

# King County Employees Deferred Compensation Plan

## Board Meeting Minutes

February 11, 2026

**Board Members:** AngaLee Alexander, Gennevie Cook, Tom Friedman, Grey Lewis, Lisa Parriott, and Sherry Stroud

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

**Guest:** Jayson Davidson, Kendal Peterson, and Ericka Skeldon of Fiduciary Consulting Group, and Pedro Rodriguez and Guen Toste of T. Rowe Price

### **Participant / Employee Comments**

None

### **Adopt January 2026 meeting minutes (Action Item)**

Meeting minutes were approved unanimously.

### **2026 Travel (Action Item)**

The board voted and approved for the Plan Administrator and four board members to travel.

### **Fiduciary Consulting Group Quarterly Report (Discussion Item)**

Jayson Davison from Fiduciary Consulting Group (FCG) presented. The Board reviewed the Fourth Quarter 2025 Performance Report, and they discussed key economic, labor, and policy related statistics impacting market performance. The U.S. economy continues to show strength in a post-tariff related environment, where Artificial Intelligence (AI) investment and consumer spending resilience powered gross domestic product (GDP) to 4.3% in the third quarter.

Expectations are for this to continue through fourth quarter GDP. Inflation, while still above the Federal Reserve (FED) policy targets, has remained in check, and the FED cut interest rates by .25% in the last three rate-setting meetings of the year. Rate expectations for the first half of this year are low, and the FED did not take any action at the January meeting. FED focus appears to have shifted to the labor market, prompting the aforementioned rate cuts, and we expect to see more softness in the labor market during the first half of 2026. World equity and fixed income markets are responding well to the strong U.S. economic back drop and expectations for a new AI related world. The plan's lone watch status option, the King County International Equity Fund, remained in violation of quantitative investment policy parameters. This option is a custom fund composed of an equal split between the Vanguard International Growth and Vanguard International Value strategies. Relative performance has continued to lag, as both underlying growth and value strategies are not positioned well in what has been a more value-focused rally for international markets. FCG are still expecting prospects to improve for the growth side of this portfolio and are not recommending any actions related to the Vanguard International Growth strategy specifically. They are recommending, however, that Vanguard International Value strategy be reviewed for possible replacement in client portfolios. The King County International Equity Fund will remain on watch pending any Value component replacement or other changes.

Jayson also presented the FCG prepared International Value Manager Search Report, and the Board considered several replacement candidates for the Vanguard International Value Fund component of the Plan's custom International Equity option. They presented risk, return and holding metrics, and the Board weighed strengths and weaknesses of each of the presented candidates. After discussion, the Board did not take action and deferred any vote to next month's

meeting. It was requested that the FCG add International Core Manager options in an updated search. The Board will evaluate whether to replace the custom fund outright, in lieu of a change to just the Value component at the next meeting.

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

Guen Toste, T. Rowe Price presented the quarterly “big picture” assessment to the board. Ms. Toste reported this was the 9<sup>th</sup> year of continued improvement in the participation rate. There was a higher average account balance for the Plan as well as an increase in the average deferral rate.

The following Plan highlights were noted as of December 31, 2025:

- Plan Assets were \$1,803,057,188 representing approx. 15% increase from 12/31/25
- The Plan Participant Rate is at 62.5% representing an increase of 5.3%
- There were 15,336 participants, which is an increase of approx. 8.3% from 12/31/25.
- The average Participant account balance was \$117,568
- The median Participant account balance was \$29,234
- Notably, there were 244 participants with an account balance of over \$1M

Pedro Rodriguez, T. Rowe Price presented on fourth quarter participant engagement. For 2025, there were 12 topics offered and 715 attendees for year-to-date totals with 214 attendees in the fourth quarter. The top three topics requested were financial wellness, retirement readiness, and investing basics. The one-day onsite education session offered in December for the Sheriff’s Department had 70 participants.

### **Report of the Chair/Co-Chair**

The chair deferred the report but added she’s looking forward to the committee’s meeting.

### **Report of the Plan Administrators**

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

- ❖ T. Rowe Price contract update – technical specifications are being worked out between the County’s tech team and T. Rowe Price.
- ❖ O.C and Valerie will be attending Metro Pick from February 17 to March 6.
- ❖ O.C. will be asking the board for volunteers to attend the upcoming conferences: T. Rowe Price, May 18-20 and the National Association of Government Defined Contribution Administrator, September 27-30.