



**MINUTES FROM MEETING OF  
THE COLLEGE INVESTMENT COMMITTEE  
APRIL 11, 2017**

A meeting of the College Investment Committee (“CIC”) of the Plans Management Board (“PMB”) was held on April 11, 2017 at 10:00 a.m. in the main conference room of the Office of the State Treasurer (“OST”) located at 820 Silver Lake Blvd., Suite 100, Dover, DE 19904.

CIC Members Represented or in Attendance:

Mr. Stephen Saville, Chair

The Honorable Ken Simplier, State Treasurer

Secretary Richard J. Geisenberger, Department of Finance

Ms. Karen Field Rogers, Deputy Secretary (on behalf of Secretary Susan Bunting, Department of Education)

Mr. Donald Shandler, Public Member

CIC Members Not Represented or in Attendance:

Mr. José Echeverri, Chair, Plans Management Board

Others in Attendance:

Ms. Deloris Hayes-Arrington, Human Resources Director, Department of Finance

Mr. Jason Staib, Deputy Attorney General, Department of Justice

Ms. Nora Gonzalez, Deputy State Treasurer, OST

Mr. John Meyer, Director of Contributions and Plan Management, OST

Mr. Mike Green, Financial Investment Program Manager, OST

Ms. Kristen Kuipers, Communications Director, OST

Mr. Omar Masood, Policy Advisor, OST

Ms. Martha Sturtevant, Executive Assistant to the Treasurer, OST – Recorder

Mr. Peter Walsh, Fidelity (Telephonically)

Mr. Keith Bernhard, Relationship Manager, Fidelity (Telephonically)

Mr. Justin Rozzero (Telephonically)

**CALLED TO ORDER**

The meeting was called to order at 10:05 a.m.

**FIDELITY PRESENTATION**

Mr. Walsh provided an investment performance overview. Noting that Fidelity’s compliance department had not approved the formal report (needs 15 days after quarter end), Mr. Walsh verbally updated the CIC on the report. Both static and age-based portfolios had strong returns relative to the glide-path benchmark.

Treasurer Simpler asked Fidelity to make a presentation to help members better understand the proprietary glide path, how they can interpret the report, and how to gauge Fidelity's performing versus its competitors.

Fidelity reviewed business results. Contributions were up 7%, but were not offsetting the growth of distributions of maturing accounts. The Fidelity 529 Credit Card Rewards and Fidelity Gifting Tool has added to the growth in contributions. The card offers a 2% cash back on all purchases into the 529 and has no annual fee.

Fidelity proposed ways to grow accounts locally. Peach Jar is an affordable community advertising platform that is growing within the school districts. There are currently over 17,000 users in Delaware across three school districts

### **APPROVAL OF THE MINUTES**

Minutes from March 7<sup>th</sup> were presented for approval. There was one noted correction to be made: replace Secretary Godowsky to Secretary Bunting.

**A MOTION was made by Mr. Shandler and seconded by Treasurer Simpler to approve the minutes from March 7, 2017 with noted corrections.**

**MOTION ADOPTED UNANIMOUSLY.**

### **Delaware Children's Museum ("DCM")**

The Committee requested to move into executive session to discuss potential litigation concerning the sponsorship agreement with the Delaware Children's Museum DCM.

**A MOTION was made by Treasurer Simpler and seconded by Mr. Shandler to move into executive session to discuss the issues with DCM.**

**MOTION ADOPTED UNANIMOUSLY.**

### **CALLED TO ORDER**

Public session was called back to order at 11:28 a.m.

**A MOTION was made by Treasurer Simpler and seconded by Secretary Geisenberger to authorize OST to enter into negotiations and reach agreement with DCM consistent with options explored in executive session.**

**MOTION ADOPTED UNANIMOUSLY.**

### **DIRECTOR'S REPORT**

OST has finalized the report for the PMB and prepared a timeline for a joint RFP with the ABLE/529 plans. The timeline for implementation has been accelerated but provides the flexibility to thoroughly review all responses.

OST provided an update on ABLE. Mr. Masood said there were an estimated 10,000 accounts nationwide, with an estimated average balance of approximately \$5,000. He added a brief overview of eligibility requirements and proposed Congressional changes.

Members discussed proposed improvements to Fidelity's reporting. There was a discussion of priorities and fee transparency. The CIC considered the addition of an investment subcommittee to the PMB.

OST requested that members consider participating in the RFP process.

There was a concern expressed regarding the potential of changing vendors and the perceptions of maturing participants.

**PUBLIC COMMENTS**

No members of the public present for comment.

**NEXT MEETING**

The next CIC meeting is scheduled for July 11, 2017.

**ADJOURNMENT**

**A MOTION was made by Secretary Geisenberger and seconded by Treasurer Simpler to adjourn the meeting at 11:49 a.m.**

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

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Stephen Saville  
Chair, College Investment Committee