

2/19/2020 Deferred Comp Committee Meeting Minutes

Pier 69 3CC03 10:00 -12:00

In attendance:

Committee members:

- Elizabeth Morrison
- Eric Baird
- Milton Ellis
- Duane Hill
- Taesan Hose

Staff members:

- Anika Klix

Guests

- Greg Settle, Hyas Group
- Corey Wiggins, ICMA-RC
- Peter Hoerber, ICMA-RC
- Sonia Rogers, ICMA-RC

Regular session commenced at 10am

Approval of minutes from retreat:

Vote: Duane moved to accept minutes as presented. Milton seconded. All in favor. None opposed. Minutes approved.

Hyas Group:

Greg Settle presented the Plan and Investment Performance Report for the quarter ending December 31, 2019. One fund was found to be in violation of the Plans' Investment Policy Statement performance guidelines: The Artisan Mid Cap Fund. The Artisan Mid Cap Fund had a strong performance year in 2019, following a good 2018. The Committee decided to leave the fund on Watch and revisit its performance next quarter.

The American Funds Cap World Growth and Income R6 is no longer underperforming the standards of IPS, although it did not have a superior performance year in 2019. We will continue to monitor this fund and provide an update at the next Committee meeting. The Committee took no action, keeping the fund on Watch status.

Greg presented an analysis of the present .04% fee for administrative oversight vs. the projected budget for 2020. After some discussion, the Committee voted to reduce the fee to .03% and directed ICMA-RC to make this change.

Vote: Eric Baird made a motion to decrease fees from 4 to 3 bp. Duane seconded. All in favor. None opposed. Motion carries.

No action taken on distribution of surplus until after review of fees and expense policy in May meeting.

Greg provided copies of the updated "Fees Matter" piece that included information about the availability of loans for retirees and lower costs for the target date funds, as well as a new graphics treatment. The Committee noted one graphic error on one of the bar charts for the \$400,000 balance version, but otherwise approved of the new look. Hyas Group will make the bar chart correction and revise both the \$300,000 and \$400,000 balance versions to reflect the newly reduced administrative oversight fee level of .03% and forward the revised document to Anika for utilization.

Greg will work with Anika to review the current Fee and Expense Policy and prepare any recommendations for updates for the next Committee meeting.

Greg led a discussion of the SECURE Act's mandatory and optional features. The Committee will revisit this topic at the next Committee meeting, when more information about making Plan amendments will be available from ICMA-RC.

Greg discussed his efforts to get drill-down information about the Port's PERS and LEOFF participants from the State Actuary and DRS. He reported that it did not seem likely that DRS will be providing this information to a non-DRS employer, and the Actuary's office reported that they do not have information at the employer level. It was suggested that he let Tammy Woodard (who was not present) know that it appears that DRS may only provide this information directly to the Port of Seattle. He will email her about this by February 28, 2020.

ICMA-RC:

Sonia Rogers provided information on 2019 Q4 service details. On-site visits and meeting with employees continue to occur at various Port locations and by request. She conducted meetings at the Bus terminal in the evening when they could meet with her during their late shift.

A catchy slogan that seems to be working is "Pay it forward" by mentioning 457 and match information to fellow co-workers who may not have information about the plans.

Near retiree seminars were well attended, the tax strategy seminars were not as well attended. It's possible that the promotion methods made a difference in attendance numbers.

Seminar content and educational materials are created internally but the new approach is to work with a third party for seminar content creation and they will be updated sooner. New suite of education material will be available soon and Corey will keep us updated.

2020 participant communication ideas: promote the retirement education center that is on the ICMA-RC website to use as a foundation for outreach. Promote in next TR bulletin; in the education center, the materials rearrange based on the item chosen in the list (I want to...).

NAGDCA: Corey presented a question to inquire if the committee be willing to self-nominate for a leadership and participation award; ICMA-RC would do a write-up of the pre-retirement events and outreach/promotion for our events. We may need to quantify outcomes before nominating first, but we also don't want to wait too long. Deadline is April 30th for submitting the nomination. The committee generally felt that we should wait for more data.

Target date fund changes will happen on Friday 2/21/2020.

Meeting was adjourned at 12:00 pm.