

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

Wednesday, March 27, 2024 10:00 am – 12:00 pm  
Hybrid Meeting

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

**STAFF present:** Michelle Ell and Tony Dozier (Plan Staff), & Gary Smith (City Attorney's Office).

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

**GUESTS present:** Jim Keeler, Susan Wilson, Wendie Arnold, Kris Morton and Kent Morris (Nationwide). Andrew Robinson (City Finance).

## BUSINESS

**Opening:** Rick Sheridan, Committee Chair, started the meeting at 10:02 am.

**Introductions:** Rick Sheridan welcomed attendees and asked for introductions.

**Public Comment:** No public comment.

**Minutes of November 23, 2023 Meeting:** Rick asked for a review of the meeting minutes.

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

**Executive Session** – Trust Committee members, Mike Monaco, Gavin Parr, Gary Smith, and Michelle Ell moved to executive session to review negotiations on the performance of publicly bid contracts. Ted Grigsby joined executive session at 10:20am.

**Contracting** – Trust Committee members, Mike Monaco, Gavin Parr, Ted Grigsby, Gary Smith, and Michelle Ell returned to open session at 10:40am.

**MOTION:** Jeff Davis moved to extend the existing contract for Investment Advisory and Plan Consulting Services with the Hyas Group for an additional one-year term, on the current contract's terms and conditions. The motion was seconded by Kimberly Loving and passed unanimously.

**MOTION:** Tania Torres moved to establish a contract with Empower for Recordkeeping and Administrative Services for a five-year term in accordance with their RFP proposal. The motion was seconded by Jessica Jaeger and passed unanimously.

**MOTION:** Kimberly Loving moved to enter into an Audit Services contract with CliftonLarsenAllen for three years as proposed in the RFP. The motion was seconded by Jessica Jaeger and passed unanimously.

**Hyas Group Investment Policy Statement Discussion and Q4, 2024 Performance Review:** The Trust Committee discussed proposed changes to the Investment Policy Statement. Mr. Monaco informed the Committee that based on his discussions with the Chief Investment Officer for the Seattle City Employees' Retirement System (SCERS), the updated delineation of passive investments presents no conflict with the SCERS investment policy or any other concerns.

Jaime Carnell left the meeting at 10:50am.

Ted presented the Fourth Quarter 2023 Performance Report and discussed current economic conditions, performance of global and domestic capital markets, and impacts to the Plan's investment options. Market performance was strong for the fourth quarter with declining inflation and optimism that the Federal Reserve will ease their quantitative tightening measures. The Plan's assets stood at \$1,742,872,339 as of December 31, 2023. Ted reviewed for the Committee the allocation of funds among the offered investment options and the Plan's record-keeping and investment fees. He reported that the total weighted average investment expense was 0.2838%. The weighted average investment expense as a portion of the total fee stood at 0.1937%.

The Committee discussed the on-watch funds, including the PIMCO Total Return fund, which Ted reported had exhibited a consistent process and solid performance since the management changes. He recommended that the fund be removed from the watch list. Regarding the Vanguard US Growth Fund and American Funds EuroPacific Growth Fund, he recommended that those funds remain on watch status. The Committee also discussed placing a put on the Galliard Stable Value fund to facilitate recordkeeper change to Empower.

**MOTION:** Jeff Davis moved to approve the changes to the Investment Policy Statement. The motion was seconded by Jessica Jaeger and passed unanimously.

**MOTION:** Jeff Davis moved to remove the PIMCO Total Return fund from the Watch list. The motion was seconded by Jessica Jaeger and passed unanimously.

**MOTION:** Jeff Davis moved to place a put on the Galliard Stable Value fund to facilitate the transition to Empower. The motion was seconded by Dennis Karl and passed unanimously.

**Nationwide Q4 2023 Report:** Jim Keeler discussed the Q4 2023 Nationwide plan overview and noted that the plan balances have recovered much of their value over the past year. He also commented that distributions have exceeded contributions toward the end of 2023. Susan Wilson added that meetings in Q4 have been well attended.

**Adjournment:** Rick Sheridan moved to adjourn the meeting. Hearing no objections, the meeting was adjourned at 11:33am.

**Next Meeting:** The next regular meeting is scheduled for Wednesday, May 22, at 10:00 am PT. The meeting will be hybrid via WebEx.



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Jeffrey S. Davis  
Secretary, Deferred Compensation Plan Committee

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