



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

FRIDAY, OCTOBER 20, 2023

DRAFT

Board Meeting Board Members in Attendance: Sean Scanlon; Jennifer Putetti; Doug McIntosh; Edward Zelinsky; Patrick Flaherty; Cesar Garcia; Jon Wu; Ryan Leichsenring; Melissa Pescetelli; Sean Thomas; Tom Sennett; Alex Knopp; Manisha Srivastava; Sherry Coelho;

Others in Attendance: Jessica Muirhead, OSC; Lisa Kidder, OSC; Lily Smith, OSC; Vanessa Vargas, Segal Marco Advisors; Julia Zuckerman, Segal Marco Advisors; Erin Whitman, Vestwell State Savings; Russell Anderson, Pullman & Comley; Michael Terdeman, Vestwell State Savings; Gina Maria Lemon, Vestwell State Savings; Kiran Siddique, AKF Consulting; Matthew Forester, BNY Mellon Advisors; Matthew Golden, Vestwell State Savings; Grace Sullivan; Brian Williams, Northshire Consulting;

1. CALL TO ORDER
 - a. A quorum was declared and the meeting called to order at 10:01 AM.
2. MEETING MINUTES
 - a. Tom Sennet made a motion to approve the minutes of September 15, 2023, seconded by Jon Wu. There was no further discussion and the motion passed by unanimous voice vote.
3. PUBLIC COMMENT
 - a. There was no public comment.
4. CHAIR'S REPORT
 - a. Comptroller Scanlon gave a report on the most recent program milestones, with over 20,000 savers and \$10 million in assets. The program continues to see growth beyond the extended August 31 deadline.

- b. Jessica Muirhead reported that the program is working with Vestwell to help registered businesses submit their payroll contributions in order to be fully compliant in the program.

5. INVESTMENT POLICY STATEMENT

- a. Sean Thomas made a motion to recommend to the Comptroller to approve the proposed changes to the Investment Policy Statement, as recommended by Segal Marco. The motion was seconded by Mr. Sennett. Comptroller Scanlon asked Ms. Muirhead and Vanessa Vargas of Segal Marco Advisors to review the requested changes to the IPS. Ms. Muirhead and Ms. Vargas gave a brief overview of the changes, noting that they were technical to reflect the current program governance structure, and there were no changes of substance to the investment strategy. The proposal was discussed. Jon Wu inquired about the Comptroller's authority to make a change to an underlying investment, specifically if a decision needed to be made quickly in reaction to the market. Ms. Vargas answered that the Comptroller can approve it, but in best practice the decision would go to the advisory board, who would recommend the changes to the Comptroller. Manisha Srivastava asked whether the benchmarks represented the underlying investment funds or comparable funds. Ms. Vargas explained that the blended benchmarks for each portfolio mix reflected the percentage of investments in the underlying investment funds for each portfolio, versus a comparable benchmark in the market. Mr. Wu asked about the inclusion of ESG investments in the investment portfolios. Matthew Forester from BNY Mellon Advisors replied that there are no ESG considerations in the investment portfolios at this time. Ms. Muirhead added that the Board had previously decided not to implement ESG due to cost to the saver and market readiness of ESG products, back when the portfolios were originally designed, but would reassess the possibility of ESG use in the future. Mr. Thomas asked whether a fund which does not meet the recommended benchmark criteria would be put on a watch list or given a waiting period. Ms. Vargas replied that the waiting periods are not currently outlined in the IPS due to the program still being so new and that the IPS will be updated annually. The motion passed by unanimous voice vote.

6. SECOND QUARTER INVESTMENTS REVIEW

- a. Ms. Vargas gave an overview of the second quarter 2023 investment advisory report and explained how the report would continue to be generated. The report had three main sections: market updates, defined contributions, and asset allocations. Ms. Vargas did not review the second quarter data as the

Commented [MJ1]: you should mention Sean calling on Segal to present it

Commented [MJ2]: can you take a crack at this? this could read unclear to a general audience

Commented [LS3R2]: Had a really hard time with this. I think I understand what Vanessa was explaining, but not sure I am using the correct language.

Commented [MJ4R2]: Let me review the original recording and see if I can reword

Commented [MJ5]: clarify who says this

Commented [MJ6R5]: Ex: "Ms. Vargas replied that waiting periods are not currently outlined in the IPS due to ____"

Commented [MJ7]: not necessary

Commented [MJ8]: change this to their respective quarters (ex: quarter 2 and quarter 3) as I think that's what she's actually referring to.

third quarter's data would be available by next week but did explain that the year-to-date numbers were positive in the equity markets and negative for fixed income. The report was discussed.

7. PROGRAM UPDATES

a. Regulations

- i. Ms. Muirhead reported on the progress of the program's regulations. The Investment Default policy is scheduled for the following week for review with the Legislative Review Committee.

b. Request for Proposal

- i. Ms. Muirhead reported that the Audit RFP is forthcoming and should be issued this fall.

c. 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 initial three outreach waves and the annual wave for new employers in 2023. The status of the program was discussed.

d. Marketing & Outreach

- i. Ms. Whitman introduced Gina Maria Lemon of Vestwell State Savings to present and update the board on marketing and outreach. Ms. Lemon presented to the board the 2024 marketing and outreach plan.

8. FIDUCIARY TRAINING

- a. Julia Zuckerman of Segal Marco Advisors presented training on fiduciary duty to the Board.

9. ADJOURNMENT

- a. Mr. Sennet made a motion to adjourn, seconded by Patrick Flaherty. The motion passed by unanimous voice vote. The meeting adjourned at 11:32 AM.

Commented [LS9]: I can add more information about the report and the questions.

Vanessa went through the three main sections of the report which were the market updates, defined contribution, and asset allocation, and what information is contained in them. Jon asked if there would be a significant different between median and average.

Commented [MJ10R9]: I would only include information of substance -- for example, what she may have pointed out that needs addressing etc.