**Maine Retirement Savings Board**

**Date: April 17, 2024**

**Cross State Office Building**

**111 Sewall Street, Augusta, ME 04333**

**Minutes- Adopted**

Chair Beck called the meeting to order at 1:02 PM. This meeting was conducted in person at the Burton Cross State Office Building, 111 Sewall Street, August, Maine and virtually through Teams.

**Welcome and Ascertainment of Quorum**

Chair Beck opened the meeting and welcomed those attending in person and virtually.

**Board Members present:**

* Henry Beck, Chair (virtual due to being out of state on state business)
* Rebecca M. Wyke, Vice Chair
* Deborah Adams Neuman (virtual due to over an hour drive to the meeting)
* Daniel Piltch
* Jessica Linzer
* Nate Moody

**Board Members absent:**

* Gigi Guyton-Thompson
* Matthew Colpitts
* Tina Wilcoxson

A quorum was present.

**Staff present:**

● Elizabeth Bordowitz, Executive Director

* Laura Hudson, Treasurer’s Office

**Others Present:**

* Courtney Eccles, Vestwell (virtual)
* Matthew Konopinski, Vestwell (virtual)
* Angela Antonelli, Georgetown Center for Retirement Initiatives (Virtual)
* Grace Sullivan, Davis & Harmon LLP (Virtual)
* Ellen Breslow, AKF Consulting (Virtual)
* Hossam Hamdam, State Street Global Advisors (Virtual)
* Jesse Devine. State of Maine Securities Administrator (Virtual)
* Lisa Massena, Massena Associates (Virtual)
* Kim Olson, Pew Charitable Trusts (Virtual)
* Desiree Hung, Pew Charitable Trusts (Virtual)

**Introductions**

Beth introduced newly confirmed Board Member Nathan Moody and asked him to further introduce himself to the Board members. Nate noted that his career to date has been focused on the retirement plan industry. He has played many roles within the industry and is currently a partner at Lebel and Harriman, which focuses on retirement plans for businesses. He has followed MERIT from the beginning and is a big supporter of the Program. Each member introduced themselves.

**Approval of Minutes of the February 21, 2024 Board Meeting.**

Chair Beck asked if there is a motion to approve the minutes of the February 21, 2024 Board meeting.

***Ms. Linzer moved approval of the February 21, 2024 Board meeting minutes as presented. The motion was seconded by Mr. Piltch. The minutes were approved by a vote of 5-0-1 (Mr. Moody abstained since he was not present at the meeting.***

**Executive Director’s Report**

Ms. Bordowitz noted that Vermont has started negotiations with Colorado and Vestwell to join the Partnership for a Dignified Retirement. The process for choosing a domestic equity fund is continuing. The Delaware EARNS board is meeting at the same time as the MERIT Board and will vote on initiating the process to add the new fund today.

Beth updated the Board on the presentations she has completed, including one with the clients of Bangor Payroll, which was very well attended and one sponsored and supported by AARP that was held on the day of the recent snowstorm and still had over 50 attendees.

Beth reviewed the current numbers for the Program and noted that Ms. Eccles will provide additional detail when she provides the Report from Vestwell. Beth reviewed some of the demographic information from the first quarter, noting that accounts are open in every county and in a broad range of age groups. Employees are choosing the contribution percentage that they prefer with some over and some under 5%.

Beth noted that the audit that Vestwell is required to provide pursuant to the Program Management Agreement will be conducted by a firm that has experience in auditing state programs such as Auto IRAs and 529 plans. They will be able to make a presentation to the Board. Beth reported that she has retained a new bookkeeper who will start in May and a new payroll provider that has already started.

The Board is set to receive its first income from the Program, $338.94 for the first quarter of 2024.

Beth responded to Board member questions about payroll integrations.

**Program Update/Information Security Briefing - Vestwell**

Courtney Eccles of Vestwell provided the Program Update.

Ms. Eccles highlighted that ahead of the upcoming deadlines employers will receive a series of three communications from the Program. The activity will increase as we approach the deadlines and stay high for a few weeks after the deadlines. Communications will be sent one week and one month after the deadlines have passed. She expects that we will continue to see high engagement through July. Ms. Eccles noted that the group of employers with 5 to 14 employees is the larger group, so more employers will be taking action to meet that deadline.

Ms. Eccles presented comparative numbers, so that members can see the growth of the Program. In the last week 100 employers registered.

Ms. Eccles highlighted that Vestwell continues to focus on integrations with payroll processors.

Beth advised the members that she asked Vestwell to provide information about their information security because Maine employers have expressed concerns about the safety of the data they are providing to MERIT.

Matthew Konopinski, the Chief Information Security Officer and Senior Vice President for Information Security and Compliance for Vestwell, provided a presentation on the Information Security in place at Vestwell.

Mr. Konopinski started by identifying how inexpensive it is for a malicious actor to obtain Ransomware as a Service kit to use to gain access to sensitive data.

Mr. Konopinski focused on several facets of information security at Vestwell: Application Architecture, Security Software supply chain, threat modeling and compliance.

The first area is Application Architecture. The platform was designed with security in mind. The focus is on the security of all elements of the architecture, so that they do not include software that can be easily breached in the technology. He noted that the last aspect of security is compliance. They adhere to all federal regulatory compliance frameworks. They have an annual SOC II audit that tests many controls and to date there have been no material findings.

Mr. Konopinski provided details on the encryption levels in the platform for both data in transit and data at rest. If any malicious activity is spotted, an alert goes out and an Emergency Response Team reviews the situation.

Mr. Konopinski responded to Board member questions about multifactor identification and their internal processes for security, including employee training.

Mr. Piltch asked if the Board can review Vestwell’s most recent SOC II audit and about the cybersecurity insurance they carry. Mr. Piltch also asked about compliance with ISO 27001. Mr. Konopinski responded that Vestwell follows the IS0 27001 framework but has not paid to receive the certification. In addition to that they comply with the NIST framework.

Treasurer Beck thanked Ms. Eccles and Mr. Konopinski for their presentations.

**2024 Q1 Financial Report**

Beth reviewed the 2024 Q1 financial report. Things are generally on target. The report is not completely accrual. That will be taken care of when the new bookkeeper starts so that the financials are ready for the audit. Beth noted that we are ahead of budget mostly because she has not yet hired a second employee. Members asked when she expects to hire a second employee. Beth is looking to hire someone to assist with communications no later than the fall.

**Goal Setting Discussion**

The members engaged in a process to set organizational goals by each offering at least one goal in three categories: Program (mission related), Infrastructure (people, policy or systems) and money. The members reviewed the goals that each proposed and discussed how best to categorize them.

The members asked Beth to review the goals proposed by the members and the categories identified and to bring back some suggestions to the next Board meeting.

Chair Beck asked for a Motion to Adjourn

***Ms. Moody made a motion to adjourn the meeting. The motion was seconded by Mr. Piltch and approved unanimously.***

The meeting adjourned at 3:00.