

City of Seattle Voluntary Deferred Compensation Plan and Trust

To: All participants in the Deferred Compensation Plan

From: Teri Allen, Trust Committee Chair

Date: December 15, 2020

Subject: Request for candidates -- Member-at-Large seat, Three-Year Term (2021 – 2023)

Purpose of Notice

The Trust Committee of the City's Deferred Compensation Plan has a vacancy in its Member-at-Large position. We are asking for interested Plan participants who believe they meet the qualifications described in the application table on pages 3 & 4, to apply to fill the vacancy for a three (3) year term. The upcoming selection decision will be made jointly by four representatives of the City -- the Directors of Human Resources, Treasury Services and Finance, as well as the Executive Director of the Retirement System -- in accordance with Plan rules. At the end of the term, estimated to be in December 2023, the Member-at-Large incumbent would be eligible for re-selection.

General Information

The City's Deferred Compensation Plan, holds participant assets -- over \$1.4 billion as of September 30, 2020 -- in trust for the benefit of participants and beneficiaries. The Plan is administered by a seven-member Committee. The members of the Plan Committee include:

- the Director of the Seattle Department of Human Resources
- the Director of Finance of the Department of Finance and Administrative Services (FAS)
- the Director of Treasury Services (FAS);
- the Executive Director of the Retirement System;
- two union representatives selected by the Coalition of City Unions; and
- a Member-at-Large selected by the four Plan Committee members that are City employees.

As a general rule, there cannot be more than two City representatives on the Plan Committee who are employed in the same department at any time. Currently there are two City representatives from FAS.

The Plan Committee is responsible for compliance with the Internal Revenue Code and other applicable laws, and uses as a reporting and disclosure model certain features of the Employee Retirement Income Security Act (ERISA). The Committee's key responsibilities are to ensure appropriate processes are utilized and to act in the interest of participants and beneficiaries. The Committee:

- sets investment and loan policy;

- selects and monitors investments in the Plan line-up;
- hires an investment consultant, record-keeper and auditor,
- evaluates claims (appeals) of specific decisions, and
- monitors operations conducted by staff and the record-keeper.

Committee members must plan to attend six two-hour long Committee meetings per year in downtown Seattle, and participate as needed in one or more Subcommittees (e.g., regarding unforeseeable emergency withdrawal requests). Given the current pandemic, Committee meetings are held virtually until it is safe to resume in-person meetings.

Nomination Process

The Member-at-Large position was recently vacated. The Committee hopes to fill the vacancy with an individual with experience and qualifications with regard to investments, or the ability to understand and act on professional investment advice, as well as management and/or employee/member relations responsibilities and experience.

- ***Interested persons must complete the application on pages 3 & 4, providing therein a brief written description of relevant qualifications, experience and/or commitment to the bulleted expectations listed in the box below. They must also confirm they are not currently in any performance improvement process and have the approval of their supervisor to participate in Committee and other Plan activities. (NOTE: Following review of applications, supervisors may be contacted.) This information must be submitted by 5:00 PM Pacific Time on January 8, 2021 to Michelle Ell, Deferred Compensation Manager at Michelle.Ell@seattle.gov.***
- ***If you have further questions about the process, please contact Michelle Ell via email at Michelle.Ell@seattle.gov or call (206) 684-4176.***

Applications received outside this time frame will not be considered. Formal designation of a new Member-at-Large will likely occur at the Committee meeting on Wednesday, January 27, 2021, 10 am – 12 noon. Finalists may be asked to attend the virtual meeting.

City of Seattle Voluntary Deferred Compensation Plan and Trust
Application to Serve as Member-at-Large on the Plan Committee

Name of participant: _____

Status (active employee, retiree, separated): _____

Daytime contact phone: _____

Contact email: _____

Currently in performance improvement process (Yes/No): _____

Name and contact information of Supervisor if still a City employee:

- **Supervisor's name:** _____
- **Supervisor's contact information:** _____

Interested persons should submit this application by 5 PM Pacific Time on January 8, 2021 to:

- michelle.ell@seattle.gov

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Finalists may be asked to attend the meeting.

Basic Expectations	Candidate's Relevant Qualifications, Experience and/or Commitment
Have experience with and/or the ability to understand basic investment concepts such as market capitalization, asset class, equity, fixed income, risk, annualized return, and other terms with which to evaluate current or prospective plan investments.	
Be willing to vote on actions to be taken on the investment funds that are to be offered through the Plan, utilizing information and advice provided by an independent investment advisor and available through other reputable sources.	
Be concerned about ensuring the Plan is compliant with current tax law and incorporates new features to maintain the competitiveness of the City's overall benefits package.	

Basic Expectations	Candidate's Relevant Qualifications, Experience and/or Commitment
<p>Be ever mindful of the fiduciary responsibilities of Plan-related work – to prevent imprudent investments or conflicts of interest in their selection, insufficient investment diversity, improper advice or information disclosure to participants, inappropriate selection of advisors or service providers, breaches in operating the Plan for the sole benefit of participants and beneficiaries, and negligence in Plan administration.</p>	
<p>Be able to work collaboratively with fellow Committee members, Plan staff, vendors and consultants to the Plan.</p>	
<p>Be a current participant in the Plan – as either an active employee, retiree or separated employee. The qualified candidate would be expected to have money in a Plan account, but would not necessarily be contributing new funds, rolling over funds, paying off a Plan loan or taking distributions.</p>	
<p>Have a general awareness of the complexities of enrollment, payroll deferral, employee education, transaction processing, etc., and a commitment to ensuring the Plan is designed in a manner that does not exceed the capabilities of the City's payroll system, working processes and staff.</p>	
<p>Have general Deferred Compensation knowledge, including understanding of and respect for compliance with 457 (b), 401(k) or similar requirements in the Internal Revenue Code; ERISA; etc., and familiarity with governmental operation of these types of plans.</p>	