



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

FRIDAY, MARCH 15, 2024

**Approved at the June 21, 2024 Meeting of the Board**

**Board Meeting Board Members in Attendance:** Sean Scanlon; Sherry Coelho; Cesar Garcia; Sean Thomas; Bing Carbone; Tom Sennett; Jennifer Putetti; Jon Wu; Ryan Leichsenring; Edward Zelinsky; Patrick Flaherty, 1-860-997-7748; Manisha Srivastava; Alex Knopp; Melissa Pescetelli;

**Others in Attendance:** Jessica Muirhead, OSC; Lisa Kidder, OSC; Lily Smith, OSC; Andrea Feirstein, AKF Consulting; Yamuna Menon, OSC; Vanessa Vargas, Segal Marco Advisors; Erin Whitman, Vestwell State Savings; Gina Maria Lemon, Vestwell State Savings; Grace Sullivan; Georgetown University; Georgetown CRI; Andrew Blevins, Pew Trust; Matthew Forester, BNY Mellon Advisors;

1. CALL TO ORDER
  - a. A quorum was declared and the meeting called to order at 10:05 AM.
2. SWEARING IN OF NEW BOARD MEMBER
  - a. Yamuna Menon swore in new board member Bing Carbone.
3. MEETING MINUTES
  - a. Thomas Sennett made a motion to approve the minutes of December 15, 2023, seconded by Alex Knopp. There was no further discussion and the motion passed by voice vote, with one abstention.
4. PUBLIC COMMENT
  - a. There was no public comment.
5. CHAIR'S REPORT
  - a. Comptroller Scanlon reported on the status of Senate Bill 136, An Act Making Changes to the Connecticut Retirement Security Program Statutes, for the

2024 Connecticut legislative session, noting that the bill had received a joint favorable report from the Labor and Public Employees Committee.

#### 6. FOURTH QUARTER INVESTMENTS REVIEW

- a. Matthew Forester from BNY Mellon Advisors gave a brief overview from the fourth quarter investment report and the annual benchmark letter. Mr. Forester reviewed the asset classes and the potential of future gains with the spread of AI and machine learning. Mr. Forester had no concerns at this time with the program's portfolios and explained that there would be regular maintenance on the program's target date portfolio glide paths. Mr. Forester additionally noted that all of the program's portfolios had met their respective benchmarks, were cost effective, and offered a range of options for program participants. Comptroller Scanlon asked Mr. Forester for a brief outlook on the 2024 market. Mr. Forester gave information based on [BNY Mellon's Vantage Point](#) report, which would be published soon after the board meeting. Mr. Forester noted that there were three possible scenarios for the 2024 calendar year according to this report: the first scenario had a 50% probability of occurring and predicted a similar market to today. The second scenario, which had a 20% probability of occurring, predicted a second wave of inflation that would negatively impact investment performance assumptions. The third scenario, which had a 30% probability of occurring predicted a more optimistic market outlook from the spread of AI, machine learning, green tech investment and other new technologies. Mr. Carbone asked if credit card debit was impacting the market. Mr. Forester explained that credit card debit had affected both the public and private sector; if the economy did better than expected it would help relieve some of the pressure of debt and interest.
- b. Vanessa Vargas provided an overview of the fourth quarter 2023 investment advisory report and the February monthly report from Segal Marco Advisors. Ms. Vargas added to Mr. Forester's comments that the program's investment performance is in line with the market. Jon Wu asked for clarification on the conservative growth fund benchmark and why there was a larger gap. Ms. Vargas explained that the incoming cash flow affected return calculations.

#### 7. ANNUAL BENCHMARKS REVIEW

- a. Mr. Forester from BNY Mellon Advisors noted that he covered most of the annual report during the fourth quarter report update earlier in the meeting. Mr. Forester added that there were two sets of program benchmarks. The first set of benchmarks tracked the program's portfolio performance, which was performing as expected, noting that any errors were within a normal

range. The second set of benchmarks compared the funds' performance to similar funds in the market. Mr. Forester reiterated that the only recommended changes to be made to the program's portfolios are to the glide paths of the target retirement date portfolios.

- b. Ms. Vargas from Segal Marco Advisors also provided an overview of the annual benchmark report. Ms. Vargas explained that the annual report was split into three sections, investment review, cost comparison and comparison to other similar state programs. Ms. Vargas agreed with Mr. Forester that the investment benchmarks were reasonable, as the investments do not typically change annually unless there is a change in the asset allocations. Sherry Coelho inquired if the program is considering increasing the default contribution rate. Comptroller Scanlon explained an increase of the default contribution rate is included in SB 136. Manisha Srivastava inquired if there were any trends behind employee opt out rates. Ms. Vargas explained that there were not. Mr. Wu asked about the glidepath comparison chart and the chart on income and growth portfolio. Ms. Vargas reviewed both figures in the report.

## 8. PROGRAM UPDATES

### a. Regulations

- i. Ms. Menon said was nothing to report on the regulations. Ms. Menon provided an additional update on SB 136 that it was voted joint favorable out of the Labor and Public Employee Committee.

### 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. Ms. Srivastava asked if August was the best time for the deadline for newly eligible businesses. Ms. Whitman explained that due to scheduling between other programs and other projects, August is the best time. Ms. Lemon added that communications start forty-five days ahead of the deadline and continue 30 days after.
- ii. Lisa Kidder from the Office of the State Comptroller reported on the program's outreach efforts through the State office.

## 9. ADJOURNMENT

- a. Mr. Thomas made a motion to adjourn, seconded by Mr. Sennett. The motion passed by unanimous voice vote. The meeting adjourned at 11:22 AM.