
December 07, 2020

AGENDA ITEM 1
ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Meeting Minutes for the October 19, 2020 CalSavers Retirement Savings Board Meeting

Board members present:

State Treasurer Fiona Ma
Jacqueline Wong-Hernandez for State Controller Betty T. Yee
Gayle Miller for Director of Finance Keely Martin Bosler
Edward De La Rosa
Heather Hooper
Stephen Prough
William Sokol
Yvonne Walker

Staff present:

Kathleen Selenski, Executive Director
Spencer Walker, General Counsel, State Treasurer's Office
Jennifer Baldwin, Senior Attorney, State Treasurer's Office
Alyssa Delacruz
Angela Duvane
Brian Gould
Carolina Hernandez
Jonathan Herrera
Jacob Schafer

Others present:

Audrey Noda, Deputy Treasurer
Sharon O'Grady, Attorney General's Office

Contractors present:

George DuCasse, Ascensus College Savings Recordkeeping Services, LLC ("Ascensus")
Jason Gilbert, Ascensus
Tom Reinhart, Ascensus
Andrea Feirstein, AKF Consulting Group ("AKF")
Diana Cantor, AKF
Mika Malone, Meketa Investment Group ("Meketa")
Paola Nealon, Meketa

CalSavers Retirement Savings Board (“Board”) Chair Fiona Ma called the meeting to order at 1:01 PM.

Agenda Item 1 - Approval of the Minutes of the July 27, 2020 Meeting of the CalSavers Retirement Savings Board (ACTION ITEM)

Public Comment

None

Board Action

Approval of the minutes of the July 27, 2020 meeting of the CalSavers Retirement Savings Board.

MOTION:	Gayle Miller	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Heather Hooper, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 2 – Executive Director’s Report (INFORMATION ITEM)

Executive Director Kathleen Selenski updated the Board on how program staff and staff from the administrator Ascensus have maintained business continuity while continuing a combination of telework and in-office work.

Ms. Selenski also provided the Board an update on significant items including employer and saver participation through October 12, 2020, and the budget, staffing, legislation, policy, enforcement, media updates, outreach, and contracting efforts of the Program.

Responding to a question from the Chair, Ms. Selenski detailed the information and collateral available in Spanish. Ms. Selenski also reported on the updated the Call Center Staffing analysis and concluded that the issue should be reconsidered next year.

Public Comment

None

Agenda Item 3 – Program Administrator’s Update, including Annual Marketing Review (INFORMATION ITEM)

George DuCasse, Jason Gilbert, and Tom Reinhart from the program administrator, Ascensus, provided an update on operations, including communications, technology and enhancements, payroll provider integration, administrative benchmarks, client services statistics, onboarding new employers, field team activity, and marketing.

Public Comment

None

Agenda Item 4 – Fiduciary Training (INFORMATION ITEM)

Andrea Feirstein and Diana Cantor from the Board’s program consultant, AKF, provided fiduciary training as part of the general schedule to provide such training every 18 months. The training covered who is considered a fiduciary, what fiduciary duties are, and the consequences of breaching fiduciary duties. The consultants outlined the principles of fiduciary duty and provided specific examples, including how duties of loyalty require fiduciaries to fulfill their duties in the sole interest of program participants and disregard self-interest or interests to outside parties. The consultants also discussed the importance of appropriate delegation of authority, oversight, and documentation.

Public Comment

None

Agenda Item 5 – Quarterly Investment Performance Report; Discussion of Capital Preservation Fund (ACTION ITEM)

Mika Malone and Paola Nealon from the Board’s investment consultant, Meketa, provided the Board an overview of the performance of the Program’s investment performance through the third quarter of 2020.

Executive Director Kathleen Selenski provided the Board with a recap of the challenges posed by the current near-zero interest rate environment, especially related to the Program’s money market fund which is experiencing negative performance net of all fees and requiring support to keep participants from experiencing losses in the fund. Ms. Selenski provided a comprehensive overview of the primary options for changing the default investment option and Ms. Malone and Ms. Nealon presented quantitative analysis of those options..

Ms. Selenski then presented the board with the staff recommendation to authorize the Executive Director to develop proposed amendments to the appropriate documents to reflect the change contained in option 3a. If approved, staff would present the amended documents to the Board for approval at the next Board meeting.

Board members discussed the options and analysis.

Public Comment

None

Board Action

Approval of Staff recommendation to authorize the Executive Director to develop proposed amendments to the documents noted, to change the default investment to option 3a (whereby contributions for the first 30 days are directed to the Money Market Fund, then on day 31 all funds are swept into the appropriate Target Retirement Fund where all new contributions will be directed).

MOTION:	Jacqueline Wong-Hernandez	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Heather Hooper, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 6 – Approval of Contract for Investment Consulting Services (ACTION ITEM)

Executive Director Kathleen Selenski presented the board with Resolution No. 2020-06, an approval to execute Agreement No. CRSB03-20 for Investment Consulting Services with Meketa Investment Group, Inc.

Ms. Selenski provided the board with an overview of the expenditures for the current Investment Consultant contract and discussed the Request for Proposals process, including the staff recommendation to proceed with awarding the agreement to Meketa Investment Group, Inc.

Public Comment

None

Board Action

Approval of Resolution 2020-06: Approval to execute Agreement No. CRSB03-20 for Investment Consulting services with Meketa Investment Group, Inc.

MOTION:	Gayle Miller	SECOND:	William Sokol
AYES:	Edward De La Rosa, Heather Hooper, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Board Chair Fiona Ma adjourned the open session at 3:25 PM.

Agenda Item 7 – Litigation (Government Code Section 11126(e)(1)) – Discussion with Legal Counsel Regarding Litigation (Howard Jarvis Taxpayers Ass’n., et al. v. The California Secure Choice Retirement Savings Program, et al., Eastern District of California Case No. 2:18-cv-01584-MCE-KJN) (INFORMATION ITEM)

Board Action

No action taken

Board Chair Fiona Ma reconvened the open session at 3:34 PM. Chair Ma announced that the Board met in closed session and that no action was taken.

Public Comment

None

Other Business

None

The meeting adjourned at 3:35 PM.