

**457 Deferred Compensation Plan
Administrative Committee Meeting
March 22, 2023
9:00 a.m. to 9:15 a.m. Executive Session
9:15 a.m. to 12:00 p.m. Regular session
MS Teams**

9:00 a.m. to 9:05 a.m. <i>5 minutes</i>	<ul style="list-style-type: none"> • Welcome • Approval of November and January meeting minutes • Approval of Budget for 2023 	Committee Co-chair
9:05 – 10:35 <i>1.5 hours</i>	<ul style="list-style-type: none"> • Market and Economic Commentary • Plan and Investment Performance Report • JP Morgan Large Growth Fund Management Team Review and Large Cap Growth Fund replacement decision • Vanguard Target Date CIT Option Update & Discussion • Investment Benchmark and Peer Group Selection Overview • Regulatory Update: Secure Act 2.0 Guidance & Clarifications • Administrative Account: Fee Adequacy Analysis 	Hyas Group
10:35 a.m. to 11:35 a.m. <i>1 hour</i>	<ul style="list-style-type: none"> • Introduction of Tim Oster • Update on Transition to SS&C Platform & Challenges <ul style="list-style-type: none"> - Contribution Processing - Call Center Wait Times and Responsiveness • 2023 Plan Activity Report and Update • Engaging On-Line Enrollment: Discussion • 401(a) Supplemental Account Balance Review & Update 	MissionSquare Retirement
11:35 to 12:00 <i>25 minutes</i>	<ul style="list-style-type: none"> • Participant Survey 2023: Draft Review & Discussion • Announcements / Wrap-up 	All

**Next meeting: May 30, 2023
MS TEAMS**

Minutes:

In attendance:

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

MissionSquare: Patty Harte, Tim Oster

Hyas Group: Greg Settle

Port Employees: Sherie Chipperfield

Welcome and Approval of November and January meeting minutes

The Deferred Compensation Committee meeting was called to order at 9:02 AM.

VOTE:

Motion: Eric Baird moved to approve the minutes from the January retreat and the November 2022 meeting.

Seconded: Shawn Griffin

All in favor: yes

All opposed: no

Approval of the budget was deferred until the administrative account fee analysis is reviewed later in the meeting.

Hyas Group**Market and Economic Commentary**

Greg Settle from Hyas gave an economic update and addressed the banking crisis.

Plan and Investment Performance Report

Greg reviewed the performance of the Plan investment options. The T. Rowe Price Growth Stock Fund has been underperforming and could be replaced. The American Funds EuroPacific Growth Fund is again performing in compliance with the standards of the Investment Policy Statement but will remain on the watchlist.

JP Morgan Large Growth Fund Management Team Review and Large Cap Growth Fund replacement decision

The Committee continued discussing an alternative to the T Rowe Price Growth Stock Fund. Greg reviewed the results of Hyas Group's discussions with JP Morgan about the firm's Large Cap Growth R6 Fund's portfolio management team and succession planning.

VOTE:

Roll Call vote to replace the T Rowe Price Growth Stock Fund I with the JP Morgan Large Growth R6 Fund.

All in favor: yes

All opposed: no

Greg will send language to use when instructing MissionSquare to make this change by March 24th.

Vanguard Target Date CIT Option Update & Discussion

Greg provided further information about the opportunity to utilize the Commingled Investment Trust (CIT) version of the Vanguard Target Retirement Fund suite within the Port of Seattle Plans, detailing the foreign tax withholding savings available through the CIT version of the fund suite.

VOTE:

Motion: Milton Ellis motioned to vote on replacing the Vanguard Target Date Fund mutual fund suite with the CIT version of these funds.

Seconded: Don Kelly

Roll Call Vote:

All in favor: yes

All opposed: no

Greg will direct the Hyas Group team to begin preparing the CIT adoption paperwork immediately and to contact the Port for processing and signature in the coming days. Greg will also send along some sample language that can be used to communicate with employees about this change.

Investment Benchmark and Peer Group Selection Overview

Greg provided an overview of how the Hyas Group selects performance benchmarks and peer groups for investments that it evaluates and monitors.

Regulatory Update: Secure Act 2.0 Guidance & Clarifications

The Hyas Group provided another review of the “Secure Act 2.0” legislation that was signed into law in late December of 2022. As was previously noted, many aspects of this legislation will need to be clarified by the IRS and the Department of Labor in the coming months. They will keep the Port apprised of any new developments and will continue this discussion in upcoming meetings of the Committee.

Administrative Account: Fee Adequacy Analysis

The Committee reviewed the Administrative Fee rate and how revenue from it might be impacted by substantial declines in Plan assets. The Committee concluded that no change in the rate was appropriate at this time.

Motion to approve the budget was made by Don Kelley and seconded by Milton Ellis.

VOTE:

Motion: Don Kelley motioned to approve the 2023 Deferred Compensation Committee budget.

Seconded: Milton Ellis.

Roll Call Vote:

All in favor: yes

All opposed: no

Greg presented an updated version of the “Fees Matter” participant education piece about the merits of keeping assets in the Port’s plans after retirement. The Committee commented favorably and will begin distributing this piece immediately.

MissionSquare

Introduction of Tim Oster

Tim Oster was introduced as Patty Harte's replacement since she is retiring from MissionSquare.

Update on Transition to SS&C Platform & Challenges

Patty Harte and Tim Oster presented their updates. MissionSquare's call center staffing was increased, and staff were provided additional training. Secure account features, Plan Health Dashboard and the Financial Wellness Center were enhancements added to the platform.

2023 Plan Activity Report and Update

Patty reviewed MissionSquare's data on plan balances, contributions, rollovers, loan activity and plan education and outreach. The 2023 Strategy was finalized along with the 2023 Education and Events Calendar.

Engaging On-Line Enrollment: Discussion

The Committee again discussed engaging online enrollment in the Port's Plans. The Committee decided to have HR and Payroll review aspects of engaging this service, and to talk with other large employers that are currently using this service with MissionSquare. The Committee will revisit this topic at the next meeting.

401(a) Supplemental Account Balance Review & Update

Patty researched the reason for the deficit in the Supplemental 401(a) plan. When the fee holiday occurred all four plans were not invoiced, including the Supplemental 401(a) plan whose fees are paid for by the Port. That is why the account's target amount is off.

Participant Survey 2023: Draft Review & Discussion

Greg led a discussion about the purpose and content of a new survey of participants, to be conducted in 2023. Greg will send the draft survey to the Committee. Next meeting the committee will approve the survey questions.

The meeting was adjourned at 11:52 PM.