



**MEMORANDUM**

**To:** Councilmember Sally Bagshaw, Chair  
Councilmember Lorena González, Vice Chair  
Council President Bruce Harrell, Member  
Councilmember Mike O'Brien, Alternate  
Finance & Neighborhoods Committee

**From:** Erik Sund, Council Central Staff Budget Coordinator

**Date:** August 8, 2018

**Subject:** CB 119310 – Clarifying Immunity from Liability for Certain Deferred Compensation Plan Investment Options

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The Executive has proposed Council Bill (CB) 119310, which would clarify the protection provided to the City and other entities from liability for investment losses that Voluntary Deferred Compensation Plan participants may experience.

**Background**

The City of Seattle Voluntary Deferred Compensation Plan and Trust is a 457(b) deferred compensation plan offered as an optional benefit to City employees. Participants may contribute a portion of their salary into an individual retirement savings account on a pre- or post-tax basis. The Plan is administered by a Trust Committee (or "Plan Committee") subject to the provisions of a Plan Document. There are a range of investment options available to Plan participants. The investment options available at any given point in time are selected by the Trust Committee.

Socially responsible funds are structured to target investments expected to support desirable non-financial outcomes, avoid investments expected to produce disfavored outcomes, or both. While such funds will not necessarily achieve lower returns than conventional alternatives over a given period, they have more complex directives than funds whose sole goal is to maximize the monetary return on investments.

**Summary of Bill**

CB 119310 would amend Section 2.5 of the Plan Document to clarify existing immunity to associated parties (including the City, the Trustee, the Plan Committee, the third-party administrator, among others) from liability related to offering investment options that may

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provide a lower rate of return but are considered more socially responsible. There is no direct fiscal impact to the City associated with this legislation.

cc: Kirstan Arestad, Central Staff Executive Director  
Dan Eder, Central Staff Deputy Director

**Summary Exhibit 1 - 2017/2018 Citywide Total Position Count by Department**

Department	2017 Citywide Position Count	2018 Citywide Position Count	2017 / 2018 Position Change	2017 / 2018 Percentage Change
City Budget Office (CBO)	35	41	6	17.1%
Civil Service Commission (CSC)	3	3	-	-
Department of Education and Early Learning (DEEL)	59	75	16	27.1%
Department of Finance and Administrative Services (FAS)	633	639	6	0.95%
Department of Neighborhoods (DON)	63	63	-	-
Department of Parks and Recreation (DPR)	1,002	1,009	7	0.70%
Human Services Department (HSD)	338	372	34	10.1%
Law Department	187	195	8	4.28%
Legislative Department	99	99	-	-
Office for Civil Rights (OCR)	28	28	-	-
Office of Arts & Culture (ARTS)	33	37	4	12.1%
Office of City Auditor (Auditor)	10	10	-	-
Office of Economic Development (OED)	36	36	-	-
Office of Hearing Examiner	5	5	-	-
Office of Housing (OH)	44	46	2	4.55%
Office of Immigrant and Refugee Affairs (OIRA)	10	9	(1)	-10.0%
Office of Inspector General for Public Safety (OIG)	-	4	4	-
Office of Intergovernmental Relations (OIR)	12	11	(1)	-8.33%
Office of Labor Standards (OLS)	25	25	-	-
Office of Planning and Community Development (OPCD)	49	47	(2)	-4.08%
Office of Sustainability and Environment (OSE)	20	28	8	40.0%
Office of the Community Police Commission (CPC)	4	9	5	125.0%
Office of the Mayor	46	40	(6)	-13.0%
Seattle Center (CEN)	256	257	1	0.39%
Seattle City Employees' Retirement System (SCERS)	21	21	-	-
Seattle City Light (SCL)	1,802	1,851	49	2.72%
Seattle Department of Construction and Inspections (SDCI)	408	408	-	-
Seattle Department of Human Resources (SDHR)	115	114	(1)	-0.87%
Seattle Department of Transportation (SDOT)	893	928	35	3.92%
Seattle Ethics and Elections Commission (SEEC)	8	7	(1)	-12.5%
Seattle Fire Department (SFD)	1,176	1,179	3	0.26%
Seattle Information Technology Department (Seattle IT)	668	678	10	1.50%
Seattle Municipal Court (Court)	224	226	2	0.89%
Seattle Police Department (SPD)	2,108	2,173	65	3.08%
Seattle Public Utilities (SPU)	1,352	1,394	42	3.11%
<b>Grand Total</b>	<b>11,772</b>	<b>12,067</b>	<b>295</b>	<b>2.51%</b>

