



**STATE OF MAINE
STATE EMPLOYEE HEALTH COMMISSION
114 State House Station
Augusta, ME 04333-0114**

Wayne Morrow
Labor Co-Chair

Joyce Oreskovich
Management Co-Chair

**DEFERRED COMPENSATION ADVISORY COUNCIL MEETING
Monday, June 16, 2014 @ 9:00am
Central Maine Commerce Center, Augusta**

Commission members in attendance: Tracy Bonnevie, Rebekah Koroski, Wayne Morrow, Joyce Oreskovich, Bob Studley
(Total = 5)

Commission members absent: Eric Bueno, Seth Blodgett, Tom Richardson, Stuart Turney, Ricky Welton

Buck Consultants: Tom Coughlin, Larry Reissman, Alan Vorchheimer & Todd Gentry

ING: Greg Miller, Shirley Ezzy & Julie Payne

MassMutual: Greg Forte & Dave Hanson

Valic: Greg Hyland & Rick Esten

Employee Health & Benefits: Chris Brawn, Kurt Caswell, Mary Labbe & Heather Albert

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (9:02am)	Joyce called the meeting to order. Joyce informed the Council that Aaron Turcotte's appointment has expired and will be replaced. Joyce was the sole chair at this meeting representing management. Introductions.	
Buck Leadership Transition	Welcome Alan Vorchheimer who is replacing Keith Kotfica who has moved on.	
II. Approval of Minutes (April 10, 2014)		Tracy made motion to accept the minutes; Bekah seconded. Motion passed.
III. Standard Plan Reporting: a. Plan Performance Report (4th quarter) – Tom Coughlin	Information contained in written report. Note: ING funds now VOYA. All of ING will transition to the VOYA name effective September 1, 2014. Highlights listed below: <u>Plan Level:</u> <ul style="list-style-type: none"> • Total assets \$398.7 million <u>Fund Level:</u> Short term & long term results reviewed <u>Watch List Update (April 10th meeting):</u>	Joyce held a (unanimous) vote of the Council; all members approved Tom's recommendations from both the April meeting and today's meeting.



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	<ul style="list-style-type: none"> • AF Investment Co of America (Valic) – remains on watch list • AF Growth Fund of America (MassMutual) – Buck recommends removing it from the watch list • Turner Mid Cap Growth (Valic) – Buck recommends replacing the fund (currently remains on the watch list). A search for replacement is pending any decisions made by the Council to consolidate the line-up. • Royce Value Plus (MassMutual) – remains on the watch list (Buck will meet with them for a full review; see page 12 of report for Manager Comments) • T Rowe Price Growth Equity (ING) – Buck recommends placing this fund on the watch list <p><u>Watch List Update (June 16th meeting):</u></p> <ul style="list-style-type: none"> • AF Investment Co of America (Valic) – remains on watch list • Turner Mid Cap Growth (Valic) – Buck recommends replacing the fund (currently remains on the watch list). A search for replacement is pending any decisions made by the Council to consolidate the line-up. • Royce Value Plus (MassMutual) – remains on the watch list • Royce Value Plus (MassMutual) – remains on the watch list • T Rowe Price Growth Equity (ING/VOYA) – Buck recommends keeping this on the watch list 	
<p>b. Plan Operation Report (1st quarter) – Alan Vorchheimer</p>	<p>Information contained in written report. Highlights listed below:</p> <ul style="list-style-type: none"> • Level of participation has declined (larger number in MassMutual) • Carl noted with the younger workers he meets with they are dealing with significant student loan debt therefore not able to save for retirement • Age 45 appears to be the cut-off where employees start to save for retirement • Contribution rates are below average (national rates) • Need to streamline enrollment process 	<p>MassMutual & Valic will correct data reporting issue regarding catch-up contributions</p>
<p>Break 10:46am-10:58am</p>		
<p>IV. Old Business</p>		
<p>a. Update Retirement</p>	<ul style="list-style-type: none"> • Preliminary stats pre/post site launch are positive 	



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<p>Readiness – Heather Albert</p>	<ul style="list-style-type: none"> • Keith shared via e-mail on 5/6 that new enrollments were up 4%, participants who re-started contributions are up 13% and the average contribution amount is up 9% • A second state-wide e-mail went out on June 10th • The first draft of a postcard was shared with the Council. (This is being created by ING for the plan.) 	
<p>b. Discussion Best In Class Funds Draft – Tom Coughlin</p>	<p>Information contained in written report “Designing the Optimal Investment Lineup”:</p> <p>Framework used by Buck includes:</p> <ul style="list-style-type: none"> • Offer broader categories • Include index funds • Let managers decide role of certain sub-categories • Consider specialized markets • Pay attention to fees <ul style="list-style-type: none"> • Shirley reminded the Council that participants can only contribute to one FSO at a time; limited offerings. Group discussed further the need for plan simplification. • Shirley also reminded the Council about the SDBA option; with a reduced line up we may see more participants move towards a SDBA. Joyce would like to discuss the specifics of this option further. • Once the final lineup is determined, Joyce suggested the need for solid reasons why changes were made 	<p>Tom will present a formal recommendation at the next meeting. Tom will reach out to each of the FSO’s to work with them to finalize. The investment policy will also be amended at that time.</p>
<p>c. Vendor Meetings – State of Maine Department/Solicitation Protocol – Mary Labbe</p>	<ul style="list-style-type: none"> • Mary handed out a draft of the policy • Will continue to meet internally • Joyce informed the council of the possible capabilities of the new HRMS 	<p>A final version of the protocol will be available at the next meeting</p>
<p>V. New Business:</p>		
<p>a. Co-chair Aaron Turcotte – Mary Labbe, Joyce Oreskovich</p>	<ul style="list-style-type: none"> • See above • Labor will need to select a new co-chair • Labor members met and nominated Wayne as the co-chair. Would like to poll all of the labor members at the next meeting in September. • Discussed the issue of leave with the Legislative branch 	<p>Mary will reach out to labor members to inquire about availability for next meeting</p> <p>Larry offered to poll internally at Buck regarding the admin leave issue</p>



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	representative	Mary will add this topic (re: admin leave) to the September agenda
b. Buck Leadership Transition	See above	
c. Public Service Announcement - Greg Miller	<ul style="list-style-type: none">• Public service announcement during National Save for Retirement Week• Looking for voice talent• Done in late October• Greg has provided Kurt with sample scripts	
VI. Adjourn Meeting (11:21am)		Bekah made a motion to adjourn; Wayne seconded. Motion passed.