

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

Wednesday, December 3, 2025, 9:30 am – 11:30 am
Hybrid Meeting

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

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

CONSULTANTS present: Ted Grigsby from Fiduciary Consulting Group; Michael Monaco and Gavin Parr from Mondress Monaco Parr Lockwood (MMPL).

GUESTS present: Jim Keeler, Susan Wilson, and Kris Morton from; Andrew Robinson (City Finance); Gary Smith (City Attorney's Office)

BUSINESS

Opening: Rick Sheridan, Committee Chair, started the meeting at 9:34 am.

Introductions: Rick Sheridan welcomed attendees and asked for introductions.

Public Comment: No public comment.

Minutes of September 24, 2025 and November 3, 2025 Meetings: Rick Sheridan requested a review of the meeting minutes.

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

Nationwide Q3 2025 Report: Jim Keeler discussed the third quarter 2025 Nationwide plan overview, reporting an increase in Plan assets of 4.824% for the quarter. In addition, there was an increase in total distributions, participant interactions and use of the MIRP tool. The quarter ended with 11,697 participants, 6,886 of which are actively contributing. Susan Wilson mentioned there were 779 individual meetings, 19 group meetings with 752 attendees and 180 new enrollments, 7 of whom utilized the EZ enrollment form; most new enrollees are using the online platform or contacting customer service to enroll. The Participant call center received 1,723 calls. Mr. Keeler discussed the revenue reconciliation and noted that all service level agreements were met aside from the phone call service levels. A \$500 penalty was assessed for falling below the required 80% of calls answered within 20 seconds.

Fiduciary Consulting Group Q3 2025 Performance Review: Ted Grigsby discussed his firm's investment performance report as of September 30, 2025, and provided an overview of current economic conditions, performance of global and domestic capital markets, and impacts to the Plan's investment options. Mr. Grigsby reported that financial markets were largely positive, and the global economic activity remained resilient while labor market softened, with inflation relatively contained. In the US,

small cap stocks led the way as equity markets were fueled by technology and communications. International equity continued its outperformance on the back of a weakening dollar and positive global economic activity.

Mr. Grigsby noted that total plan assets were \$2,181,451,148 at the end of the third quarter of 2025. The total annualized Plan fees were lower than in the previous quarter because of CIT implementation and growing asset levels. Combined administrative and investment fees were .02495%, a decrease from previous periods.

Mr. Grigsby then provided an update regarding the funds currently on watch. Regarding the Brandywine Global Opportunity Bond Fund, Mr. Grigsby stated that the fund was initially placed on watch Q4 of 2024, and that although the Fund is now compliant with policy criteria, it struggled in Q3 and will remain on watch. Regarding the Vanguard US Growth fund, Mr. Grigsby reported that it was originally placed on watch Q2 of 2022 for performance reasons and remains out of compliance; it has continued to show improvement throughout the year and has been one of the better Large Growth performers over the last three years; it will remain on watch. Regarding the American Century Mid Cap Value R6 fund, Mr. Grigsby reported that the fund was initially placed on watch in Q1 of 2024 for performance reasons and remains out of compliance; the Fund has demonstrated improvement landing in the top half of its peer group for both the quarter and year-to-date but will remain on watch.

The following funds were replaced on October 10, 2025 and will be reflected in the Q4 2025 report:

- Calvert Equity R6 replaced by Vanguard FTSE Social Index Fund
- Artisan Small Cap Instl replaced by Hood River Small Growth
- Victory Sycamore Small Co Opportunity R6 replaced by DFA US Targeted Value

Additional CIT options have been developed and will be presented to the Committee in the coming quarters. Specifically, CIT options for PIMCO Total Return and American Century Mid Cap Value will provide fee reductions of 33bps and 20bps, respectively.

Mr. Grigsby updated the Committee that Empower has agreed to return any float income to the Plan. Float income is short term interest earned from investing pending funds; when distributions occur, the funds are removed from the participant's account and placed in a short-term fund and then distributed. Jim Keeler mentioned that Nationwide does not invest the float income.

Legal Counsel Report: Michael Monaco updated the Committee on the status of the Empower contract, stating that the draft contract states there is float income and Empower would retain the income; Empower provided a revision to return the float income to the Plan.

Plan Staff Update: Michelle Ell updated the Committee on the communication timeline of the transition to Empower. Ms. Ell mentioned that Plan Staff are updating internal websites to post the change in recordkeeper. Ms. Ell also stated that a BRAG notice will be provided, and packets mailed to participant home addresses for active employees and separated employees with a balance. The blackout period will start January 28, 2026 and it will end the week of February 8, 2026. The payroll file from February 6, 2026 will likely be delayed by multiple days and will be invested as soon as administratively feasible.

Ms. Ell presented the option to Committee members to remain hybrid or meet in person for the 2026 meetings. The 2026 meeting dates were reviewed, and Ms. Ell asked Committee members to notify Plan Staff if there were any conflicts.

Rick Sheridan asked the Committee if they have an opinion. Jamie Carnell stated that she would prefer to remain hybrid.

Adjournment: Rick Sheridan moved to adjourn the meeting. Hearing no objections, the meeting was adjourned at 10:26 am.

Next Meeting: The next hybrid meeting is scheduled for Wednesday January 28 2026, at 9:30 am PST.



Jeffrey S. Davis
Secretary, Deferred Compensation Plan Committee