

King County Employees Deferred Compensation Plan

Board Meeting Minutes

November 13, 2024

Board Members: Krista Camenzind, Tom Friedman, Clara Gao, Lisa Parriott, Pat Sainsbury, Sherry Stroud, and Lusha Zhou

Staff: O.C. Collier and Valerie Garza

Guest: Jayson Davidson of Hyas, and Michelle McKeag (participant), and Sam Smith & Guen Toste of T. Rowe Price

Participant / Employee Comments

There were none.

October 2024 Meeting Minutes (Action Item)

The October meeting minutes were adopted as written.

T. Rowe Price Quarterly Report (Discussion Item)

The following Plan Highlights were noted as of September 30, 2024:

- Plan assets were \$1,575,556,309 representing an approximate 25% increase since 9/30/2023.
- The Plan Participation Rate is at 58.5% representing a 5.2% increase since 9/30/2023.
- There were 13,838 participants in the Plan which is approximately a 9.1% increase from 9/30/23.
- The average participant account balance was \$113,856.
- The median participant account balance was \$28,434.
- Notably, there are 181 participants with a balance of \$1M and above.

Guen Toste, the Plan's Relationship Manager from T. Rowe Price shared the standard, quarterly "big picture" assessment. Ms. Toste noted distributions again outpaced contributions, with the difference being \$17 million for the quarter. She also noted that most of the distributions are in the form of rollouts to other institutions, with over 90% going to firms other than T. Rowe Price. To that end, the Board spent time discussing initiatives to inform separated participants, and those nearing retirement, of the benefits of keeping assets in the Plan. The prospect of surveying those participants that have transferred assets out of the Plan will be explored and may lead to consideration of retirement income products and additional education campaigns. Ms. Toste further informed that the participation rate again increased and now sits at 58.5%. Both the average account balance and the median account balance also increased during the quarter.

Samantha Smith, the education and communication coordinator from T. Rowe Price, provided an update of T. Rowe's educational efforts during the quarter. Six webinar days were offered during the quarter, and 18 total sessions were held. A total of 263 employees attended the offered sessions. The education schedule for the Fourth Quarter is the same with six webinar days being offered.

Hyas Consultant Quarterly Report (Discussion Item)

Jayson Davidson presented the Third Quarter 2024 Performance Summary Flash Report. Economic and market themes have remained very constant throughout the year. Economic growth remains resilient with consumers, generally, continuing to spend at a robust pace. While hiring appears to be slowing and the unemployment rate has risen from earlier in the year, the jobs market remains strong. The October monthly jobs number did come in well below expectations; however, this may be explained by one-off events related to two hurricanes and a strike at airplane manufacturer, Boeing. More telling might be that the September monthly report had the US economy adding an above expected 254,000 jobs and the unemployment rate falling to 4.1%. The steadiness of the above referenced themes led to the Federal Reserve cutting interest rates by 50 basis points at their September meeting and again by 25 basis points in November. This has added further credence to the idea that the US economy remains on reasonably solid footing and the soft-landing prospect has become real. Market and economic prospects will remain in focus as the Trump administration moves in, and several investments related themes have already benefitted from assumed differences in Trump policies. Growth outside the US has been more tepid and other economies have tended to be more aggressive with their interest rate cutting stances. At quarter-end, the Plan again did not have any investment options on watch and none in violation of investment policy.

Investment Policy Statement Update (Action Item)

The board unanimously voted to approve the policy statement with minor adjustments to note a change in investment options for the core plus bond category and the new T-5 trust class for the target-date options.

Report of the Board Chair

December is the election of the board chair and vice-chair positions in addition to two renewals/reappointments to the board. Discussion and planning of the 2025 workplan will also take place. The topic related to the crediting plan generated “float” income back will be explored.

Report of the Plan Administrator

O.C. reported the activities she is currently working on in addition to her daily tasks:

- ❖ The RFP has concluded, and the awardee will be announced at the December meeting.
- ❖ O.C. is working with the outside attorneys for the Deferred Compensation Plan Document update.
- ❖ O.C. is also working with the Office of Labor Relations to receive communications when a union has added auto enrollment to their contracts.
- ❖ Working with T. Rowe Price on the upcoming board member recruitment. Announcements will go out via Employee News and T. Rowe Price mailings.
- ❖ Valerie attended the Open Enrollment fairs and had very good response from attendees.

- ❖ Valerie is scheduled to give presentations at American Asian Native Hawaiian Pasifika affinity group and Military and Veterans affinity group.