**DEFERRED COMPENSATION ADVISORY COUNCIL MEETING**

**Thursday May 27, 2021 @ 9:00 am**

**Microsoft Teams Meeting**

Council members in attendance:Seth Blodgett, Alex Burnett, Heather Perreault, Laureen Pratt, Wayne Morrow & Stuart Turney,

(Total = 6)

Council members absent: Tracy Bonnevie, Rebekah Koroski, Lindsay Mattson & Ricky Welton

*(Council seat 6 vacant)*

Others Present:

CAPTRUST: Michael Pratico

VOYA: Greg Miller & Jennifer George

Empower: David Hanson & Anthony Verdile, Tom O’Hare

AIG: Anthony Durak & Gregg Libutti

Employee Health & Wellness: Joel Hill, Roberta Leonard & Shonna Poulin-Gutierrez

Other: Shirley Ezzy

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| Agenda Item | Discussion | Action/Next Steps |
| I. Call to Order (9:03 am) | Shonna Poulin-Gutierrez called the meeting to order |  |
| II. Introductions |  |  |
| III. Approval of Minutes *(February 25, 2021)* |  | Wayne Morrow made a motion to approve the minutes, seconded by Alex Burnett. Motion passed.  |
| IV. Plan Management & Investment Report *Michael Pratico – CAPTRUST*1. Market Commentary
 | Information contained in written report. Discussion highlights below:* Total assets for Q1 2021 over $593M. Slight Increase from Q4 2020.
* Total participants with a balance decreased slightly from 6,480 to 6,473.
* Empower: Average member balance $95K, with 1645 participants actively deferring. Balance as of 3/31/21 over $305M.
* AIG: Average member balance $78K, with 1547 participants actively deferring. Balance as of 3/31/21 over $121M.
* Voya: Average member balance $95K, with 1740 participants actively deferring. Balance as of 3/31/21 over $165M.
* Fiduciary Update: The Department of Labor (DOL) has been busy providing additional guidance for plan sponsors regarding their process for investigating missing participants as well as hitting the pause button on some regulations that were recently finalized.
* 2021 Predictions/Beyond the Headlines: With the Biden administration focused on the Covid-19 pandemic, it is unlikely to see major policy proposals in 2021.
* Market Commentary: Despite an uptick in interest rates in the first quarter, most asset classes have posted solid returns so far in 2021. Vaccine-driven optimism and historic levels of fiscal and monetary stimulus continued to fuel stock market returns as economies began to reopen, while concerns emerged over rising inflation pressures.
* Stocks and Bonds:
* Economic Outlook Headwinds/Tailwinds: The combination of accelerating vaccine rollouts, strong consumer balance sheets, and a record-shattering injection of fiscal stimulus sets the

stage for breakout growth. However, the virus remains a concern, and risks remain, along with rising inflation fears. |  |
| 1. 1st Quarter 2021 Performance
 | Discussion highlights:* Current Market Conditions: Swift vaccination progress, aggressive stimulus, and strong fundamentals create a highly supportive backdrop for global growth. Economic forecasts suggest a cyclical boom in real GDP at levels not seen for decades.
* Plan Investment Review/Performance Summary: Comparison summary from 2015 to 2020. Showing the work, the Advisory Council has done over the years to grow and stabilize the plan.
* Score Card (100-point scale developed by CAPTRUST): Yellow flags are marked for review; performance falling below 70%. 50% of the score is driven by the work being done by the investment team. Majority of the funds are in the top 90’s with some scoring 100.
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| V. Other Business a. Secure Act 2.0*Michael Pratico – CAPTRUST*1. Auto Enroll
2. Catch-Up Limits (by age)
3. Loan Options
 | Discussion highlights:* Michael Pratico stated that some of the biggest changes from 1.0 is the required minimum distribution (RMD) age going up to age 75, encouraging auto enrollment, and language around student loan repayment. Michael Pratico said the Secure Act 2.0 has not been passed at this point but looks like it will be.
* Shonna Poulin-Gutierrez discussed the catch-up provision which allows people to contribute more to their retirement plans to make up for years in the past where they may not have done that. The Secure Act 2.0 bolsters this catch up provision.
* Stuart Turney asked is a plan considering employee loans and the ROTH option? Heather Perreault said at least another year before Workday is deployed but need to get another implementation partner. Heather Perreault stated we do not have technology at this time to track the ROTH and would need to do this manually which is currently not an option. Heather Perreault spoke about how the State of Maine would like to implement this feature and supports it but administratively isn’t feasible till Workday goes live.
 | Seth Blodgett made a motion to approve AIG renewal as offered Alex Burnett seconded. Motion passed.  |
| 1. Open Discussion
 | Discussion highlights:* Shonna Poulin-Gutierrez stated the State of Maine office of Employee Health & Wellness would be working on the structure of the council. Looking to get more voting members at the meetings.
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| **VI. Adjourn (10:28 am)** |  |  Wayne Morrow made motion to adjourn, seconded by Seth Blodgett. Motion passed.  |

**Next meeting: August 26, 2021**