

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

Wednesday, May 28, 2025, 9:30 am – 11:30 am
Hybrid Meeting

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

STAFF present: Michelle Ell, Tony Dozier, Jesica DiCione (Plan Staff).

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

GUESTS present: Jim Keeler, Susan Wilson, Kris Morton, Kent Morris, and Frank McCafferty (Nationwide); Andrew Robinson (City Finance); Malia Bonham and Jacob Greenwalt (DRS); Emory Horvath.

BUSINESS

Opening: Rick Sheridan, Committee Chair, started the meeting at 9:32 am.

Introductions: Rick Sheridan welcomed attendees and asked for introductions.

Public Comment: No public comment.

Minutes of March 26, 2025 Meeting: Rick Sheridan requested a review of the meeting minutes.

MOTION: Jeffrey Davis moved to approve the minutes. The motion was seconded by Jessica Jaeger and passed unanimously.

Plan Staff Update: Michelle Ell mentioned that the NAGDA Annual Conference is September 28, 2025 to October 1, 2025 in San Diego; and stated that Committee members may contact Plan Staff if they would like to attend. Ms. Ell provided a Workday update, noting Deferred Compensation Plan Staff continue to audit cashouts, and will address any system issues with the Workday team. Ms. Ell reviewed House Bill 1270, a law passed in Washington state that permits 457(b) plans sponsored by cities and counties to auto enroll participants, if desired. Malia Bonham expressed appreciation to the Committee members for supporting the bill. Rick Sheridan and Ted Grisby thanked Malia for her collaboration, and Ms. Ell recognized Hyas Group and Michael Monaco and Gavin Parr for their work on the bill.

Nationwide Q1 2025 Report: Jim Keeler discussed the first quarter 2025 Nationwide plan overview, reporting a decrease in Plan assets of 2.95% for the quarter, with a quarter ending balance of \$1.89 billion and a 4.74% decrease in total contributions. As of March 31, 2025, there were 11,573 participants in the Plan with 9,960 online accounts, and 6,813 participants using the MIRP tool. Mr. Keeler reviewed the contribution breakdown, noting that Roth deferrals remain popular. He also reviewed historical Plan participation rates, noting the rate continues to increase.

Susan Wilson presented information regarding one-on-one and group meetings with participants during the first quarter. She reported 923 individual appointments, and 20 group meetings with a total of 600 attendees. Mr. Keeler mentioned that April is financial literacy month and that the Nationwide site was updated accordingly. Nationwide reported that they provided a participant engagement program with tailored messages and that the engagement rate was 34.1%. Ms. Wilson further reported that RetireU will launch in June, and that Nationwide's service guarantee levels had been met during the period.

Hyas Group Q1 2025 Performance Review: Ted Grigsby provided an overview of economic conditions, performance of global and domestic capital markets, and impacts to the Plan's investment options through the first quarter of 2025. He stated that the underlying economy remained strong despite a slightly negative GDP in the first quarter – with continued job market growth, an unemployment rate at 4.2%, and strong corporate profits. Mr. Grigsby stated that inflation declined in the first quarter but remained above the Federal Reserve's targets. He also noted the uncertainties resulting from tariff policy and other factors.

Mr. Grigsby reported on the performance of the Plan's investment options. In addition to positive performance overall, he noted the continuing low level of annualized Plan Costs, which he reported to be 0.257%. He then provided an update regarding the funds currently on watch: Brandywine Global Opportunity Bond Fund, Vanguard US Growth, American Century Mid Cap Value R6, Calvert Equity R6, Victory Sycamore Small Company Opportunity Fund, and Artisan Small Cap Institutional. Mr. Grigsby stated that Hyas recommends that the first three of those funds remain on watch status to assess further developments. He reported that with Committee approval Hyas would initiate a manager search for Victory Sycamore Small Company Opportunity and American Century Mid Cap Value funds, as they have become concentrated in underperforming strategies.

Mr. Grigsby then presented the Manager Search for the Specified Asset fund, Calvert Equity. He discussed the performance and social investment implementation of the Calvert Fund compared to four alternatives: DFA US Social Equity 2, Vanguard FTSE Social Index I, Fidelity US Sustainability Index, and Nuveen Winslow Growth R6. He noted that the Calvert fund has at times performed well and overcome periods of underperformance, but over the long term has not compared well to others large cap growth funds. The Committee requested more information regarding each new fund manager presented as an option and their internal practices in relation to social equity considerations, to better understand the quality of each firm. Mr. Grigsby updated the Committee on the Hyas Group integration with Cook Street and stated that the company name will be changing to Fiduciary Consulting Group, which no changes in its services or personnel serving the Plan.

Legal Update: Michael Monaco updated the Committee on the status of Hyas' three-year contract with the Plan, which includes two optional one-year extensions to be exercised by the Plan. He noted that one of those one-year extensions had previously been exercised. The exercise of the second one-year extension for continuation of the Hyas services in the current year, at no change in cost or other terms, is a matter for Committee approval.

<p>MOTION: Jeffrey Davis moved to approve a one-year extension of the Hyas contract for investment advisory services. The motion was seconded by Kimberly Loving and passed unanimously.</p>

Mr. Monaco briefed the Committee on the Empower contract, noting a few items that remain pending. He noted that Empower proposed a start date of January 15, 2026, which Plan staff views favorably. He stated that on that timeline, a termination notice to Nationwide would be required in August and would need to be addressed at the next meeting.

Adjournment: Rick Sheridan moved to adjourn the meeting. Hearing no objections, the meeting was adjourned at 11:15 am.

Next Meeting: The next hybrid meeting is scheduled for Wednesday July 23, 2025, at 9:30 am PT.



Jeffrey S. Davis
Secretary, Deferred Compensation Plan Committee

FINAL