**DEFERRED COMPENSATION ADVISORY COUNCIL MEETING**

**Wednesday February 20, 2019 @ 9:00 am**

**Room 600, Burton Cross Building**

Council members in attendance: Seth Blodgett, Tracy Bonnevie (via phone), Alex Burnett (appointment pending), Terry James, Rebekah Koroski, Lindsey Mattson, Stuart Turney, Wayne Merrow (via phone), Holly Pomelow

(Total = 9)

Council members absent: Robyn Saucier, Ricky Welton,

*(Council seat 15 vacant)*

Others Present:

Buck: Tom Coughlin, Alan Vorchheimer, Elizabeth Woodburn (via phone)

VOYA: Greg Miller, Jennifer George

Mass Mutual: David Hanson, Anthony Verdile (via phone)

Valic: Mike Carter, Greg Libutti

Employee Health & Benefits: Kurt Caswell, Roberta Leonard

Shirley Ezzy

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| Agenda Item | Discussion | Action/Next Steps |
| I. Call to Order (9:03am) | Kurt Caswell called the meeting to order |  |
| II. Introductions |  |  |
| III. Approval of Minutes  *(October 18, 2018)* |  | Seth Blodgett made a motion to approve the minutes, seconded by Rebekah Koroski.  Motion passed. |
| IV. Report Highlights  *Alan Vorchheimer, Tom Coughlin, Elizabeth Woodburn - Buck* | 4th Quarter 2018 Plan Activity Review. Information contained in written report. Discussion highlights below:   * Total assets as of 12/31/18 $457M. * Total accounts decreased from 6,600 to 6,554. * Employees under 39 years of age, participation is low – would like to target this group, over 40 participations consistent. * Kurt Caswell stated that there will be an auto enrollment option with the new Human Resources Management System (HRMS). Members will have the option to split contributions between all 3 vendors. May be more appealing for the younger generation. * Moving to fee transparency pricing across all plans starting May 1st, 2019. * Moving forward on the approved single fund line up (Page 29 –30) starting May 1st, 2019. * Discussion on Target dates funds: members can pick their retirement date and the fund will automatically adjust. Effective date May 1, 2019. * All three Vendors will use the same funds with a different share class, simplifying the options. Funds that are being removed without a direct replacement fund will be mapped in target date funds; all other will be mapped into replacement funds. Members can choose to manage their own investments either prior to or after mapping. * Asset expenses going to be 21-24 basis points- largely the same dollars of fees as pre-mapping fees. Mass Mutual is slightly higher. Target dates are normal, default. * Communicating changes. Each vendor will send out a cover letter approved by the State of Maine stating the simplicity and fairness of this change to their members. MaineSaves website will be updated. |  |
| V. Plan Management Update  *Alan Vorchheimer, Buck* | Plan Activity Update: 4th Quarter 2018 Summary (See pages 8-27 of Buck’s report.) Discussion highlights:   * Reviewed plan participation, demographics, account balances, transaction activity, contribution rates, provider activities, etc. * Participation steady for ages above 50. 40-50 decent participation, below 40 low participation. Efforts to increase participation on the population under 40 with less than 10 years of service. * Each vendor’s population is at least 30% of termed employees who can withdraw from the plan at any time. * Slight positive change in net enrollment, slight increase. * Total amount of contributions for the past 3 years is 3.8M. * Website analytics. Large spike in MaineSaves site visits, over 1,600 in October reflects the response to the employee meeting campaign. * Going forward communication will remain online, in person and via email. All serve as a good to reach out to employees. * Would like to feature stories form Maine employees that have had successful testimonials in the future. * Goal to target the younger generation, under 40 by specific reporting. |  |
| VII. Plan Investment Report  *Tom Coughlin, Buck* | Plan Investment Review December 31, 2018 (see pages 52-73 of Buck’s report.) Discussion highlights:   * Review of plus/minus and risk return charts * Equity markets ported losses in the 4th quarter. * Across all vendors the funds outperforming over the prior five-year period, as follows Mass Mutual 50% of funds, Valic 40% of funds and Voya 40% of funds. * Growth out preforming value in the 4th quarter. Fixed income is positive. Value in active management. * Tom Coughlin stated there is a substantial change in Oppenheimer global. The fund manager will be retiring in May. Suggest replacing the fund mapping. Change effective for May 1, 2019 to allow time to notify members. If the Council would not like to fund map Oppenheimer Global Tom recommends putting this fund on the watch list. If available on platform to make this change in a timely manner. Eliminate or find a target fund. * Long duration fund will be more volatile. | Lindsey Mattson made a motion consider  Tom Coughlin’s selection for a new fund replacing Oppenheimer Global, Rebekah Koroski seconded. Motion passed.  Tom Coughlin will send a list of options. All 3 Vendors will know within 24 hours. Want to regroup via email/phone call. |
| VIII. Executive Session  *Kurt Caswell, Employee Health & Benefits* | Extending Contract with Buck – 3-4 months. 3 months optional 1 month if needed.  RFP’s - Would like to see the top 3 present in person to the Council and the encumbered group if possible. |  |
| **IX. Adjourn (10:30am)** |  | Lindsey Mattson made a motion to adjourn, Seth Blodgett seconded. Motion passed. |

**Next meeting: May 16, 2019**