



**CONNECTICUT RETIREMENT SECURITY PROGRAM BOARD
OF DIRECTORS MEETING**

FRIDAY, JUNE 21, 2024

Approved at the October 18, 2024 Meeting of the Board

Board Meeting Board Members in Attendance: Sean Scanlon; Edward Zelinsky; Sherry Coelho; Tom Sennett; Sean Thomas; Cesar Garcia; Bing Carbone; Jon Wu; Patrick Flaherty; Melissa Pescetelli; Kevin Alvarez; Alex Knopp; Ryan Leichsenring;

Others in Attendance: Jessica Muirhead, OSC; Lisa Kidder, OSC; Lily Smith, OSC; Yamuna Menon, OSC; Andrew Ferrucci, OSC; Andrea Feirstein, AKF Consulting; Nick Procyk, BNY Mellon Advisors; Andrew Armstrong, BNY Mellon Advisors; Vanessa Vargas, Segal Marco Advisors; Erin Whitman, Vestwell State Savings; Gina Maria Lemon, Vestwell State Savings; Matthew Golden, Vestwell State Savings; Michael Terdeman, Vestwell State Savings; Grace Sullivan; Angela Antonelli, CRI; Daniel Dionne; Kim Olson, Pew Trust;

1. CALL TO ORDER
 - a. A quorum was declared and the meeting called to order at 10:04 AM.
2. MEETING MINUTES
 - a. Patrick Flaherty made a motion to approve the minutes of March 15, 2024, seconded by Alex Knopp. There was no further discussion and the motion passed by unanimously voice vote.
3. PUBLIC COMMENT
 - a. Daniel Dionne introduced himself and was interested in learning more about the program.
4. CHAIR'S REPORT
 - a. Comptroller Scanlon reported that Senate Bill 136, An Act Making Changes to the Connecticut Retirement Security Program Statutes, ran out of time in the House during the 2024 Connecticut legislative session.
5. CT LIFETIME INCOME OPTION

- a. Jessica Muirhead summarized that the program's statute includes a provision to implement a lifetime income option for savers, if feasible and cost effective, noting that when the investment lineup was created in 2021, the previous Connecticut Retirement Security Authority's Board determined that a lifetime income investment product was not feasible due to lack of availability and high cost. Ms. Muirhead recommended that the program revisit whether the lifetime income investment products were more feasible to implement now and engaged the contracted investment advisor and consultant to provide guidance. The program's investment advisor, Bank of New York Mellon Advisors, and investment consultant, Segal Marco, were asked to review and make a recommendation on the feasibility of including the lifetime income investments.
 - i. Andrew Armstrong from BNY Mellon Advisors reviewed the letter provided to the Board, reporting that lifetime income products were not feasible at this time for the program. Mr. Armstrong noted that lifetime income investments are not available to the program's Roth IRA investment vehicle, and added that lifetime income investment products are new and complex, requiring additional participant education. Costs to participants were also a concern.
 - ii. Vanessa Vargas from Segal Marco Advisors concurred with Mr. Armstrong. Ms. Vargas explained that the lifetime income investments are still new products and recommended that the program should revisit this question biannually to track any future changes. Ms. Vargas noted that as of the date of the Board meeting, lifetime income investment products were not available to IRAs and require changes to program operations and additional education to the savers, which could cause program fees to exceed the statutory cap.
 - iii. Jon Wu asked if ERISA compliance was necessary. Ms. Muirhead clarified that the program is not employer-sponsored and therefore not an ERISA plan. Mr. Wu asked if the program would be able to bid for local insurance products. Ms. Vargas replied that any product would have to be included on the record keeping platform, run by the Bank of New York Mellon, which does not currently offer insurance products.

6. FIRST QUARTER INVESTMENT

- a. Mr. Armstrong from BNY Mellon Advisors gave a brief overview of the first quarter 2024 investment report. Mr. Armstrong reported that the market was holding, meaning there were not strong downwards market movements

and tame positive returns. Some of the previous concerns such as inflation have decreased and the real estate market was being closely monitored. Performance on the program investments were in line with expectations and met benchmarks.

Mr. Armstrong also reported that there were reallocations of the program's target date portfolios, per the established guide paths, on June 3. Mr. Wu inquired when the 2070 target date fund would be created. Mr. Armstrong replied that the 2070 target date account is already in the plan and the next target date fund would launch next year in line with the plan and year ending in five or zero.

- b. Ms. Vargas provided an overview of the first quarter 2024 investment advisory report and the May monthly report from Segal Marco Advisors. Ms. Vargas noted that the global markets have been resilient. US mega stocks have remained the lead in terms of performance. The program portfolios' growth is trending positive, except for the income portfolio, which is down due to investments in bonds. All portfolios were now fully vested.

7. MARKET UPDATE FROM AKF

- a. Andrea Feirstein from AKF Consulting gave a marketplace update presentation on state-run retirement programs and where the Connecticut program stands. The presentation was discussed.

8. PROGRAM UPDATES

- a. Regulations
 - i. Ms. Menon said was nothing to report on the regulations or any additional legislation updates.
- b. Updates on Program Progress
 - i. Erin Whitman of Vestwell State Savings gave a presentation on the status of the MyCTSavings program, which included the progress of the program, milestones, recent target communications, and the annual wave of new eligible employers. The status of the program was discussed.
- c. Marketing & Outreach
 - i. Ms. Whitman introduced Gina Maria Lemon of Vestwell State Savings, who presented an update on marketing and outreach highlighting the upcoming new annual wave of eligible employers. Ms. Lemon reported that the TV promotion and social media marketing would begin for the new annual wave campaign.

9. ADJOURNMENT

- a. Tom Sennett made a motion to adjourn, seconded by Edward Zelinsky. The motion passed by unanimous voice vote. The meeting adjourned at 11:21 AM.