



**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
Tuesday, September 16, 2014 @ 9:00am
Room 600, Burton Cross building**

Commission members in attendance: Joyce Oreskovich, Tracy Bonnevie, Wayne Morrow, Rebekah Koroski, Stuart Turney
(Total = 4)

Commission members absent: Ricky Welton, Bob Studley, Seth Blodgett
(Total = 3)

Public: Brendan Morrison, New England Nationwide Retirement Solutions

Buck Consultants: Tom Coughlin, Alan Vorchheimer

VOYA: Greg Miller, Shirley Ezzy, Julie Payne, Jennifer George

Mass Mutual: Greg Forte & Dave Hanson

Valic: Greg Hyland, Greg Libutti & Rick Esten

Employee Health & Benefits: Chris Brawn, Kurt Caswell, Mary Labbe & Joan Hanscom

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (9:08 am)	Joyce Oreskovich called the meeting to order. Introductions. Welcome Joan Hanscom	
II. Approval of Minutes (June 16, 2014)		Tracy Bonnevie motioned to accept the June 16, 2014 meeting minutes. Seconded by Joyce Oreskovich. Motion passed.
III. Standard Plan Reporting: a. Plan Operation Report (2nd quarter) – Alan Vorchheimer	Information contained in written report. Highlights listed below: <ul style="list-style-type: none"> • General decline in participation occurring with all FSO's attributed to layoffs, no pay raises, rising fuel cost, healthcare cost, decline in State workforce, student loan debt and lack of promotion of program • Discussed possible ways to increase participation <ul style="list-style-type: none"> ➢ More frequent and continual communications ➢ Explore allowing percentage contributions ➢ Yearly retirement statements to all employees regarding 	Joyce Oreskovich stressed that no changes are going to be made to current State payroll system due to new HRMS system which should be implemented by 1/1/2016. Kurt Caswell to find out how many new employees were hired during the last quarter and inform Buck Consultants so they can compare how many employees are enrolling in plans.



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	<ul style="list-style-type: none"> ➤ funding retirement accounts ➤ More on-site visits ➤ Remove provision which only allows one FSO change per year – plan documents would need to be updated 	<p>Mary Labbe suggested more communication around the timeframe of the annual cost of living increases employees receive.</p> <p>Kurt Caswell /Shirley Elias Izzy to check with MainePERS regarding their advertising methods for their retirement plan.</p> <p>Wayne Morrow made a motion to eliminate the provision that limits FSO plan changes to one every 12 months. Rebekah Koroski seconded motion. Motion passed.</p>
<p>b. Plan Investment Performance Report (2nd quarter) – Tom Coughlin</p>	<ul style="list-style-type: none"> • Information contained in written report. Highlights listed below: <p><u>Plan Level:</u></p> <ul style="list-style-type: none"> • Total assets \$408.1 million • Largest holding is the Fixed Interest Account • Problems with catch-up data from Mass Mutual and Valic • Tom discussed the benefits of simplifying the fund line ups <p><u>Fund Level:</u></p> <ul style="list-style-type: none"> • Short term & long term results reviewed • Some funds are under performing <p><u>Watch List Updated:</u></p> <ul style="list-style-type: none"> • Royce Value Plus Svc (Mass Mutual) –performance issues • Amer Funds Inv Co. of Amer A (Valic) – performance issues • Turner Mid Cap Growth (Valic) – performance issues • Voya TRP Growth Equity I (VOYA) – manager change 	<p>Alan Vorchheimer to meet with FSO's to get data issues resolved and revised for December meeting.</p>
<p>Tom Coughlin discussed background regarding which Fund are being suggested for removal</p>	<ul style="list-style-type: none"> • Extensive discussion regarding funds earmarked for removal took place with FSO'S • Fiscal Responsibility to have quality funds and inflation factors so funds will be adequate 	



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	<ul style="list-style-type: none"> • Detailed information regarding communication to plan participants discussed and Buck consultants will draft letter for all FSO's to use in communicating with plan participants • Letter to detail mapping information, date change is to be effective, positive reasons on why the change is good and options available to plan participants <p><u>Proposed line-up for mapping:</u></p> <ul style="list-style-type: none"> • Artisan Mid Cap Value (Mass Mutual) – Buck's recommendation is to remove this fund as we look to reduce the number of options available • TRP Mid Cap Growth Adv (VOYA) – On list because it is one of the funds being considered to streamline • Hartford Capital App HLS (Mass Mutual) – Performance issues and is one of the funds being considered to streamline • Artisan Mid Cap Value (Mass Mutual) – One of the funds considered to streamline • Amer Funds Inv Co. of Amer A (Valic) – On list because it is one of the funds being considered to streamline • Calvert Social Inv. Equity – (Valic) On list because it is one of the funds being considered to streamline • Turner Mid Cap Growth (Valic) – performance issues and is one of the funds being considered to streamline • Amer Century Infl-Adj Bond – Inv (VOYA) – On list because it is one of the funds being considered to streamline 	
IV. Old Business		
a. Vote on Co-Chair	<ul style="list-style-type: none"> • Deferred to December 4, 2014 meeting or another schedule meeting 	
b. Discussion Best In Class Investment Recommendations – Tom Coughlin	<ul style="list-style-type: none"> • Vote required – tabled till December 4, 2014 meeting or another schedule meeting 	
c. Vendor Meetings – State of Maine Department/Solicitation Protocol – Mary Labbe	<ul style="list-style-type: none"> • Tabled to December 4, 2014 meeting or another schedule meeting 	



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d. Administration Leave - Mary Joyce	<ul style="list-style-type: none">• Tabled to December 4, 2014 meeting or another schedule meeting	
V. New Business:		
a. On-line Enrollment	<ul style="list-style-type: none">• Tabled to December 4, 2014 meeting or another schedule meeting	
b. Public Service Announcement (Week of 10/19/2014 - 10/25/2014) - Kurt	<ul style="list-style-type: none">• Tabled to December 4, 2014 meeting or another schedule meeting	
VI. Adjourn Meeting (12:10 p.m.)		Due to time restraints, Joyce made a motion to table remaining items on the agenda to the next scheduled meeting. Seconded by Tracy. Motion passed.