

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

Wednesday, November 18, 2020 10:00 am – 12:00 pm  
Virtual Meeting via Webex

**TRUSTEES present:** Teri Allen, Jeff Davis, Dennis Karl, Glen Lee, 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; Lauren Albanese, George Emerson, FAS; Eric Leavitt

### BUSINESS

**Opening:** Teri Allen, Committee Chair, started the meeting at 10:01am.

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

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

Bobby Humes joined at 10:05 am.

**Minutes of September 23 Regular Meeting:** Teri asked for a review of the meeting minutes.

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

**Administrative Update:** Michelle Ell shared that the Member at Large position held by Bill Alves ended September 2020 and Plan Staff will be conducting a search for a replacement Committee member. Plan Staff will send information to all participants in the Plan. She expects that the Committee members who are on the Committee based on their role at the city will be able to select the new member by the January 27, 2021 meeting. Bill has stated he could attend through the January 2021 meeting if necessary.

Bill Alves joined at 10:10 am.

**Nationwide Q2 2020 Update:** Andee Gravitt reviewed Nationwide's Q3 2020 report for the Committee. She stated that use of the My Interactive Retirement Planner (MIRP) has grown considerably during the summer and fall. She noted the Plan is now at \$1.5 billion in value and that there has been a large increase in the number of rollovers (approximately 44 people rolled

over an average of \$55,000 in Q3). Andee also confirmed CARES act related distributions provisions will expire at the end of 2020.

Andee presented that the Asset Aggregator services will be added to the website and Plan Staff will start working with Nationwide to update common forms to utilize DocuSign. Michelle noted both processes have been vetted by City of Seattle Privacy and IT Security teams.

**Market Overview and Executive Summary:** Jake O'Shaughnessy presented the Q3 2020 market overview, stating that growth funds have significantly outperformed value stocks in 2020 and that Plan fees remain competitive at 0.32%. Jake noted Calvert continues to exceed its designated SRI benchmark. Jake shared the Hotchkis & Wiley Small Cap Value I fund continues to rank in the bottom quartile relative to other small cap value funds, but recent performance had shown some signs of a rebound. He presented a list of potential replacement small cap value funds and mentioned that SageView had gotten an exception for the City of Seattle to access the Victory Sycamore Small Companies Opp R6 fund (Ticker: VSORX), despite the "soft close" in place for that fund. The Committee noted the strong SageView ranking and commented that the Victory Sycamore Small Companies Opp R6 fund has a lower fee of .87% versus the Hotchkis & Wiley an expense ratio of 1.05%. Jake also clarified that the City's ability to remain in the Victory Sycamore Small Companies Opp R6 fund in the future is not contingent upon the City's relationship with SageView. Andee noted that Nationwide could process the Small Cap Value fund swap, as noted above, by February 16, 2021. Jake also reported that the Galliard Stable Value Fund Put notice was in effect until April 2021, but that the fund appears to be doing well. The Committee members discussed the fact that the concerns motivating the Put notice have not materialized and whether it would be advisable to rescind the Put notice for the Galliard Stable Value Fund. Jake agreed that it would be appropriate to do so.

**MOTION:** Glen Lee moved to replace the Hotchkis & Wiley Small Cap Value I fund with the Victory Sycamore Small Companies Opp R6 fund (ticker: VSORX) as soon as administratively feasible. The motion was seconded by Bobby Humes and passed unanimously.

**MOTION:** Jeff Davis moved that the Put notice for the Galliard Stable Value be rescinded. The motion was seconded by Bobby Humes and passed unanimously.

**Executive Session:** The Committee met for Executive Session review options for publicly bid contracts at 11:20 am and ending at 11:59 am.

**Adjournment:** Bobby Humes moved to adjourn the meeting at 11:59am provided there were no objections and the motion was seconded by Glen Lee. Hearing none the meeting was adjourned without objection.

**Next Meeting:** The next regular meeting is scheduled for Wednesday, January 27, 2021, at 10:00 am via Webex.