

**457 Deferred Compensation Plan  
Administrative Committee Meeting  
November 13, 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 9:15 a.m. <i>15 minutes</i>	<ul style="list-style-type: none"> <li>• Welcome</li> <li>• Approval of August Meeting Minutes</li> <li>• Investment Advisor RFP Update</li> </ul>	Executive Session
9:15 – 10:45 <i>1.5 hours</i>	<ul style="list-style-type: none"> <li>• Market and Economic Commentary</li> <li>• Plan and Investment Performance Report</li> <li>• Vanguard Target Date CIT transition update</li> <li>• Administrative Account: Fee Adequacy Review</li> </ul>	Hyas Group
10:45 a.m. to 11:35 a.m. <i>50 minutes</i>	<ul style="list-style-type: none"> <li>• Report on Participant Activity and Service Delivery</li> <li>• Update on Corporate Developments</li> </ul>	MissionSquare Retirement
11:35 to 12:00 <i>25 minutes</i>	<ul style="list-style-type: none"> <li>• Discussion: Adding the SDBO feature for the Police &amp; Fire 401(a) Plans</li> <li>• Discussion: Agenda items for annual retreat in January 2024</li> <li>• Announcements / Wrap-up</li> </ul>	All

**Next meeting: Annual Retreat, February 1, 2024  
MS TEAMS**

**Minutes:**

In attendance:

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

**MissionSquare:** Tim Oster

**Hyas Group:** Greg Settle and Ted Grigsby

**Port Employees:** Sherie Chipperfield, Chandra Winston, Teddy McDonald

### **Executive Session**

The Deferred Compensation Committee meeting was called to order at 9:01 AM.

Elizabeth Morrison gave an update on the state of the RFP for the Deferred Compensation Investment Consultant and Advisor.

There are several members absent or retired (Tammy Woodard, Don Kelley, Eloise Olivar) but there was still a quorum for voting on measures brought up in the meeting.

### **Regular Session**

#### **Vanguard Target Date CIT transition update**

The Committee discussed the Vanguard Target Retirement transition from mutual funds to the CIT version, which reduces investment costs for participants. The Police and Fire groups require additional approval and documentation from the plans to move forward with the transition. The Committee voted to take conditional action to move the plans to the CITs. The motion stated that all plans will transition to the CIT version of the target date funds as soon as administratively feasible, upon the condition that there is a suitable buffer for the minimum to remain in CITs, and if there are additional circumstances that delay the Fire and Police 401(a) plans from transitioning, they will still be able to utilize the CITs at a later date without going through a separate process. Hyas Group and MissionSquare committed to following up with Vanguard to confirm the conditions.

#### **VOTE:**

Motion: Elizabeth Morrison motioned to move the plans to the CITs as soon as administratively feasible.

Seconded: Milton Ellis seconded.

All in favor: yes

All opposed: no

The Committee voted to approve the minutes from the August 2023 meeting.

#### **VOTE:**

Motion: Shawn Griffin moved to approve the minutes from the August 2023 meeting.

Seconded: Milton Ellis seconded.

All in favor: yes

All opposed: no

This is Greg Settle's last meeting with the Committee. Ted Grigsby will be representing Hyas from now on.

## **Hyas Group**

### **Market and Economic Commentary**

Greg Settle and Ted Grigsby from Hyas gave an economic update including information about the GDP growth and the stock market.

### **Plan and Investment Performance Report**

Hyas Group discussed the performance of Plan investment options. No currently available investments were found to be underperforming the Investment Policy Statement (IPS), with the exception of the American Funds EuroPacific Growth Fund, which has been on watch since 1Q 2022 for performance reasons. The fund has provided two consecutive quarters of strong performance and is no longer in violation of the IPS. The Committee voted to remove the American Funds EuroPacific Growth fund from watch.

#### **VOTE:**

Motion: Taesan Hose moved to take the American Pacific Growth Fund off the watch list.

Seconded: Shawn Griffin seconded.

All in favor: yes

All opposed: no

### **Regulatory Update: Secure Act 2.0 Developments**

The Committee will continue to discuss the impact of the Secure 2.0 legislation at the Annual Retreat in 2024.

### **Administrative Account: Fee Adequacy Analysis**

The Committee reviewed the Administrative Fee rate. The revenue derived from both the administrative fee and the recordkeeping fee remain adequate to pay plan fees. Due to recent asset increases, the Committee may endeavor to review the administrative fee and determine whether to reduce or retain the current rate. This item will be addressed at the Committee Annual Retreat in 2024.

## **MissionSquare**

### **Report on Participant Activity and Service Delivery**

Tim Oster from MissionSquare updated the Committee on plan balances, contributions and roll-ins, distributions and rollouts, and loan activity. Tim discussed the CFP planning services that are currently available to participants above 40 with an account than \$40,000. They will continue to communicate the service and the benefits to participants. Tim noted the increased contribution maximums for 2024.

MissionSquare conducted 256 meetings with individuals in 2023 which was an increase from 2022. They also conducted 6 RPS seminars with a total of 189 attendees and had 116 CFP consultations along with 36 CFP webinars. Contributions increased by 6.7% for the quarter.

## **All Committee**

### **Discussion: Adding the SDBO feature for the Police & Fire 401(a) Plans**

The Port's Police and Fire employees have been asking for a Self-Directed Brokerage Option (SDBO) for their 401(a) plans similar to the Port's 457 and other 401(a) plan. The Committee voted affirmatively to

add the SDBO feature to the Police and Fire 401(a) plans and for the options, such as security type allowed and external management options, to mirror those of the larger plan. The Committee will address the availability of Roth for this feature at a later date.

**VOTE:**

Motion: Shawn Griffin motioned to add self-directed plans to Police and Fire accounts.

Seconded: Milton Ellis seconded.

All in favor: yes

All opposed: no

**VOTE:**

Motion: Milton Ellis motioned to adjusting plan documents to allow Police and Fire to have access to the same access and features to the self-directed plans.

Seconded: Shawn Griffin

All in favor: yes

All opposed: no

**Discussion: Agenda items for annual retreat in January 2024**

The Committee discussed potential agenda items for the 2024 Annual Retreat to be held in January.

Some of the items to discuss are:

- MissionSquare marketing plan
- Update on participant survey and retirement planning event
- SECURE Act 2.0 optional provisions – Update and selection of the options
- Fiduciary Training – Fiduciary Fundamentals for new and seasoned members.
- Artificial Intelligence (AI) influence on financial services
- MissionSquare IRA products
- Budget and fee analysis
- Vanguard CIT update for Police and Fire

The meeting was adjourned at 11.02 AM.