

## **King County Employees Deferred Compensation Plan**

Board Meeting Minutes

February 14, 2024

**Board Members:** Krista Camenzind, Gennevie Cook, Tom Friedman, Clara Gao, Doug Hodson, Lisa Parriott, Pat Sainsbury, and Sherry Stroud

**Staff:** O.C. Collier and Valerie Garza

**Guest:** Jayson Davidson of Hyas, Michelle Fujiwara (participant), Jennell Hicks (participant), Spencer Howard (participant), Avreayl Jacobson (participant), Donna Lund (participant), Ashreeni Nair (participant), Ramika Toms (participant), and Kelly Hanagan, Sam Smith, and Guen Toste all of T. Rowe Price

### **Participant / Employee Comments**

Participants asked the Board to consider term limits for Board positions to allow others to serve. They also requested the Board to take action on equity issues with a focus on the BIPOC population.

### **December 2024 Meeting Minutes (Action Item)**

The December meeting minutes were adopted as written.

### **Review Board Mission and Racial Equity Commitment**

The Board began the formal portion of the meeting with a review of the adopted Mission and Racial Equity Commitment Statement. Board members discussed efforts to construct a plan and education around the Plan to further the mission.

### **Hyas Quarterly Report (Discussion Item)**

Jayson Davidson presented the Fourth Quarter Performance Report. Jayson discussed general market conditions as well as expectations for 2024. At quarter-end, the Plan had one fund, the Metropolitan West Total Return Bond, on watch for qualitative reasons related to announced senior personnel changes. The Metropolitan West Fund was removed from the Plan and replaced with the Dodge & Cox Income Fund on January 24<sup>th</sup>. The First Quarter 2024 performance report will reflect this change.

Jayson noted one personnel related announcement impacting the active Large Cap investment option offered in the Plan. T. Rowe Price announced that they would be adding an additional manager to the T. Rowe Price Structured Research & Equity Research team. Hyas doesn't view this change as meriting any sort of watch action.

Jayson informed the Board that in addition to the Intermediate Term Bond Fund replacement referenced, the transition to the lower cost T5 class of the T. Rowe Price Target Date Hybrid Trust series also took place on January 24<sup>th</sup>. This change will also be reflected in the next performance report.

### **T. Rowe Price Quarterly Report (Discussion Item)**

The following Plan Highlights were noted as of December 31, 2023:

- Plan assets were \$1,378,321,397 representing an approximate 17.68% increase since 12/31/2022.
- The Plan Participation Rate is at 56.2%.
- There were 12,939 participants in the Plan which is approximately a 7.1% increase from 12/31/22.
- The average participant account balance was \$106,524.
- The median participant account balance was \$28,302.
- Notably, there are 127 participants with a balance of \$1M and above.

Guen Toste from T. Rowe Price presented the custom quarterly "big picture" assessment. Guen noted that participant related cashflow for the year was approximately -\$12 million. With approximately 37% of the Plan assets associated with terminated participant accounts, the negative cash flow numbers are not unexpected. At the end of the Fourth Quarter, both the overall average account balance and the median balance were higher than they were at the same point a year ago. The participation rate was also higher at 56.2%. Since automatic enrollment has been in place, the Plan has seen a 30% increase in the number of participant accounts. The T. Rowe Price Education Specialist, Samantha Smith, provided a recap of the participant sessions held during the year. There were 26 onsite meeting days and a total of 70 sessions held during the year. Sam also stated there were 863 webinar attendees over the same period. For 2024, T. Rowe plans to focus educational efforts on participation, financial wellness, and pre-retiree education.

### **Board Composition (Discussion Item)**

The Board engaged in a discussion regarding the composition of the Board. Consideration was given to expanding the Board membership to, perhaps, get representation from hourly and field workers. The Board also discussed allowing non-board members to participate in sub-committees. No decisions were made and the topic will remain on the agenda for the next meeting.

### **Report of the Chair**

None.

### **Report of the Plan Administrator**

O.C. Collier reported the activities she and Valerie Garza are currently working on in addition to their daily tasks:

- ❖ Tabling at the Metro pick late February/early March
- ❖ Tabling at DNRP late March 2024
- ❖ Tabling at DLS early May 2024
- ❖ Continued work on the Recordkeeper RFP. Will be scheduling meetings with the sub-committee soon to review the RFP before it's advertised.