**Maine Retirement Savings Board**

**Date: July 20, 2022**

**Cross State Office Building**

**111 Sewall Street, Augusta, ME 04333**

**Approved Minutes**

1:00 p.m. 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, and others in attendance via Microsoft Teams.

1:00 – 1:15 p.m. Welcome and Introductions

Board Members in attendance:

* Treasurer Henry Beck, Esq. of Biddeford
* Deputy Treasurer, Gregory Olson of Hallowell
* Elizabeth Bordowitz, Esq. of Portland
* Kevin Carley of Portland (remotely) unable to attend
* Gigi Guyton-Thompson of Peaks Island
* Jessica D. Linzer of Cape Elizabeth
* Deborah Adams Neuman of Hampden (remotely) working from Hampden unable to attend in person
* Rebecca M. Wyke of Augusta (remotely) meeting commitment in office

Absent: Daniel Piltch of Freeport and Tina Wilcoxson of Cumberland Center.

1:15 – 1:30 p.m. Approval of Minutes from June 15th Board Meeting

Motion to approve minutes as amended by Jessica D. Linzer; Seconded by Deborah Adams Neuman . Motion approved unanimously**.**

1:30 - 2:00 p.m. Update from Executive Director Search Subcommittee

Job description created and approved, posted beginning in early July. End date August 1 to review, reconvene and report out to group and interview options. Treasurer Beck was pleased to see job posted, two apps and many informal inquiries. Board members encouraged to share with networks, hopeful to be interviewing soon.

2:00 – 2:30 p.m. Presentation from Lisa Massena on recommended program implementation.

Treasurer Beck: Lisa was engaged to do preliminary work and research, suggested steps and frameworks. Pleased to have her here to present.

Lisa provided background information: known for two things in this space … 2015 began as ED for Oregon Saves program, with legislation and ideas and brand new board as you are now. Also known in Treasury in Oregon and needed to stand up a similar program to yours. Engaged with most of active states with information sharing, best practices and also with states working on legislation toward this end. Focus today is as program and policy consultant, working with states on implementation process and along the spectrum from legislation to implementation and operation.

Today’s goal is to discuss late last year’s work with Office of the State Treasurer (OST) as you prepare to launch. What do you need to think about. More detail available but this will be highlights and high level.

Deck provided (see attached)

Execute waves 1-3 +S s=cleanup

Treasurer Beck: asked how we are doing on timing. Lisa said “incredibly tight.” Your timing was snug at the passing of legislation. Lisa will share ways to manage that (stick to timing as outlined, and/or find ways to begin to identify flexibility with timing if we need it).

Lisa presented idea of standalone versus partner program. FYI all programs launched to date have been standalone, but also all of those are larger workforce states.

Jessica Linzer asked: I understand your “knights of the round table” approach but … our board and their board … Lisa: this model you are coming together to decide together what should our menu look like. We assume in this model that neither have made those decisions. In “come aboard my ship” model, the first partner has already made the choices (aka Oregon) so they were made before the program launched. Expectation when joining existing program is that you would be adopting the investments they have chosen because they work well for Maine. Your investment consultant would also need to help you make that decision.

Jessica asked: once ED brings other potential opportunities, the ED may be saying “hey it looks like the menu of investments with State X is better than State Y,” so selecting with the input of new director and decisions already made.

Lisa added: once you do analysis, while state menus are similar they aren’t identical. Will be cost efficient, simple, easy to work with but not identical. You will want to look at features, characteristics and investments that make sense for Maine’s program.

Treasurer Beck added: we’d have to ensure that a partner was congruent with other state’s program, based on the legislation.

Jessica asked: does state up and running … what do they gain from bringing in partner? Can they get better rates? What’s in it for them? Lisa says the five state programs live and the concept is that as they can grow … more assets, more accounts … achieve scale more quickly and along the way drive costs down and reflect those back to savers. Of five live, some very public about need to partner for that reason.

Gigi asked: agenda votes today include a lot … do we need all these things still with a partner? Private pooled insurance is state specific, financial advisor – not sure of function, program administrator is dependent upon standalone or partner, investment manager – RFI maybe best bet until you decide, investment consultant. Treasurer Beck asked: during sense of urgency, we want to proceed with program consultant, ED, and data requests (if you had to prioritize). Lisa confirmed that these were the most time sensitive. These will drive the rest of work and decisions.

Lisa ended with resources available which will also be shared with the group. These resources appear on the end of Lisa’s presentation deck.

Treasurer Beck encouraged questions from zoom attendees.

Jessica D. Linzer asked: with pilot, the 5 or 10 employers, do we have to match number of employees in waves? Lisa said no. Typically waves are “comply by” deadline … for pilot, you’ll want a mix of employer sizes, which will inform the program … by payroll type, by size, by industry, good to have diverse population as able in pilot group.

2:30 – 3:00 p.m. New Motions –

* Motion to establish a subcommittee to evaluate partnership opportunities with other states.

Beth asked if feasibility study should come before partnership opportunities? Bottom line is feasibility of the program? What are the metrics that make it work … pool of employees, dollar amounts, how it fits into seed, etc.

Gigi asked: wasn’t feasibility done while the legislation was forming? Treasurer Beck said not to his knowledge, although AARP provided some information. He added that understanding a few key metrics would be helpful to answering questions critical to these decisions.

Gigi wonders if other states have data; Beth thought we should focus just on Maine’s data.

Jessica shared that Maine might not even have an investment person wanting to deal with such a small state. Concerned that our customer will primarily be the self-employed, which would limit the amount of time that the investments for those people would be in our care. This might limit our ability to be/stay viable.

Beth suggested that we work along a parallel path with subcommittee AND feasibility study as not to lose critical time.

Motion to approve: Beth moved; seconded by Jessica. Unanimous.

Members of the board self-selected: Gigi, Beth and Jessica have offered to be a part of the subcommittee.

Beth noted that three board members on the subcommittee would connote an official board meeting. Concern raised as to whether Subcommittee meetings must be noticed.

Jessica raised point about meetings being public. Does Maine have a violation of sunshine law if board began emailing the board back and forth because it in a sense is a violation? Or, are we are board if we call a meeting? Treasurer Beck said one way information sharing by email is legal and appropriate.

Tabled Motions -

* Motion: That the Board request employer data from various state agencies. (§§ 173(1)(O)(3), 177).

*Motion by Gigi Guyton-Thompson: Seconded by Jessica D. Linzer. Discussion Treasurer Beck mentioned conversations with DOL, SOS, etc. and most are ready to move forward with information sharing, but only with Board approval. Some PII considerations.*

*Motion approved unanimously.*

* Motion: That the Board authorizes program or board staff to issue an RFI and RFP for a program consultant. (§ 173(1)(K)).

*Motion by Treasurer Beck, seconded by Gigi Guyton-Thompson.*

*Discussion Jessica: concerned that ED should bring recommendations on program consultants. Treasurer Beck let Jessica know that we need the motion approved by Board in order to do that. Legal authority to begin the process.*

*Motion approved unanimously.*

* Motion: That the Board elect a Chair.

*Gigi Guyton-Thompson nominated Elizabeth Bordowitz; Beth declined.*

*Treasurer Beck has given board one more month to make this decision.* TABLED

* Motion: That the Board elect a Vice Chair. 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
* 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 an investment consultant. (§ 173(1)(K)). TABLED

General discussion around board approved feasibility study.

Beth concerned about the timeline set for in legislation. Treasurer Beck said it was important to the sponsor to move it forward, and sentiment of sponsor was that this needed to get done. Beth asked if we were to go back in January and discuss progress, but to ask for an adjustment in the timeline. Treasurer Beck confirmed this was possible.

3:00 p.m. – 3:30 p.m. Scheduling Next Meeting

Third Wednesday of the month; August 17th confirmed at 11:30am feasibility subcommittee meeting before formal board meeting. Lisa Messena noted that there may be question for public comment: Treasurer Beck said we reserve ethe right to do it or not. Chris from Papertrails in southern Maine concerned that small business clients will be “blindsided” by this. What are other states considering as plans on their own to NOT opt into the state’s program? Lisa answered in generalities. Each state establishes that uniquely. Commonality is that all ARISA covered retirement savings accounts and programs are typically the set of things that will exempt you from the state’s program, e.g. simple IRA, 401K, etc. This information is included in the legislation which will tell you which plans exempt you from the state’s plan.

3:30 p.m. Adjournment

At 2:20pm, Motion by Gigi, seconded by Beth.