

ILLINOIS SECURE CHOICE BOARD

**Meeting of Thursday, May 16, 2019
James R. Thompson Center
100 West Randolph, 16th Floor, Chicago, Illinois**

MEETING MINUTES

The May 16, 2019 meeting of the Illinois Secure Choice Board (“Board”) was called to order by Mr. Diaz at 3:07p.m. CT with the presence of a quorum.

BOARD MEMBERS PRESENT

Fernando Diaz, *Designee for the Illinois State Treasurer*

John Gay, *Designee for the Illinois State Comptroller*

Curt Clemons Mosby, *Designee for the Illinois Governor’s Office of Management and Budget (via videoconference)*

Miriam Martinez, *Board Member*

David Marzahl, *Board Member*

David Rappaport, *Rappaport Reiches Capital Management, LLC - Co-Managing Partner*

John Rauschenberger, *Technology & Manufacturing Association – Executive Vice-President and General Manager (via conference call)*

TREASURER’S STAFF

Joe Aguilar, *Director of Due Diligence & Investment Analysis*

Barbara Delano, *Assistant General Counsel*

Courtney Eccles, *Director of Secure Choice*

Ashlee Gabrysch, *Deputy Director of Secure Choice*

APPROVAL OF BOARD MEETING MINUTES

Board members reviewed the February 14, 2019 Board Meeting Minutes, which were provided in advance of the meeting. There was no discussion, and no additional changes were proposed.

A motion was made by Ms. Martinez, seconded by Mr. Rappaport to approve the February 14, 2019 Board Meeting Minutes. The motion carried unanimously.

STAFF UPDATES

Ms. Eccles provided a budget update, reviewing the report that had been sent to Board members in advance of the meeting. She noted that numbers were tracking a bit higher this fiscal year due to both the spend on the insurance policy and increases in contractual services.

Ms. Eccles then provided an overview of the due diligence meeting in Newton, Massachusetts, during which Ascensus and STO staff reviewed program operations, investments, risk management, IT and data security, marketing, strategy and operations, and the upcoming six months of the program.

Ms. Eccles read a legal update that was provided by Seyfarth Shaw LLP attorneys, who were not able to be in attendance, on the ongoing CalSavers litigation. Ms. Eccles noted that Seyfarth Shaw LLP attorneys would be in attendance at the August meeting and would give a full update on ongoing CalSavers litigation then.

Ms. Eccles gave an update on the Secure Choice legislation, which moved through both the House and Senate and their respective committees unanimously. Ms. Eccles noted that the House bill was awaiting a vote in the Senate, but that the bill was expected to pass and then would be sent to the governor for signature.

Ms. Eccles reminded the board about the execution of the MOU with the ERISA Industry Lobbying Committee (ERIC).

DISCUSSION – LEGAL UPDATES

Ms. Eccles provided the legal updates during the staff updates, as representatives from Seyfarth Shaw LLP were unable to attend the meeting.

DISCUSSION – SECURE CHOICE QUARTERLY REPORT

Matt Golden then provided a program update for both the end of the quarter and numbers current as of early May. Mr. Golden provided the board with saver and employer summary data as of 05/08/2019, including number of registered employers and employers that have begun payroll. After providing saver and employer summary data, Mr. Golden then proceeded to give an update on the client service experience, including call volumes by month by each of employers and savers, in English and in Spanish. Mr. Golden also gave an update on field representative local outreach and marketing efforts by the program.

Mr. Aguilar then gave an overview of investment performance over the quarter.

ACTION ITEM – ANNUAL APPROVAL OF INVESTMENT POLICY STATEMENT

Ms. Eccles reminded the board that the program administrative rules required annual approval of the Investment Policy Statement (IPS). Mr. Aguilar noted that there had been no changes to the IPS since the last time the board approved the document.

A motion was made by Mr. Rappaport, seconded by Ms. Martinez to approve the Investment Policy Statement. The motion carried unanimously.

ACTION ITEM – ANNUAL APPROVAL OF BOARD INSURANCE POLICY RENEWAL

Ms. Eccles provided an overview of the Mesirov policy for liability and cyber security up for renewal. Ms. Eccles noted that there would be a slight increase in the premium but that it had been budgeted for.

A motion was made by Ms. Martinez, seconded by Mr. Marzahl to allow the STO to move forward with renewal of the insurance policy. The motion carried unanimously.

DISCUSSION – SUMMARY OF PROGRAM DESCRIPTION

Action Item – Approval of Summary Program Description Template

Ms. Eccles reminded the board that they had approved the program description document, which is sent to all individuals who are enrolled in the program, last year. Ms. Eccles noted that program descriptions are sent out to thousands of individuals who will never become part of the program. Ms. Eccles noted that in effort to reduce costs, a summary program description had been created and vetted by Ascensus' compliance team that would total approximately ten pages instead of the forty-five pages of the original, full program description that is sent out along with the IRA application and disclosure documents for each individual as part of enrollment. Ms.

Eccles noted that only individuals receiving the paper document would get the summary program description and that those individuals could always request the full program description be sent to them or view the full program description online.

A motion was made by Mr. Rappaport, seconded by Mr. Clemons Mosby to approve the summary program description. The motion carried unanimously.

PRESENTATION/BOARD ENRICHMENT – BLACKROCK

As part of ongoing board enrichment, BlackRock provided the board with a detailed presentation and overview of their target date funds.

Joe Szalay and Lisa Tyley presented to the Board. The presentation slides are available on the Secure Choice webpage under Board Materials.

PRESENTATION/DISCUSSION – STATE AND FEDERAL LANDSCAPE/CYBER SECURITY - SEGAL MARCO

Wendy Carter of Segal Marco Advisors provided an update on the secure choice landscape, including noting that Pennsylvania had finished its feasibility study and that Maryland had hired its executive director of the program.

Ms. Carter then provided an overview of the cyber security concerns faced by retirement plans and the mechanisms in place to mitigate the risks.

The presentation slides are available on the Secure Choice webpage under Board Materials.

PUBLIC COMMENT

There was no public comment.

OLD AND NEW BUSINESS

There was no old or new business.

ADJOURNMENT

With no further business, a motion was made by Mr. Rauschenberger, seconded by Ms. Martinez to adjourn the meeting. The motion carried unanimously.