



Board Meeting Minutes December 11, 2019

Location: TEDCO Offices, 7021 Columbia Gateway Drive, Suite #200, Columbia, MD 21046

Board Members Participating:

Josh Gotbaum, Chair
Treasurer Nancy Kopp
Sec. Tiffany Robinson
Kathy Davis
Paul Green

Sarah Mysiewicz Gill
Marianne Mattran
Sen. Jim Rosapepe
Kathleen Kennedy Townsend

Absent: Del. Benjamin Brooks, Lou J Hutt, Jr.

Staff: John Wasilisin, Glenn Simmons, Stephanie Davis.

Others in Attendance: Phillip Anthony (Dept of Legislative Services), Tammy Bresnahan (AARPMD), Terry Cavanagh (SEIU), Andrea Feirstein (AKF), Michael Harrison (DOL), Lisa Massena (Ascensus), Sarah Price (MD Retailers Assoc.), Kimberly Shiloh (Del. Ben Brooks office).

The Chair called the meeting to order at approximately 9:40 AM.

1. Approval of Minutes

September 9, 2019 minutes were approved.

2. Chair's Report

Chair Josh Gotbaum introduced DOL Sec. Tiffany Robinson and welcomed her to the Board. He then gave an update on the Secure Act and the progress of other state programs. Mr. Gotbaum and Mr. Wasilisin met with Sen. Ben Cardin in September and asked him to consider including the state IRA programs for retirement tax benefits. Sen. Cardin indicated he would consider this amendment when the next SECURE Act bill was being discussed. Treasurer Kopp requested that a copy of the Boston College study be dispersed to Board members.

3. Executive Director Report

John Wasilisin discussed the Program Design Committee's progress since the September Board meeting. He also announced that, after a solicitation, Aon Hewitt was selected as the Investment Consultant for the Program. Mr. Wasilisin summarized a series of meetings with prospective Program Administrators and Investment Managers in anticipation of the upcoming RFP. Mr. Wasilisin reviewed unbundled (vendors proposing individual services only) vs bundled (vendors proposing combined services) RFPs and the Board approved the bundled approach.

4. Committee Reports

a. Program Design Committee

Chair Sarah Mysiewicz Gill summarized the approach the Committee took to develop a program design for Maryland\$aves. The recommended program design includes the following features:

- Program Goals
 - Offer a default program that provides cost-effective retirement security & lifetime income if possible.
 - Minimize burden on Employer by providing easy-to-use auto-payroll deductions while transferring communications & legal responsibilities from employers to Maryland\$aves.
 - Providing portability by allowing the Account, which is owned by the employee, to transfer from job to job.
 - Incenting Employer participation by waiving the \$300 State Annual Report filing fee
- Program Savings Defaults
 - 5% initial default contribution rate, 1% auto-escalation with a maximum 10% contribution rate.
 - Roth IRA account (optional traditional IRA account will be explored)
 - Emergency Savings Account: First \$1,000 goes into an Emergency Savings Account for unexpected expenses.
 - Target Date Fund that retains a substantial growth component through retirement.
- Program Savings Options
 - Capital Preservation, Income Funds, Growth Funds
- Investment Principles
 - Low Cost
 - Ease of Use
 - Limited investment options
 - Highest ethical standards
- Retirement Options
 - Monthly payout option
 - Social Security Maximization (“Bridge”) option

The Board voted unanimous approval of the program design concept pending final review of the program design document. This document was sent to each Board members and received unanimous approval.

b. Audit and Finance Committee

Chair Kathy Davis reviewed 3rd quarter monthly financials and John Wasilisin reviewed the budget-to-actual report. The Program’s banking relationship is in the process of moving to Fulton Bank from M&T bank.

5. New Business/Public Comment

None.

The meeting was adjourned at 11:18 AM.