

**457 Deferred Compensation Plan
Administrative Committee Meeting
November 14, 2022
~~9:00 a.m. to 9:30 a.m. Executive Session~~
9:30 a.m. to 12:00 p.m. Regular session
MS Teams**

Agenda

9:00 a.m. to 9:30 a.m. <i>30 minutes</i>	• Executive session	Committee only
9:30 a.m. to 9:35 a.m. <i>5 minutes</i>	<ul style="list-style-type: none"> • Welcome • Approval of August 2022 minutes 	Committee Co-chair
9:35 – 10:35 <i>1 hour</i>	<ul style="list-style-type: none"> • 3Q22 Performance Report • T. Rowe Price Growth Stock I Fund Review • Fee Holiday/Admin Account Update 	Hyas Group
10:35 a.m. to 11:35 a.m. <i>1 hour</i>	<ul style="list-style-type: none"> • Q3 2022 Plan Review • Participant Decumulation Behavior • 2023 Communications Planning • Technology transition update 	Mission Square Retirement
11:35 to 12:00 <i>25 minutes</i>	<ul style="list-style-type: none"> • Annual Retreat Content Planning • Announcements / wrap-up 	All

**Next meeting: January 25, 2023
MS TEAMS**

Minutes:

In attendance:

Committee members: Milton Ellis, Elizabeth Morrison, Eric Baird, Tammy Woodard, Taesan Hose, Shawn Griffin, Don Kelley

MissionSquare: Sonia Rogers, Patty Harte

Hyas Group: Greg Settle

Port Employees: Sherie Chipperfield

The beginning of the meeting Sherie Chipperfield was introduced as new to the team.

Milton moved to approve the August 2022 minutes. Taesan seconded. All approved. None opposed. Minutes approved.

Hyas Group:

Greg presented the Plan and Investment Performance Report for the quarter ending September 30, 2022. The Committee reviewed the T. Rowe Price Growth Stock Fund I which was once again found to be underperforming

the standards of the Investment Policy Statement (IPS). Given that the fund appears to be headed for four consecutive years of underperformance of its benchmark index, the Committee asked that the Hyas Group prepare a manager search of alternative large growth strategies for review at the Committee's Annual Retreat in January 2023.

The Committee also chose to keep the fund on Watch. The Committee reviewed the American Funds EuroPacific Growth R6 Fund which was once again found to be under-performing the standards of the IPS; however, the fund's performance in the third quarter and overall this year-to-date has been positive. Greg recommended patience and the Committee took no action.

The Committee discussed the Administrative Fee Holiday and the declining balances in the Administrative Accounts. Following discussion, the Committee voted to instruct MissionSquare to re-engage the Administrative Fee at a rate of .027% per year, as soon as can be implemented. Greg will prepare language for the Port to use when communicating the end of the Fee Holiday to participants and send this to Sherie and Tammy by December 1, 2022.

The Committee reviewed cash-flow declines and increased roll-outs in the reports and discussed how to reduce this trend. Hyas Group will update the "Fees Matter" piece to reflect the new Admin Fee and MissionSquare's new recordkeeping fee and present this update at the next Committee meeting.

The Committee discussed the upcoming Annual Committee Retreat and it was decided that the Hyas Group will provide the following training/presentations:

- a. Investments for Fiduciaries
- b. Stable Value Fund Basics
- c. Target Date Funds: Purpose, Designs and Options
- d. Regulatory and Legislative Update
- e. Update the Investment Policy Statement

MissionSquare Retirement:

Q3 2022 Plan Review
Participant Engagement
Quarterly Insights
Transition Review

Q3 2022 Plan Review

MissionSquare call volumes were high at the outset of the platform implementation. For Q3 2022, there were \$4.1 million in rollouts as opposed to \$2.4 million in Q3 2021 which was a 69% increase. The majority of rollouts were to Fidelity. The results of the Decumulation Behavior study for the behavior of participants that separated shows 27% take a partial distribution in the first year while 9 to 11% took a partial distribution. The Decumulation Behavior study is a study of all government employees.

Participant Engagement

Patty went over the CFP webinars offered for Q4. The "Market Volatility" seminars attendance numbers are down. MissionSquare sent 1.2 million emails with a 46.7% open rate and 2.5% click rate. In the "Market Volatility Center" there are 150,000 views on focusing on what's within your control. For 2023, MissionSquare would like to promote CFP seminars more.

Quarterly Insights

Patty reviewed the 2023 Contribution limits and highlights about the new Secure 2.0 legislation.

Transition Review

The implementation of the new platform started on October 10 and there was a delay with file uploads. The Committee will research and troubleshoot why this happened and how to prevent it from happening in the future. MissionSquare's call volume was 2 to 3 hours at times during the implementation because quarterly statements came out around the same time. About a third of the calls were just troubleshooting into the new system, another third was about statements and then the remaining third was miscellaneous issues.

Wrap-Up

Next meeting will be the 2023 Annual Retreat and it will be held in person for the first time since the pandemic. Tammy will assist Sherie in planning and scheduling this.

Meeting adjourned at 12:00 pm