

**457 Deferred Compensation Plan  
Administrative Committee Meeting  
March 4, 2021  
9:00 a.m. to 11:30 p.m.  
MS Teams**

**Agenda**

9:00 a.m. to 9:05 a.m. <i>5 minutes</i>	<ul style="list-style-type: none"> <li>• Welcome</li> <li>• Approval of minutes from the 2021 Annual retreat</li> </ul>	Committee Co-Chair
9:05 a.m. to 10:05 a.m. <i>1 hour</i>	<ul style="list-style-type: none"> <li>• 4Q 2020 Performance Report &amp; Economy/Market Update</li> <li>• Foreign Large Value Fund Manager Search</li> <li>• Mid Cap Blend Index Fund Manager Search</li> <li>• Admin Fee Review and Analysis- Potential Fee Reduction</li> <li>• Sustainable investments</li> </ul>	Hyas Group
10:05 – 10:15	<b>10-min break</b>	
10:15 a.m. to 11:15 a.m. <i>1 hour</i>	<ul style="list-style-type: none"> <li>• 2020 Q4 Virtual Service Delivery</li> <li>• Communication Updates</li> <li>• Roth participants and demographics</li> <li>• Enhanced CFP Services &amp; utilization report               <ul style="list-style-type: none"> <li>○ Update on SS&amp;C Partnership and rollout timeline</li> </ul> </li> </ul>	ICMA-RC
11:15 to 11:30 <i>15 minutes</i>	<ul style="list-style-type: none"> <li>• Announcements / wrap-up</li> </ul>	All

**Next meeting: June 3, 2021  
MS TEAMS**

**Meeting minutes:**

**In attendance:**

Elizabeth Morrison, Eric Baird, Tammy Woodard, Shawn Griffin, Milton Ellis, Duane Hill

ICMA-RC: Patricia Harte, Sonia Rogers, Peter Hoerber, Diana Diaz

Hyas Group: Greg Settle

Port Staff: Anika Klix, HR

**Meeting Minutes approval from the 2021 Annual Retreat:**

**VOTE:** The Committee voted to approve the meeting minutes. Milton motion; Duane Second. All approve, none opposed

### **Hvas Group:**

Greg presented the Plan and Investment Performance Report for the quarter ending December 31, 2020. No funds were found to be in violation of the Plans' Investment Policy Statement (IPS) performance guidelines.

He noted that the Committee had changed the asset classification and benchmark for the American Funds EuroPacific Growth Fund to large foreign growth at the Annual Retreat and with this action completed, he recommended removing the fund from Watch Status. The Committee took this action.

**VOTE:** Duane made a motion to take fund off watch list. Milton seconded. All approved, none opposed. Motion carries.

Greg presented a manager search for a large foreign value fund manager, an asset class that the Committee voted to add to the Plans' investment menus at the 2021 Annual Retreat. After review and discussion, the Committee voted to add the Vanguard International Value Fund to the Plans' menus. Greg will provide language for the Port to use when instructing ICMA-RC to add this fund by March 12, 2021.

**VOTE:** Duane made a motion to add Vanguard Int'l Value fund; Milton seconded. All approved, none opposed. Motion carries.

Greg presented a manager search for a mid-cap blend index fund manager, as the Committee had voted to replace the current "SMID" fund, the Fidelity Extended Market Index, with a true mid-cap index fund, at the Annual Retreat. After review and discussion, the Committee voted to replace the Fidelity Extended Market Index Fund with the Fidelity Mid-Cap Index Fund. He will provide language for the Port to use when instructing ICMA-RC to make this fund change by March 12, 2021.

**VOTE:** Duane made a motion to add the Fidelity Midcap Index; Shawn seconded. All approved, none opposed. Motion carries.

The Committee discussed the current Administrative Fee of .03% and considered alternative rates that might generate a more appropriate amount of revenue after substantial increases in Plan assets. After discussion, the Committee voted to reduce this fee to .025% per year. He will provide language for the Port to use when instructing ICMA-RC to make this fund change by March 12, 2021. He will also prepare an analysis of the amounts held in the Admin Accounts vs. forecasted needs and policy rules for the next meeting.

**VOTE:** Shawn made a motion to reduce fees from .03bp to .025 bp. Seconded by Eric. All approved, none opposed. Motion carries.

The Committee discussed ESG investing and agreed to conduct some surveys and focus groups with participants to gauge their interest in providing such an option and what type of fund(s) Port employees might be interested in. The Committee will revisit this topic at the 2022 Annual Retreat.

Invoicing: Anika will research People Soft to ensure payments have been sent (work with Brandy). Then, verify that the balance of the 401a funding account is no longer negative. (w/ Elizabeth and Greg) Invoices can go directly into the system, route to her for coding, then route to payment. Duane will send information and instructions.

### **ICMA-RC:**

Patty Harte shared some of the goals of ICMA-RC and a re-cap of 2020 challenges and changes.

Sonia Rogers: Consultations transitioned from in-person to virtual meetings. In Q4 there was the biggest uptick in appointments, maybe due to the election timing. The virtual meetings allow for diving a little deeper to be more prepared for retirement and planning. She also refers people to the CFP program.

Plan Participation – 12% decrease in participant enrollment from 2019 to 2020 but a 7% increase in plan savings rates.

Plan engagement - 2% increase in logins and 22% increase in mobile logins.

Plan retention: 15% increase in plan rollouts and 8% increase in plan roll-ins

CARES Act: 21 distributions

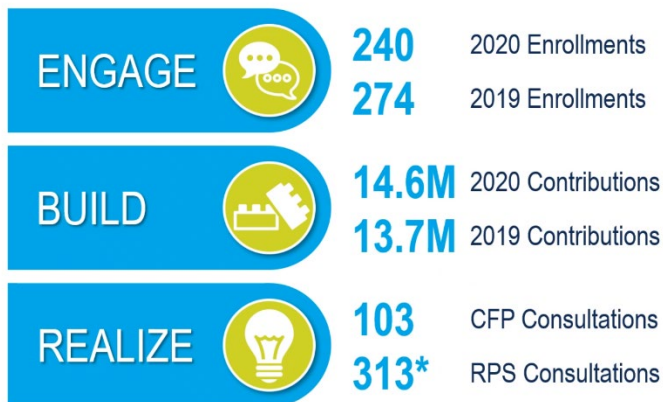
2020 Roth 457 contributions: total contributing – 187; both 126 contributing (61 Roth only)

Total contributing the max amount under 50 – 5; age 50+ - 19

Roth will be a communication campaign for 2021. The committee would like to see some trending information over time to see if it's going up or down. ICMA-RC can provide it for the next meeting.

2020 Education results: Peter Hoerber

Slight decline in 2020 enrollments but contribution have increased, and Sonia increased her appointments a lot.



\*149 appts in Q4 2020

CFP services increased 32% in 2020 with the new on-demand delivery option. Some benefits are that spouses can be part of the discussion. CFP webinar availability has also gone up. There are recorded webinars and live webinars to choose from. Popular topics with CFPs are retirement income planning, social security, healthcare costs in retirement, insurance needs, estate planning.

## Case Study: Port of Seattle

Service	Current Model*	New Model
CFP Consultations	103 (5% of participants)	9,800 CFP invitations sent annually (818 monthly), reaching 39% of participants/ 88% of plan balance
CFP webinars	7 seminars, 50 attendees	48 webinars offered per year**, unlimited attendance.  13,548 webinar invitations sent annually (1,129 monthly), reaching 54% of participants/ 95% of plan balance

\* 2020 results

\*\* Assumes 4 CFP webinars offered per month.

Patty will email Anika to verify we are going to the new model with CFP model. Information may be able to go onto the website to communicate the changes to the CFP model.

What does ICMA-RC do to recruit a diverse group of CFPs? It is on their radar for hiring new CFPs, but currently there is not a great deal of diversity but it's on their hiring plan. Patty can send bios with pictures of the CFP team for the committee to see.

**VOTE:** Motion to adopt the new CFP model by Milton; Seconded by Shawn. All approved, none opposed. Motion carries.

### 2021 strategic communications and financial education.

Diana Diaz presented the annual communication plan. ICMA-RC is taking great strides in digital marketing. They are hoping to be more data-driven with solutions. A goal is to provide a more personalized experience, long-term financial wellness education, and holistic engagement and outcomes.

# Our marketing approach



Serve more employees



Deliver the right products, services, and solutions








Provide positive experiences



Promote long-term financial wellness

A multi-channel marketing experience is necessary by engaging via a website, mobile, email, social, webinars, consultations, phone, and video.

-  RealizeRetirement® E-Newsletter
-  Dynamic Personalized Campaigns\*
-  Retirement Plans Specialist Workshops and Appointments
-  Financial Planning Webinars
-  Guided Pathways® Advisory Services

personalized, targeted messages along the retirement journey.

### Targeted monthly campaigns






**JANUARY — Resolve to Save**  
Savings strategies to launch the new year right and improve retirement outlook

**FEBRUARY — Family Finances**  
Family planning and prioritization including finances, beneficiaries, and education

**MARCH — Financial Education**  
Holistic resources to help overcome savings and income challenges

**APRIL — Energize Your Goals**  
Review and revive retirement goals with tips to stay focused and organized

Realize Retirement newsletters went out monthly (vs. quarterly) in 2020. More dynamic personalized campaigns.

-  RealizeRetirement® E-Newsletter
-  Dynamic Personalized Campaigns\*
-  Retirement Plans Specialist Workshops and Appointments
-  Financial Planning Webinars
-  Guided Pathways® Advisory Services

personalized, targeted messages along the retirement journey.

### Targeted monthly campaigns

**MAY — Honoring Public Service**  
Celebrates the dedicated service of public employees

**JUNE — Savings Tune-Up**  
Mid-year financial check-in and summertime savings tips

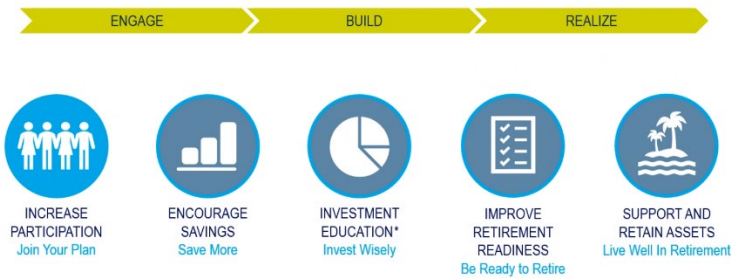
**JULY — Financial Freedom**  
Education and tools to stay on track for financial freedom in retirement

**AUGUST — Simplify Your Savings**  
Simple steps to make saving easier, including account consolidation and tools

## 2021 strategic campaign calendar

Initiative	Objective	Delivery/Timing	Communications
Simplify Your Retirement Accounts Campaign	Consolidate retirement assets for simpler management and tracking. Provides one view of overall retirement plan.	March 2021	eFlyer; one-on-one meetings
Reasons to Consider Roth Campaign	Educate participants on the value of ROTH; encourage participation in ROTH savings as supplemental retirement plan.	Q2 2010	eFlyer; Brainshark, scheduled webinars; one-on-one meetings
Start Your Journey Enrollment Campaign	Provide engaging campaign encouraging and clarifying the enrollment process.	Q3 2021	New enrollment eFlyer; website slider;
Investing Wisely	Educating participants on the importance of asset allocation and diversification and long-term investing	Q4 2021	eFlyer; brainshark, scheduled webinars; one-on-one meetings
Financial Wellness & Open Enrollment Campaign	Promote savings during annual events including Open Enrollment and National Retirement Security Month to improve retirement readiness	2021	eFlyer; website sliders; incentive-based campaign; possible interactive campaign

## Navigating the retirement journey



### SS&C partnership and rollout timeline update:

A first of six mock conversions have taken place. Phase I of the financial center is on track for Q2 and transition date of 3/27/22 for the big transition is still on track as well.

Meeting adjourned at 11:30 a.m.