

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

Wednesday, January 26, 2022 10:00 am – 12:00 pm  
Virtual Meeting via Webex

**TRUSTEES present:** Teri Allen, Jeff Davis, Rick Sheridan, Glen Lee, Kimberly Loving, Tania Torres, and Dennis Karl

**STAFF present:** Tony Dozier & Malia Bonham (Plan Staff), and Gary Smith (CAO)

**CONSULTANTS present:** Ted Grigsby, and Matt McDonald from Hyas Group; Mike Monaco and Gavin Parr from Mondress Monaco Parr Lockwood (MMPL)

**GUESTS present:** Andee Gravitt, Kris Morton, Kent Morris, Susan Wilson, & Olivia Anastasi, from Nationwide; Francis Albanese (Financial Investment News), Joe Ebisa (withIntelligence)

### BUSINESS

**Opening:** Teri Allen, Committee Chair, started the meeting at 10:02 am.

**Introductions:** Teri Allen welcomed attendees and asked for introductions.

**Public Comment:** There was no public comment.

**Minutes of December 2 Regular Meeting:** Teri asked for a review of the meeting minutes.

**MOTION:** Dennis Karl moved to approve the minutes. The motion was seconded by Glen Lee and passed unanimously.

**Plan Staff Update:** Tony Dozier provided a Plan Staff update. He informed the Committee the Plan's auditor Thomas Rey (TR) left CliftonLarsenAllen (CLA) and Jason Ostroski would be taking his place. The rest of the audit team, including Tim Rawal, would remain the same. Tony provided an overview of the Plan's goals for 2022 which included: increasing participation rates, focused communications to retirees, improving language offerings for Plan Education, and improving city leave practices as they relate to Deferred Compensation. Rick stated he appreciated the increased language offerings and Jeff stated he'd be happy to help Plan Staff partner with City Retirement staff on retiree communications. Andee added the Plan is already a leader in language offerings being Nationwide's first Plan to offer a fully customized site in Spanish.

**Nationwide Q4 2021 Update:** Andee Gravitt provided a brief update of Q4 2021 for the Committee. Andee highlighted increased plan assets, increased participation, and education and participant outreach efforts. She noted that annual contributions were increased over plan year 2020.

**Investment Updates:** Ted Grigsby reviewed investment performance and updates with the Committee. Ted noted that the Galliard Stable Value fund has been on watch and was previously placed on the put queue due to ownership changes. He advised that the fund has continued to perform well and the

leadership team has been consistent over the last year, and so the qualitative considerations that previously gave rise to placing it on watch and on the put queue no longer exist, and he recommended that the Committee rescind the put option.

**MOTION:** Jeff Davis moved to rescind the Put option that was invoked Q1 of 2021 for the Galliard Stable Value fund. The motion was seconded by Rick Sheridan and passed unanimously.

Ted provided an update on the Dodge & Cox Stock fund which currently provides 10bps of revenue share, which is rebated back to the participants that hold this fund. The Hyas Group has been informed by Dodge & Cox that there will likely be a “no rev-share” option with a lower expense ratio available later this year. This will alleviate administrative burden and responsibility to distribute revenue share back to participants. Hyas Group to monitor the addition and availability of the non-rev share option and inform the Committee.

Ted shared Vanguard provided a notice that the 2015 fund will be sunsetted on July 8, 2022, and assets merged into the Target Retirement Income fund. Additionally, the 2070 TRF will be available in late June. Hyas Group will work with Nationwide and Plan Staff to prepare proper notifications and ensure age ranges are properly outlined for those who will be defaulted once the fund changes occur. Ted discussed Vanguard’s recent addition to the Target Date suite of funds, specific only to CITs at the moment, that provides a more balanced Retirement Income option than the current Retirement Income option, which is comprised of 70% fixed income and 30% equity. The new option, Target Retirement Growth and Income, is closer to a 50% / 50% allocation between fixed income and equities. Hyas Group will continue to monitor the adoption of this option among peer Defined Contribution plans and provide feedback to the Committee.

**Fiduciary Training:** Ted Grigsby from Hyas Group presented a Fiduciary Education session that focused on investment fundamentals for DC Committee members. The presentation included the following topics: Asset classes and types of investment vehicles in defined contribution plans, a review of investment categories and considerations for Committee members, investment menu construction and design, and considerations for Committee members in the qualitative and quantitative oversight and due diligence of plan investments.

**Legal Updates:** Mike Monaco stated there were no legal updates.

**Adjournment:** Glen Lee moved to adjourn the meeting provided there were no objections. Hearing no objections, the meeting was adjourned at 11:18am.

**Next Meeting:** The next regular meeting is scheduled for Wednesday, March 23, 2022, at 10:00 am via WebEx.



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Jeffrey S. Davis  
Secretary, Deferred Compensation Plan Committee

03/23/2022