



## **Connecticut Retirement Security Authority Board of Directors**

May 18, 2018, 10:00 a.m. - 12:00 p.m.  
Legislative Office Building, Room 1C  
300 Capitol Avenue, Hartford, CT 06016

### **Minutes**

#### **Members Present**

DOL Commissioner Scott Jackson, Chair  
Manisha Srivastava, Office of Policy and Management (for OPM Secretary Benjamin Barnes)  
Cesar Garcia, Department of Banking (for Commissioner Jorge Perez) (via telephone)  
Thaddeus Gray (via telephone)  
Keisha Palmer (via telephone)  
John Sayour  
Christine Shaw  
Ed Zelinsky (via telephone)

#### **Other Participants**

Carolyn Treiss, Department of Labor

#### **I. Call to Order**

Commissioner Jackson called the meeting to order at 10:12 am.

#### **II. Adoption of Minutes from April 20 regular meeting and May 9 special meeting**

Ms. Srivastava made a motion, seconded by Mr. Sayour, to approve the minutes of the April 20, 2018 meeting. In the discussion, Ms. Shaw asked that the minutes reflect her attendance at the meeting and Commissioner Jackson noted that he was absent and his name should be removed. The minutes were approved with 7 votes in favor and Commissioner Jackson abstaining.

Commissioner Jackson made a motion, seconded by Ms. Srivastava, to approve the minutes of the May 9, 2018 special meeting. Mr. Gray asked that the reference to "DAS portal" be spelled out to clarify its meaning. Commissioner Jackson agreed that the reference be changed to spell out Department of Administrative Services. The minutes were approved on a unanimous vote.

#### **III. Action to name CRSA Vice-Chair**

Commissioner Jackson noted the board does not currently have a structure set up for calling meetings in the chair's absence and that the board has previously discussed and agreed upon the need for a Vice Chair, which is provided for in the enabling statute. Commissioner Jackson stated that board member Mr. Thomas Sennett, who was not present at the meeting, had stepped forward and is willing to serve in this capacity. Commissioner Jackson noted that Mr. Sennett is a non-public actor, which provides some stability in the coming months and which will likely involve some changes to the ex-officio members of

the board given the upcoming elections. Commissioner Jackson made a motion to nominate Mr. Sennett to serve as Vice-Chair of the CRSA and Mr. Sayour seconded the motion. The vote was unanimous in favor of the nomination.

#### IV. Subcommittee Updates

##### a. Budget/Audit/Finance Subcommittee

Ms. Srivastava announced that the legislative language allowing the CRSA to access a \$1million line of credit passed in HB 5028. She explained that the language allows the board to access the line of credit if the board determines that the expenses exceed available funds. In such a circumstance, the board must vote to take the request to the Secretary of Policy and Management for approval and then must work with Treasurer's office to determine the terms of the loan. The CRSA can access up to \$1 million with a maximum payback period of 10 years. Ms. Srivastava explained that this does not require an appropriation, and as such, does not appear as a line-item in the budget. Rather, the monies will come out of the state's regular cash flow which is used for payroll and other expenses. This is a similar model to one that was used when Access Health CT was in its early stages.

Commissioner Jackson noted that the line of credit provided the board with some financial security but that the board needed to be cautious with its use of the funds. Mr. Gray echoed the Commissioner's sentiments, reminding the members that a line of credit is a loan that must be paid back. Mr. Gray then asked if the legislation specified an interest rate. Commissioner Jackson explained that the terms of repayment would be negotiated with the Treasurer's office. Ms. Shaw pointed out that while this allows the board to pay for some of the professionals and consultants that will be needed to launch this program, she did not want the ability to access these funds to take away from the board's commitment to develop a fundraising strategy, which, in the past, the board had discussed and agreed was an essential component of its work.

##### b. Education and Outreach

Ms. Srivastava asked if the board should start reaching out to employers for the purpose of putting together a focus group to help inform the process going forward and to start developing relationships with employers. Commissioner Jackson encouraged Ms. Srivastava to begin those efforts.

##### c. Governance and Bylaws

With regard to the progress on the legal services RFP, Commissioner Jackson reported that he felt that there are aspects of the contract that the Executive Director should have some input on. Therefore, there was a bit of a delay with regard to the contract negotiations.

##### d. Personnel and Support Subcommittee

###### i. Executive Director search status update

Commissioner Jackson gave a brief overview of the status of the executive director search noting that at the May 9 special meeting the search committee made a recommendation to the board and empowered the chairman to enter into negotiations

with the selected candidate. Commissioner Jackson said that he was scheduled to speak with the candidate after the meeting. Mr. Saylor asked if there was a target date for the executive director to start. Commissioner Jackson stated he felt that sometime around the start of the fiscal year on July 1 seemed to make sense.

**e. Program Design and Investment**

Ms. Srivastava raised the issue of hiring an investment consultant, which is something that the subcommittee has discussed, potentially in advance of hiring the executive director. In response to a question by Commissioner Jackson, she explained that such a consultant could prepare the investment policy statement, provide an overview of target date fund solutions, possibly provide fiduciary training and make other analyses and recommendations. Ms. Shaw added her opinion that timing is key. The sequence of hiring the executive director, engaging the law firm, preparing the RFP all inform the next step. She agreed that the investment consultant may be necessary at some point, but she did not see it as a short term priority; rather, when other foundational elements are in place, then the board can decide if the structure provides the necessary checks and balances between the selection of the investment options and the evaluation of the performance of those investments over time.

**f. Research and Comparative Analysis**

Commissioner Jackson suggested that because the work of this committee was so infused directly into the work of all the other committees that this committee may no longer be necessary and asked that members consider this for possible action at a future meeting.

**V. Old Business**

There was no old business.

**VI. New Business**

Mr. Saylor noted that the enabling statute allows for reimbursement of members' expenses. Commissioner Jackson felt that the handling of expenses should be a decision that is made by the board at some point when the enterprise is more stable. In the meantime, he encouraged all members to keep track of their expenses directly associated with the work of the CRSA, noting that this will also help the board to gain an understanding of the actual costs to run the enterprise. He also said he was proud to say that all of the work done to date had been done without spending a single dollar of funding available from the previous board, emphasizing that this demonstrates the board's fiscal prudence and prioritization of programmatic over administrative expenses.

**VII. Public Comment**

Ms. Treiss announced to the board that this would be her last meeting of the CRSA as she was leaving the Department of Labor to pursue a new opportunity in the private sector. Her CRSA duties will be transitioned to another staff member at DOL.

VIII. **Next Meeting Date:** Friday, June 15, 2018, 10:00 am  
Legislative Office Building, Room 1C  
300 Capitol Avenue, Hartford, CT 06106

IX. **Executive Session**

At 10:45 am Commissioner Jackson made a motion, seconded by Ms. Palmer to go into executive session for the purposes of discussing the negotiations with the selected Executive Director candidate. On a unanimous vote the board went into executive session.

X. **Adjournment**

The board came out of executive session and on a motion by Commissioner Jackson, seconded by Ms. Shaw, the board unanimously voted to adjourn at 11:10 am.