

**Port of Seattle
457 Deferred Compensation Plan
Administrative Committee 2024 Q1**

**April 2, 2024 - 9:00 am – 12:00 pm
MS Teams
Agenda**

9:00 a.m. <i>15 minutes</i>	<ul style="list-style-type: none"> • Executive session <ul style="list-style-type: none"> ○ Discuss the Committee Chair positions 	Committee only
9:15 a.m. - 10:15am <i>1 hour</i>	<ul style="list-style-type: none"> • Welcome & Introductions • Approval of February Retreat 2024 meeting minutes • Extending Committee Member position – Taesan Hose • Approval of 2024 Budget • Retirement Luncheon Update • Adoption of Mission Square 401(a) plan documents for Police & Fire • Review and Approve Revised Statement of Investment Policies and Guidelines Document 	Committee Chair
10:15 a.m. – 10:45 a.m. <i>30 minutes</i>	<ul style="list-style-type: none"> • Market and Economic Commentary • Plan and Investment Performance Report 	Hyas Group
10:45 a.m. – 11:15 a.m. <i>30 minutes</i>	<ul style="list-style-type: none"> • Discuss additional information about the Target Retirement Income and Growth option 	Hyas Group
11:15 a.m. – 11:45 a.m. <i>30 minutes</i>	<ul style="list-style-type: none"> • 2023 Plan Review • Cyber Security Update 	Mission Square Retirement
11:45 a.m. – 12:00pm <i>15 minutes</i>	<ul style="list-style-type: none"> • Announcements / Discussion time 	
	<p>Next meeting: June 5, 2024 MS TEAMS</p>	

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Minutes:

In attendance:

Committee members: Elizabeth Morrison, Eric Baird, Taesan Hose, Shawn Griffin, Milton Ellis, Eloise Olivar, Kecia Reichstein

MissionSquare: Tim Oster, Sonia Rogers, Andrew Sicora

Hyas Group: Ted Grigsby

Port Employees: Sherie Chipperfield, Chandra Winston, Teddy McDonald

Executive Session

The Deferred Compensation Committee meeting was called to order at 9:02 AM. The Executive Session ended at 9:28 a.m.

ALL COMMITTEE

Welcome & Introductions

Elizabeth Morrison started the meeting. Elizabeth had another meeting to attend so Eric Baird led the meeting after her departure.

Approval of February Retreat 2024 meeting minutes

The Committee voted to approve the minutes from the February 2024 retreat.

VOTE:

Motion: Shawn Griffin moved to approve the minutes from the February 2024 retreat.

Seconded: Milton Ellis seconded.

All in favor: yes

All opposed: no

Extending Committee Member position – Taesan Hose

Taesán Hose accepted the Committee's request to serve another term.

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Retirement Luncheon Update

Sherie Chipperfield provided an update on the upcoming luncheon and retirement plan seminars offered to employees on May 7th at Pier 69 and May 13th at the AOB. These events will offer group and one-on-one meetings. Additionally, there will be CFPs offering specialized seminars focusing on both retirement planning and financial planning. The Committee discussed the different options for the seminars and decided to use 2 different presentations: Making the Most of Social Security and Retirement 101. Retirement 101 is useful for all participants but Making the Most of Social Security is targeted to those planning on retiring in the next few years.

Approval of 2024 Budget

The Committee reviewed and voted to approve the 2024 Budget. There is no need at this time to implement a fee reduction.

VOTE:

Motion: Eric Baird moved to approve the 2024 Budget.

Seconded: Shawn Griffin seconded.

All in favor: yes

All opposed: no

Adoption of Mission Square 401(a) plan documents for Police & Fire

Elizabeth Morrison, Eric Baird and other committee members worked with Tim Oster from MissionSquare to get the Police 401(a) and Fire 401(a) plan documents into the MissionSquare template. Previously it was last reviewed and approved in 2012. The old documents were created by Wilmington Trust and did not meet the expectations of the Vanguard fund for plan documents for a 401(a) plan. Once these documents are signed and approved then Vanguard will be able to allow the Police 401(a) and Fire 401(a) plans to transition to their CIT product. Among other topics, the Committee discussed the definition of wages and what should be included in employer and employee contributions. Additionally, the Committee discussed qualified reimbursements.

The Committee voted to approve the MissionSquare 401(a) plan documents for Police & Fire.

VOTE:

Motion: Milton Ellis moved to approve the MissionSquare 401(a) plan documents for Police & Fire.

Seconded: Shawn Griffin seconded.

All in favor: yes

All opposed: no

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Review and Approve Revised Statement of Investment Policies and Guidelines Document (next meeting)

The Investment Policy Statement will be reviewed at the next meeting. Hyas Group will prepare and provide a draft prior to the next meeting that includes detailed explanation/allocation of the custom benchmarks identified in the Policy.

HYAS

Market and Economic Commentary

Ted Grigsby presented the Fourth Quarter 2023 Performance Report and discussed current economic conditions, performance of global and domestic capital markets, and impacts to the Plan's investment options. Market performance was strong for the fourth quarter due to declining inflation and optimism that the Fed will ease their quantitative tightening measures. Those sentiments have changed throughout Q1 of 2024, however equity markets have remained strong.

Plan and Investment Performance Report

The aggregate Plan's assets stood at \$380,349,343 as of December 31, 2023. The breakdown of assets for the 457, 401a Supplemental, Police 401a, and Fire 401a were \$284,226,628, \$41,299,105, \$29,007,721, and \$25,815,887, respectively. The total weighted average record keeping, and investment expenses stood at 0.249% for the aggregated plans. The Committee reviewed the performance of the offered investment options and there were not any funds out of compliance with the Investment Policy

Discuss additional information about the Target Retirement Income and Growth option

The Committee is considering the addition of the Vanguard Target Income and Growth fund to the suite of offered target date funds. This newer fund offered only in CIT form by Vanguard provides an alternative option for those who prefer a more balanced (50% stocks/50% bonds) destination for their long-term target allocation. We discussed the allocation, performance, fees, and history of the fund. Since the fund is fairly new (2 years) and only has approximately \$200 million in AUM, the Committee will continue to review and discuss the pros and cons of offering this type of fund.

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MISSIONSQUARE

2023 Plan Review

Tim Oster provided a brief overview of the MissionSquare materials but also wanted to discuss the marketing exclusion provision we have on our plans currently and what kind of materials he could send to participants. MissionSquare has a scheduled retention campaign in the month of November and would like to get clarity on what they is allowed to directly send to participants. The Committee would like to get a more outlined request of what MissionSquare would like to send to participants. Tim will provide that at the next Committee meeting.

Cyber Security Update

Andrew Sicora from Mission Square discussed their process and approach to cyber security and fraud detection. One of Mission Square's biggest concerns is ransom ware, the advanced tactics fraudsters deploy, and the multi-billion dollar impact to organizations every year. Andrew noted that Mission Square is on the board of the Spark Institute and their practice standards fully align with those outlined by the Institute. So far, Mission Square has not experienced a security breach and requires monthly training for all Mission Square employees.

Announcements / Discussion time

The meeting ended at 11:31am