

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

Wednesday, July 23, 2025, 9:30 am – 11:30 am
Hybrid Meeting

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

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

CONSULTANTS present: Ted Grigsby from Hyas Group; Michael Monaco and Gavin Parr from Mondress Monaco Parr Lockwood (MMPL); Joe Levan from the City Attorney's Office.

GUESTS present: Jim Keeler, Susan Wilson, and Frank McCafferty (Nationwide); 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 May 28, 2025 Meeting: Rick Sheridan requested a review of the meeting minutes.

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

Plan Staff Update: Michelle Ell discussed the upcoming Investment Advisory RFP and asked that a subcommittee be created to evaluate and score submitted bids. She stated that the investment advisory services contract ends February 2026. Kimberly Loving, Jeffrey Davis, and Jessica Jaeger volunteered to be on the Investment Advisory subcommittee.

Nationwide Q2 2025 Report: Jim Keeler discussed the second quarter 2025 Nationwide plan overview, reporting an increase in Plan assets of 9% for the quarter. In addition, there were strong market returns, increased contributions during the quarter and a decrease in plan withdrawals. Susan Wilson mentioned there was an increase in participants utilizing the Plan website and many of the questions were about account access. Ms. Wilson also reported that all Nationwide plan performance metrics were met in the second quarter.

Fiduciary Consulting Group Manager Search Discussions: Ted Grigsby discussed potential replacement funds for the Calvert Equity R6, Artisan Small Cap, and Victory Sycamore funds. Regarding the possible replacement for the Calvert fund, Mr. Grigsby discussed the features and past performance of the DFA US Social Core Equity 2 fund, the Vanguard FTSE Social Index fund, the Nuveen Winslow Growth fund, and the Fidelity US Sustainability Index fund, and provided analysis regarding the practices used by the potential new funds to source and hire employees. The hiring

practice information was provided by each of the fund companies. Based on its strong performance record in line with the other fund options, lowest cost, and other features, Mr. Grigsby recommended the Vanguard FTSE Social Index fund, while stating that the other funds would also be prudent choices.

MOTION: Jeffrey Davis moved to replace the Calvert Equity R6 fund with the Vanguard FTSE Social Index fund as soon as administratively feasible. The motion was seconded by Dennis Karl and passed unanimously.

Mr. Grigsby continued with discussion of the potential replacement funds for the Artisan Small Cap Institutional fund. He stated that the Hood River Small Cap Growth R fund was higher in peer rankings and had the highest performance over time when compared to the other replacement options, the Vanguard Explorer Admiral fund and the T. Rowe Price Integrated Small Cap Growth I fund. He also discussed the fees of the potential replacement funds, noting that while Hood River's fee was the highest of the three options, it was lower than Artisan's and was still very reasonable for active management in the small cap space. Mr. Grigsby recommended Hood River Small Growth R as a replacement fund based on its more consistent performance, better return vs. risk ratio, and other factors.

MOTION: Jeffrey Davis moved to replace the Artisan Small Cap Institutional fund with the Hood River Small Cap Growth R fund. The motion was seconded by Kimberly Loving and passed unanimously.

Ted Grigsby then discussed potential replacement options for Victory Sycamore, a small cap value fund, including DFA US Targeted Value I, Putnam Small Cap Value R6, and American Beacon Small Cap Value R6. Mr. Grigsby noted DFA US Targeted Value fund was one-third the expense of Victory Sycamore Small Co R6 and that it is more diversified than the other replacement fund options. Additionally, he reported that DFA US Targeted Value has been more consistent, holds a higher peer ranking, and has the best projected risk/return ratio in comparison to the other fund options. He therefore recommended DFA US Targeted Value I as the replacement option.

MOTION: Jeffrey Davis moved to replace the Victory Sycamore fund with the DFA US Targeted Value I fund. The motion was seconded by Jessica Jaeger and passed unanimously.

Jim Keeler from Nationwide noted that if a change request for these fund replacements were submitted by August 8, 2025, Nationwide Retirement could start on employee communications in time to implement the fund change in September 2025.

Legal Update: Michael Monaco reported that Empower and the Plan have come to an agreement regarding the final significant outstanding contracting items. He noted that the tentative conversion date proposed by Empower was January 15, 2026, which Mr. Monaco stated can also be implemented under the amended Nationwide contract. Michelle Ell stated that staffing will be sufficient for a January 2026 transition. In addition, Ms. Ell stated that City Payroll and HRIS were aware of the transition timeline, and HRIS was ready to update plan data files and transmission protocols. Ms. Ell stated that she would coordinate with the Payroll group regarding the transmission of the funding to the new vendor.

MOTION: Jeffrey Davis moved to send a termination letter with a January 15, 2026 transition date to Nationwide Retirement. The motion was seconded by Jamie Carnell and passed unanimously.

Adjournment: Rick Sheridan moved to adjourn the meeting. Hearing no objections, the meeting was adjourned at 10:46 am.

Next Meeting: The next hybrid meeting is scheduled for Wednesday September 24, 2025, at 9:30 am PT.



Jeffrey S. Davis
Secretary, Deferred Compensation Plan Committee