



**MINUTES FROM THE MEETING OF THE
PLANS MANAGEMENT BOARD
September 1, 2020**

A meeting of the Plans Management Board (the “Board”) was held on September 1, 2020, commencing at 10:00 a.m. Pursuant to paragraph 5 of Governor Carney’s Executive Order, dated March 12, 2020, declaring a state of emergency due to the Covid-19 pandemic, the meeting was held telephonically, without a physical location. Members of the public were able to participate using the provided dial-in information.

Board Members Represented or in Attendance:

Ms. Donna Vieira, Board Chair
Mr. Alan Colberg, Investment Committee (“IC”) Chair
Mr. Pete Kennedy, Audit and Governance Committee (“AGC”) Chair
Mr. Gerald Gallagher, Member-at-Large
Mr. Robert Scoglietti, Chief of Policy, Office of Management and Budget (on behalf of Mr. Michael Jackson, Director)
The Honorable Colleen C. Davis, State Treasurer
The Honorable Trinidad Navarro, Insurance Commissioner
Mr. Richard Geisenberger, Secretary of Finance
Ms. Leighann Hinkle, State Employee
Mr. Joel Coppadge, III, Public Member

Board Members Not Represented or in Attendance:

Ms. Susan Bunting, Secretary of Education

Others in Attendance:

Mr. John Macedo, Outside Member, AGC
Mr. Timothy Snyder, Outside Member, AGC
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Mr. John Meyer, Director of Contributions and Plans Management, Office of the State Treasurer (“OST”)
Mr. Dan Madrid, Chief Operating Officer, OST
Mr. Jordan Seemans, Director of Policy and Communications, OST
Mr. Dan Kimmel, Promotion and Outreach Manager, OST
Mr. Mike Green, Investments and Operations Manager, OST
Ms. Deborah Bradl, Policy Analyst, OST
Mr. Earle Allen, Partner, Cammack Retirement Group (“Cammack”)
Mr. Rob Peel, Account Manager, Cammack
Mr. Roger Morrissette, Director, Retirement and College Leadership, Fidelity Investments
Ms. Melissa Ridolfi, Vice President, Retirement and College Products, Fidelity Investments

Ms. Kellie Desrosiers, Vice President, Strategic Relationship Management, Voya Retirement Insurance and Annuity Company (“Voya”)

Mr. Doug Peters, Vice President, Mid-Atlantic Region, Voya

Ms. Sarala Kata, Regional Vice President, Mid-Atlantic Region, Voya

Ms. Audra Ferguson, Partner, Ice Miller, LLC.

Mr. Robert Gauss, Partner, Ice Miller, LLC

Mr. Gary Plourde, Empower Retirement

Mr. Cory Lampshire, Empower Retirement

CALLED TO ORDER

The meeting was called to order at 10:00 a.m.

APPROVAL OF MINUTES

A MOTION was made by Mr. Gallagher and seconded by Mr. Kennedy to approve the minutes from the Board meetings on June 2, 2020.

MOTION ADOPTED UNANIMOUSLY

PRESENTATIONS

Fiduciary Training-Ice Miller

Ice Miller presented the annual Fiduciary training to Board and committee members, as well as OST staff and others in attendance.

Quarterly Business Metrics for Deferred Compensation Plans - Voya

Ms. Desrosiers presented the quarterly business metrics for the deferred compensation plans. There were 173 new enrollments for the month of May, a slight increase versus the same period in 2019. As of July 1, 2020, consolidation efforts were \$4.6 million year-to-date. Ms. Desrosiers stated a mix of targeted campaigns and email blasts helped boost consolidation efforts.

Mr. Peters informed the Board that advisors continue to engage with local employees. Group and one-to-one meetings are occurring, as are virtual meetings. Advisors safely held their first onsite presentations at a local school district.

Ms. Desrosiers informed the Board that \$2.6 million has been distributed for 64 distributions from the plans in response to requests for COVID-related distributions.

Quarterly Business Metrics Report for College Investment Plan - Fidelity

Mr. Morrisette presented the 529 plan business metrics. He reported that as of June 30, 2020, new accounts for the quarter were up 43 percent compared to the same quarter in 2019. The industry was up only 1.5 percent for the same time period. Over half of the new accounts were for children under five years of age. Mr. Morrisette also stated that contributions were down 11 percent for the quarter, as compared to the industry, which was down 2 percent for the same period. Overall, plan assets were up 9.6 percent, versus the industry, which was up by approximately 13 percent. The increase was due to an increase in the equity markets.

COMMITTEE REPORTS AND ACTION ITEMS

Recommendation Regarding 2019 Audit Reports

Mr. Meyer discussed the audit reports and financial statements for the 2019 457(b) plan, 401(a) plan, 403(b) plan and the 529 college investment plan, as presented by BLS to the AGC. The AGC recommended that the 2019 reports and financial statements be accepted

A MOTION was made by Treasurer Davis and seconded by Mr. Gallagher to approve the audit reports for the 2019 457(b) Plan, 401(a) Plan, 403(b) plan, and the 529 college investment plan. MOTION PASSED UNANIMOUSLY

Recommendation Regarding Communication Policy

Mr. Meyer presented a draft communication policy for Board and committee members. OST worked with the Deputy Attorney General to prepare the policy, which was presented to and approved by the AGC.

A MOTION was made by Ms. Vieira and seconded by Mr. Kennedy to approve the proposed communication policy. MOTION PASSED UNANIMOUSLY

Recommendation Regarding College Investment Plan RFP and Recordkeeper Contract Extension

Mr. Meyer noted that the Fidelity agreements expire in June 30, 2021. Fidelity has been the sole provider of the 529 plan since it was created in 1998. The AGC recommended that OST issue an RFP and negotiate and execute an extension of the Fidelity agreements through December 31, 2021.

A MOTION was made by Mr. Kennedy and seconded by Mr. Colberg to direct OST to issue an RFP and negotiate and execute an extension of the Fidelity agreements through December 31, 2021. MOTION ADOPTED UNANIMOUSLY

Recommendation Regarding Removal of JP Morgan Small Company R6 from Watch

Mr. Colberg noted that JP Morgan US Small Company R6 has been on watch since the June 2019 meeting. Mr. Colberg explained that Cammack and the IC monitored the fund's performance over the last year and indicated that JP Morgan representatives participated in an IC meeting in November 2019. The IC recommends that the fund be removed from the watch list based on the fund's increased relative performance and successful management transition following the departure of senior leadership from the firm's behavioral finance department.

A MOTION was made by Mr. Colberg and seconded by Mr. Navarro to approve the removal of JP Morgan US Small Company R6 from watch status. MOTION ADOPTED UNANIMOUSLY

Recommendation Regarding the Removal of Templeton Global Bond R6

Mr. Colberg noted that Templeton Global Bond R6 has been on watch since March 2020. The IC and Cammack have monitored the fund and recommend that it be removed from the investment lineup due to deterioration of performance relative to its benchmark and peers. The IC recommends that the fund

be removed as an investment option, and that current assets and future contributions be mapped to PIMCO Total Return Institutional.

A MOTION was made by Ms. Vieira and seconded by Treasurer Davis to approve the removal of Templeton Global Bond R6 and directing OST to work with Voya on mapping current assets and future contributions to the PIMCO Total Return Institutional Bond fund.

Recommendation to add Outside Member to Investment Committee

Mr. Meyer informed the Board that David Biddle had expressed interest in becoming an outside IC member. Mr. Biddle is the owner and founder of Biddle Capital Management located in Centreville, Delaware.

A MOTION was made by Ms. Vieira and seconded by Mr. Colberg to approve Mr. Biddle as an outside member of the IC.

MOTION ADOPTED UNANIMOUSLY

Mr. Colberg informed the Board that Mr. Porter Schutt resigned from his representation on the Board and thanked him for his service.

ABLE REPORT

Mr. Meyer informed the Board that the ABLE report had been posted and indicated that there are 100 funded accounts at the present time.

PUBLIC COMMENT

No members of the public present for comment.

NEXT MEETING

The next meeting of the AGC is scheduled for November 11, 2020.

The next meeting of the IC is scheduled for November 18, 2020.

The next meeting of the Board is scheduled for December 8, 2020.

ADJOURNMENT

A MOTION was made by Ms. Vieira and seconded by Treasurer Davis to adjourn the meeting of the Board at 12:05 a.m.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Chair for the Plans Management Board