Maine State Retirement Savings Board

June 15, 2022

Minutes

*Draft, for discussion purposes only*

1:00pm Call to Order

Meeting convenes and Deputy Treasurer Olson introduces self and welcomes the board. Mentions that meeting is being recorded and is available to anyone who requests it. Welcomes members of public, advocates and AARP representatives in attendance via Microsoft Teams.

1:00 – 1:15pm Welcome and Introductions

Board members In attendance:

* Deputy Treasurer Gregory Olson of XXXXXX
* Gigi Guyton-Thompson of Peaks Island
* Rebecca M. Wyke of Augusta
* Tina Wilcoxson of Cumberland Center
* Jessica D. Linzer of Cape Elizabeth
* Kevin Carley of Portland
* Deborah Adams Neuman of Hampden
* Daniel Piltch of Freeport
* Elizabeth Bordowitz, Esq. of Portland

1:15pm Approval of previous minutes: April 15 minutes. Deputy Olson noted amendment, description of Beth as member of executive search committee – was in error.

Motion to approve minutes as amended by Elizabeth Bordowitz; Seconded by Deborah Adams Neuman . Motion approved unanimously**.**

1:20pm Update from Executive Director Search Committee

Rebecca, Deb and Dan met and have draft job description, plans to reach out to Oregon program to talk through their startup, qualities we should be looking for etc. will be requesting their job description, org chart, scope of budget etc. Greg reaching out to Bureau of HR with advertising and confirming salary range. Meeting again June 27 to finalize job description, with plans for posting no later than july 6. August to screen by zoom with in person finalist interviews … goal to bring recommendation to board at September 21 meeting. With backup of October. Salary above $100,000. Looking for retirement savings knowledge, leadership experience in public sector, entrepreneur skills. Asked board to think of potential people to encourage to apply.

Deb recognized aggressiveness of guidelines driven by deadline. Greg thanked group for their hard work. Board members present were pleased with plan. Beth recommended housing authority as assisting with costs. Rebecca asked for guidance on salary from the board. Can offer moving expenses that are reasonable. Tina added that we may get applicants from out of state. Cost of moving here may be a factor. Jessica: had question about agencies that might have data on sizes of employers. Greg said would need MOU with agency. Sharing data may be challenging process. Deb said she sees synergies with Chambers of Commerce once we are ready to roll out.

Is agency supported by Attorney General’s office? Answer yes.

1:30pm AKF Presentation Overview of State Run Retirement Programs

Andrea Feirstein, CA joined by colleagues, Ellen Breslow and Juliana Crist

15 states currently have authorized retirement programs. Jessica asked Andrea if she suggested we do pilot before. Andrea said no but that this is how the states are approaching this. Beth asked how big pilots were: Andrea said 15-20 in CT; 10 or more in CA. Can be 10-20 but can go smaller. Gigi reminded we want everything in place even before the pilot. Andrea said before RFP, ED should play a lead role. Snapshot of funded accounts shows remarkable growth under 4 years.

Average contribution rate: 5% of salary default; TDF target date fund provider

Jessica: how many middlemen are getting money from workers? Blackrock, etc. Slide 12 speaks to the administrative costs. “Underlying Fund Expenses” 2 to 7bps on indexed investments to minimize costs

Hybrid cost more beneficial as accounts grow – slide 13

Greg: those dollars are annual? Andrea: yes

Greg: have Oregon participants benefiting from fee structure? Andrea: since conversion in November 2021 to Bestwell, unclear what results will be.

Jess: what about intrinsic rule about plan … can’t do this anymore? Doesn’t it target when young until they get jobs that negate this? Isn’t it short term for many people? Transportable accounts.

Andrea will send PP deck to share with board.

Beth: if we decide to go with partnership it changes the role of the ED, chicken and egg and pay scale.

Jessica: after reading materials from AKF, feeling time crunch stress. Do we have time to consider partnership? Beth said we should get right and get extension if necessary.

Gigi: two states on the charts where fee didn’t go to program admin. Will send Andrea questions.

Daniel: standing up program slower without partner.

Andrea: fees not used to pay admin, how did admin get paid … in each case, they are paid. OR and MY not charging asset based fee just dollar fee.

CO and NM creating first partnership

Benefit of partnership you get benefit of pricing, economies of scale.

Daniel: is partnership agreement Co and NM a public document? Andrea: adopted in public meetings, not sure if doc public … will put us in touch with people

Re projections, are there projections as to how big they are to grow? Andrea: they exist and what entities in market do.

Greg asked: do you see accounts that age out? Andrea: haven’t seen yet because programs are too young “decumulation”

Tina: are other states considering partnership? Andrea: OR is thinking about it

Greg: OR interested in partnering with ME. Initial discussions have occurred.

Gigi: did CO and NM start as partners or after launch? Andrea: neither have launched but CO contemplated before issuing rfp

2:00pm Motions:

* Motion: That the Board elect a Chair. **TABLED**
* Motion: That the Board elect a Vice Chair. **TABLED**
* Motion to adopt a Remote Meeting Policy

*Motion by Elizabeth Bordowitz to accept policy as written; seconded by Gigi Guyton-Thompson. Motion approved unanimously.*

* Motion: That the Board of the Maine Retirement Savings Program authorizes program or board staff to issue an RFI and RFP for a vendor to conduct a market, legal, and feasibility studies. (*See* 5 M.R.S. § 173(1)(A)).

*Motion by Rebecca M. Wyke to approve motion, pending review by board; seconded by Elizabeth Bordowitz. Discussion about ability to achieve timeline. Employer data from state agencies: motion Jessica/gigi. Discussion Jessica, for feasibility study does winner of proposal get access to agencies. Motion approved unanimously.*

*Motion approved unanimously.*

* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for a program administrator. (§ 173(1)(C), (K)). **TABLED**
* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for an investment manager. (§ 173(1)(K)). **TABLED**
* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for a program consultant. (§ 173(1)(K)). **TABLED**
* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for an investment consultant. (§ 173(1)(K)). **TABLED**
* Motion: That the Board request employer data from various state agencies. (§§ 173(1)(O)(3), 177). **TABLED**
* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for private pooled insurance or other insurance the Board deems necessary. (§ 173(1)(R)). **TABLED**
* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for a financial advisor. (§ 173(1)(T)). **TABLED**

3:00 p.m. Adjournment

Deputy Treasurer Olson announced date for next meeting, July 20th (third Wednesday of July) and confirmed with all (Daniel will be unable to attend).

Opened floor for public comment/questions before adjourning. None

*Motion by Daniel Piltch to adjourn; Seconded by Gigi Guyton-Thompson. Unanimous.*