 12:00 pm
Virtual Meeting via Webex

TRUSTEES present: Teri Allen, Jeff Davis, Dennis Karl, William Alves, Tania Torres, and Bobby Humes

STAFF present: Michelle Ell, Tony Dozier, and Malia Bonham; Gary Smith, City Attorney's Office

CONSULTANTS present: Jake O'Shaughnessy and Stuart Payment from SageView Advisory Group; Mike Monaco and Gavin Parr from Mondress Monaco Parr Lockwood (MMPL)

GUESTS present: Andee Gravitt, Kris Morton, Kent Morrison, Susan Wilson, and Olivia Anastasi, from Nationwide; Francis Albanese, Tim Morrison, FAS

BUSINESS

Opening: Teri Allen, Committee Chair, started the meeting at 10:03am.

Introductions: Teri Allen welcomed attendees and asked for introductions.

Public Comment: There was no public comment.

Bobby Humes joined at 10:06 am.

Minutes of November 18 Regular Meeting: Teri asked for a review of the meeting minutes.

MOTION: Teri Allen moved to approve the minutes. The motion was seconded by Jeff Davis and passed unanimously.

Administrative Update: Michelle Ell shared that the Member at Large recruitment is ongoing and stated that she will send applications to Committee members to review and follow-up with them about next steps.

Nationwide Q4 2020 Update: Andee Gravitt reviewed Nationwide's Q4 2020 report for the Committee. She stated that the Plan had experienced 18% growth over the year with assets reaching over \$1.6 billion by the end of 2020. Andee noted there was an increase in Plan distributions in the fourth quarter. Olivia Anastasi reported that virtual meetings and webinars continue to be successful.

Gary Smith joined at 10:15 am.

Market Overview and Executive Summary: Jake O'Shaughnessy discussed SageView's Q4 2020 market overview, reporting that increased volatility over may occur the coming year. Jake

stated that the ratio of federal debt to gross domestic product has passed 100% which is the first time this has occurred since the end of World War 2. He reported that federal interest rates remain low and are expected to remain low in the coming year. Jake noted that Plan returns have been strong, with no recommended changes in investment options at this time. He noted that in the future the Plan may wish to consider a move from Vanguard Target Date mutual funds to collective investment trusts, which can reduce fees but would have to be weighed against other impacts of such a change. He also noted that SageView entered a partnership with Aquiline Capital Partners in December 2020. The Committee members and Mr. O'Shaughnessy discussed the addition of a 2065 Target Date fund to the plan's investment options.

MOTION: Bill Alves moved to add the Vanguard 2065 Target Date Fund as soon as administratively feasible. The motion was seconded by Bobby Humes and passed unanimously.

Legal Update: Gavin Parr confirmed that as previously described to the Committee and communicated to Plan members, the CARES Act special distribution option and other provisions relevant to the Plan expired at the end of 2020. He also noted that and there are no impacts to the Plan of recently passed federal legislation.

Executive Session: The Committee entered an Executive Session to review options for publicly bid contracts beginning at 11:05 am and ending by 11:35 am. The Executive Session ended, and the Committee returned to open session.

MOTION: Jeff Davis moved that the plan enter into an investment advisory and consulting contract with Hyas Group effective March 1, 2021 for three years, on the terms specified in the Hyas proposal, with final approval of contract terms and execution by Teri Allen and Bobby Humes. The motion was seconded by Bobby Humes and passed unanimously.

Adjournment: Terri Allen moved to adjourn the meeting at 11:37am provided there were no objections. The motion was seconded by Jeff Davis. Hearing no objections, the meeting was adjourned at 11:37 a.m.

Next Meeting: The next regular meeting is scheduled for Wednesday, March 24, 2021, at 10:00 am via Webex.



Jeffrey S. Davis
Title: Executive Director, Seattle City Employees' Retirement System;
Secretary, Deferred Compensation Plan Committee