

NEW JERSEY SECURE CHOICE SAVINGS BOARD

Minutes of the Meeting December 15, 2023

Minutes of the Board meeting of the New Jersey Secure Choice Savings Board (the “Board”) held via Zoom on Friday, December 15, 2023, at 10:00 AM Eastern Standard Time.

MEMBERS OF THE BOARD IN ATTENDANCE

Todd Hassler, Executive Director, Secretary, New Jersey Secure Choice Savings Program

Andrea Spalla, Chair Person, Assistant Treasurer of the State of New Jersey, Department of the Treasury, via phone

Evelyn Liebman, Vice Chair, Public Member

Kevin Walsh, ex-officio Member; Acting State Comptroller

Tariq Shabazz, ex-officio Member; Acting Director of the Office of Management and Budget

Luis O. De La Hoz, Public Member

Charles Hall Jr., Public Member

ADDITIONAL ATTENDEES

Jeffrey Padgett, Deputy Attorney General, Department of Law and Public Safety - Division of Law

Alexis Franklin, Governor’s Authorities Unit

Sam, Kovach-Orr, Governor’s Authorities Unit

Chuck Vellenga, Secure Choice Savings Program

Yon Brown, Secure Choice Savings Program

Jeffrey Oakman, Governor’s Authorities Unit

Danielle Currie, Department of the Treasury, Communications

Chair Andrea Spalla presided over the meeting and Yon Brown, New Jersey Secure Choice Savings Program, kept the minutes.

Chair Spalla called the meeting to order at 10:00 AM. Chair Spalla introduced herself and made the following statement:

I hereby call the December 13, 2023 meeting of the New Jersey Secure Choice Savings Program Board to order. I am Andrea Spalla Chair of the Secure Choice Savings Program Board as a designee of the State Treasurer.

Before we get started I would just encourage everyone who is not speaking to put yourselves on mute so we can avoid as much background noise as possible.

I also wish to announce that adequate notice of this meeting was provided in accordance with the Open Public Meetings Act. Notice of today’s meeting was filed with the Secretary of State; distributed by press release to at least two daily newspapers in New Jersey; and also posted on the bulletin board for the Secretary of State.

I will now ask Deputy Director Charles Vellenga, to please call the roll.

Deputy Director Charles Vellenga took roll call:

Andrea Spalla
Tariq Shabazz
Kevin Walsh
Luis de La Hoz
Evelyn Liebman
Charles Hall Jr.

Chair Spalla turned the meeting over to Executive Director, Todd Hassler to provide a status update on the Board's launch of the New Jersey Secure Choice Savings Program:

Good Morning,

Thank you for taking time to meet today for the New Jersey Secure Choice Savings Program. We have a very long agenda for today. I am pleased to say that we have a great deal of progress to review with the Board and the public.

I would like to begin by introducing the Investment Policy to the Board for consideration.

The purpose of the Investment Policy serves as the standard for the prudent selection, monitoring and management of the Program's investments.

This Investment Policy is designed to ensure that an effective risk management system is in place to monitor the Program and fund portfolio, ensure risks are prudent and properly managed, provide an integrated process for overall risk management, and assess investment returns and risk to determine if the investment performance remains appropriate for the Program.

This Investment Policy must be reviewed and adopted annually at a public hearing.

I have shared a draft copy of the Investment Policy with the Board and I would ask the Board to review and discuss this draft version.

Executive Director Hassler introduced a draft version of the Program's Investment Policy for consideration by the Board.

Since the last board meeting we have completed a Request for Quote for the Program Investment Advisor. This service provider will offer advice to the Board, and contribute to the execution of a prudent investment selection process for the Program. The Committee has received and evaluated the remitted proposals, and has come to an agreement that Segal Advisors, Inc. (Segal) is best suited to serve as the advisor for the Secure Choice program. With Segal's support and expertise, we are confident that the Program will be prepared to navigate the investment selection process. With this in mind, we are recommending the board to pass a resolution, awarding the Investment Advisor contract to Segal.

Executive Director Hassler provided the results from the Investment Advisor Request for Quotes. The Evaluation Committees recommendation is being considered for approval by the Board at this Board Meeting.

As we look forward to the 2025 Fiscal year (FY25), I would like to introduce the Annual budget to the Board for consideration. As you will see in the summary memo provided, we are

anticipating an increase in expenditures of 2.261 million dollars to the annual budget. The proposed FY25 budget totals 4.261 million dollars. This increase is primarily a result from the hiring of staff, and the retention of service providers necessary to support the program. These expenditure are all necessary elements to maintain the Program following the upcoming launch.

I would like to invite the Board to review the proposed budget, and I am recommending that the Board pass a resolution to approve this proposed FY25 budget.

Executive Director Hassler provided a summary of the proposed FY25 budget and offered a recommendation that the Board approve the budget at this Board Meeting.

In preparation for the Program launch, I like to bring the Board's attention to the Secure Choices Savings Program's bylaws (Section 11.3) relating to the establishment of an Evaluation Committee to lead the Request of Proposal soliciting bids for a Program Auditor. This committee is required to include no less than three Board members.

Additionally, we are asking the Board to take steps to establish an Audit Committee that will assist in the oversight of the Program's annual audit process (as required by Section 11.2 of the Program's bylaws). This Committee will need to be comprised of three members, two of which are board members.

Executive Director Hassler asked the Board to take steps to establish an Evaluation Committee and Audit Committee to lead the selection of the Program's Auditor, and assist in the oversight of the Program's Audit Process.

Further, I would like to present the Board with the much anticipated Program Implementation Timeline. Some of the most notable dates that I would like to bring the Board's attention to is, the Pilot launch in April 2024, and full program launch of June 24, 2024. There is still a significant amount of work to complete to achieve these goals. We are in the process of scheduling the elevation of a new Program Website that will include information for the Employers and Employees of New Jersey. As well as inviting employers of New Jersey to participate in our Pilot program. Information about the Pilot will be posted on our website shortly.

Information only, No action is being asked of the Board

Executive Director Hassler asked the Board to take steps to establish an Evaluation Committee and Audit Committee to lead the selection of the Program's Auditor, and assist in the oversight of the Program's Audit Process.

In other Business, we have provided the Board with proposed dates for the 2024 board meeting schedule. As you will note, we are recommending a monthly schedule for the period bringing January, through August of this year. This is to insure that we have sufficient opportunity to share information during this critical launch period. I would like to ask the Board to approve this schedule for the 2024 Board meetings.

Executive Director Hassler asked the Board to take steps to establish an Evaluation Committee and Audit Committee to lead the selection of the Program's Auditor, and assist in the oversight of the Program's Audit Process.

Before I conclude my portion of this meeting, I would like to thank the Board for the opportunity to help bring this important benefit to the citizens of New Jersey. One short year ago, we began working together to advance the goal of eliminating the retirement gap in New Jersey. These efforts have allowed us to bring the concept of this law to the realization of a state agency that works to offer and secure retirement benefits for so many New Jerseyans who previously did not have access to such a programs.

This concludes my updates to the Board. If the board has any questions at this time I would be happy to speak to them.

Chair Spalla moved forward with the agenda. Chair Spalla asked members of the Board to identify themselves before making or seconding a motion because this is a virtual meeting.

ITEMS OF DISCUSSION

I. Approval of the Minutes of the Board Meeting of September 15, 2023

Chair Spalla requested a motion to approve the minutes of the Board meeting held on September 15, 2023. A motion was made to approve the minutes of the meeting, and was seconded, and was approved by six (6) voting members present.

There were no comments or questions related to the minutes from September 15, 2023.

II. Review and Discussion of Investment Policy Statement

The next item on our Agenda, included in your Board package as Exhibit 5.B-1, is not an item for the Board to vote on today, but for review and discussion only. So no motion is required. A copy of the proposed draft Investment Policy Statement has been included in your Board package under "Agenda Item 5.B." While Director Hassler also provided the Board with a memo accompanying the draft Statement, at this time I invite Director Hassler to provide any additional introductory explanation he thinks would be helpful, to kick off the Board's discussion of this critically important policy document.

III. Resolution Authorizing the Award of a Contract for Investment Advisor Services

Chair Spalla introduced the resolution authorizing the award of a contract for investment advisor services, and requested a motion for approval. A motion was made to approve the resolution, and was seconded, and approved by the five (5) voting members present. Kevin Walsh recused himself.

There were no comments or questions related to the Resolution.

IV. Resolution to Approve the Program Administrative Budget for Fiscal Year 2025

Chair Spalla introduced the resolution to approve the Program Administrative Budget for Fiscal Year 2025, and requested a motion for approval. A motion was made to approve the resolution, and was seconded, and approved by the six (6) voting members present.

There were no comments or questions related to the Resolution.

V. Request for the Board to create an Audit Committee.

Chair Spalla introduced the request to create an Audit Committee, and requested a motion for approval. A motion was made to approve the request, and was seconded, and approved by the six (6) voting members present.

There were no comments or questions related to the Request.

VI. Request for the Board to create an Evaluation Committee.

Chair Spalla introduced the request to create an Evaluation Committee, and requested a motion for approval. A motion was made to approve the request, and was seconded, and approved by the six (6) voting members present.

There were no comments or questions related to the Request.

PUBLIC COMMENT

Chair Spalla invited comments from the public.

Chair Spalla invited comments from the Board.

OTHER BUSINESS

I. Resolution to Adopt the Proposed Meeting Schedule for 2024

Chair Spalla introduced the resolution to adopt the proposed Board Meeting Schedule for the 2024 Calendar Year, and requested a motion for approval. A motion was made to approve the resolution, and was seconded, and approved by the six (6) voting members present.

There were no comments or questions related to the Resolution.

There being no further business, on a motion, which was seconded, and carried by voice vote from members present voting in favor, the meeting was adjourned at 10:45 AM.