

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

### **Board Meeting Minutes**

March 12, 2025

**Board Members:** Gennevie Cook, Clara Gao, Lisa Parriott, Pat Sainsbury, Sherry Stroud, and Lusha Zhou

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

**Guest:** AngaLee Alexander (plan participant), Grey Lewis (plan participant), Michelle McKeag (plan participant), Jayson Davidson of Hyas, and Dean Fox, Kelly Hanagan, Jean Martone, Pedro Rodriguez, and Guen Toste of T. Rowe Price

#### **Participant / Employee Comments (Action Item)**

There were none at this time.

#### **Adopt February 2025 meeting minutes (Action Item)**

Meeting minutes were approved as written

#### **Approve Third Party Administrator (Action Item)**

The RFP subcommittee recommend to the full board that the County enter into a new five-year agreement with T. Rowe Price. The agreement will begin on January 1, 2025, and will afford the Plan better pricing as well as additional on-site service. The board voted unanimously to approve the recommendation and Procurement will be notified to begin the contracting phase.

#### **Resolution 2025-05 Hyas Final Contract Extension (Action Item)**

The board voted unanimously to approve the contract extension.

#### **T. Rowe Price Float Income (Action Item)**

The board discussion centered on determining how the float credits will be used. Should the credits be returned to participants or factored into the board's fee structure analysis? The Plan will need to execute a new "Allocation of Float Income Credits" procedure.

The quarterly account statement will show a miscellaneous credit split between investment allocation. This is a pre-tax credit and part of the total balance invested in the plan and is akin to a trust earning component. None of that income in the trust is counted towards the annual additions limit. The float allocation credit will be placed into the account and at the end of year, after a review and discussion of the fee structure, the board can vote for the administration of the plan or an allocation back to the 14,170K plan participants. There are no tax implications. This topic will be added to the annual work plan and scheduled for the October meeting on fees and redistribution of funds to participants. The motion passes unanimously.

#### **Resolution 2025-03 Qualified Disaster Distribution (Discussion/Action Item)**

Secure 2.0 QDD options provides participants with an additional withdrawal option in the case of a qualified disaster. Participants have 180 days from the date of declaration of the disaster to take a withdrawal up to \$22K. Participants have up to 3 years to repay the distribution. The motion passed unanimously.

### **T. Rowe Price 2025 Strategic Plan (Discussion Item)**

Guen Toste of T. Rowe Price shared 2024 updates and highlights with the board. There were significant fee reductions that benefited plan participants. Plan assets qualified for two lower fee share classes. The retirement hybrid trust fee was reduced in January 2024 from 33 to 32 bps and then further reduced in November to 23 bps. The annual recordkeeping fees were reduced from \$28 to \$16 effective January 2025 in keeping with market competitiveness. In-service withdrawals options were expanded for domestic abuse and emergency expenses.

Personalized engagement occurred in three areas: new education for underrepresented audiences, translated website, closed-captioning, and Spanish-language podcast for Spanish-speaking participants, and SmartVideo enhancements for the homepage, withdrawal options and account security. The new security smart video outlines the best practices and recommendations for securing your account. Custom targeted campaigns via print and email focused on plan participation, financial wellness, and education. Monthly promotions and education focused on the topic's meeting, information, and education. There were 29 meeting days, 79 sessions, and 1,002 attendees with 74% indicating they would act. Kelly Hanagan and Pedro Rodriguez were introduced as new T. Rowe Price staff focusing on education and communication.

Looking ahead to 2025 and the recommended initiatives include rebranding, campaigns on special catch-up, targeted security, diversification, participation, and microsite updates/DEI outreach. Product updates focus on a refreshed homepage and Spanish-language enhancements for the mobile app, investment view flexibility, proactive beneficiary notification, and participant security center providing guidance to securely protect accounts. AI has organically been built-in and is featured in Smart Videos and next steps scenarios as well as specific to communications.

### **Report of the Board Chair**

Looking forward to a busy year. Work will begin on the work plan as soon as the new board members are in place.

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

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

- ❖ The applicants for the open board positions have been scheduled for interviews on March 20<sup>th</sup>. Selected applicants will be introduced at the April meeting for board approval.
- ❖ RFP Update – procurement is reviewing PAO comments; they will then be sent to O.C. and Jennifer for review and then back to T. Rowe Price for comments.
- ❖ The T. Rowe Price Forum will take place April 29 – May 1 in Arlington, Texas. Two board members will attend along with a plan administrator.
- ❖ Community engagement and education events attended within the last month:
  - 2/14/25 - DAJD Seattle Facility (In-Person)
  - 2/18 - 3/7/25 - Metro Transit PICK (In-Person)
  - 2/19/25 - WTD GIS Team (MS Teams)
  - 2/27/25 - DES Directors Meeting (In-Person)
  - 2/27/25 - Transit Facilities Division Leadership Team (In-Person)