

Meeting Minutes: Board of Directors Meeting

Date: 12/06/2024
Prepared by: Kristi Martinez, Executive Assistant
Location: 60 Empire Drive, Room 117

Board Members Present

Jill Schurtz, Chair, Erin Leonard, Vice Chair, James Miley, Cynthia Geiwitz (remote), Danica Goshert (remote), Robin Ritter (remote), and Alex West Steinman (remote).

Others Present

Senator Sandra Pappas, David Bergstrom, Secure Choice Retirement Board (SCRB) Interim Executive Director, Lisa Diesslin, Legislative Commission on Pensions and Retirement (LCPR); Mary Benner, Joey Warta of Southpoint Financial Service, Thomas Zheng, Sam Blum of Blum Capital Management, Edwin Swarayed of Veemah Consulting, and Oran Clay of Apex Homecare, Andy Christianson (SBI), Char Olson (SBI), Kristi Martinez (SCRCP)

Call to Order

Chair Jill Schurtz called the meeting to order at 2:10 p.m.

Welcome Senator Sandra Pappas

Chair Jill Schurtz, Board Chair, welcomed and introduced Senator Sandra Pappas to the SCRB meeting. Senator Pappas provided background and her interest regarding the Minnesota Secure Choice Retirement Program and expressed her gratitude and support of the Board.

1. Approval of the October 4, 2024, Meeting Minutes

- Cynthia Geiwitz moved approval of the October 4, 2024, meeting minutes. The motion was seconded by Alex West Steinman and passed unanimously by roll call vote.

2. Approval of the MN Secure Choice Budget

Dave Bergstrom, Interim Director, provided an overview of the SCRB proposed fiscal year 2025 Budget and referenced the information in the meeting materials. He highlighted major budget items such as salaries, rent, and start-up costs. The Board's decision regarding hiring an Executive Search Firm or conduct a Board/Staff directed search under Agenda Item 5 will impact the budget. Dave Bergstrom

expressed interest in attending a conference facilitated by Georgetown University, McCourt School of Public Policy, Center for Retirement Initiatives in January 2025.

- *Danica Goshert moved approval of the MN Secure Choice Budget for fiscal year 2025. The motion was seconded by Robin Ritter and passed unanimously by roll call vote.*

3. Discussion /Approval of Proposal to Phase-in Employer Enrollment

Dave Bergstrom outlined the phases for launching the Program and shared his recommendations, and a proposal in a joint letter from the National Federation of Independent Business (NFIB) and Minnesota Chamber of Commerce. The law requires the Board to open the Program in phases, with the last phase opening no later than two years after the first phase.

- *James Miley moved approval of the staff recommendation regarding the proposal to phase-in employer enrollment, with the modification proposed by National Federation of Independent Business (NFIB) and the Minnesota Chamber of Commerce. The motion was seconded by Cynthia Geiwitz and passed unanimously by roll call vote.*

4. Discussion/Approval of MN Secure Choice Compliance Policy

Dave Bergstrom presented the proposed compliance policy, outlining laws on penalties and recommendations for employers who do not comply with the laws governing the Minnesota Secure Choice Program. The Board's recommendation regarding a compliance policy must be made to the Legislative Commission on Pensions and Retirement by December 31, 2024. Dave Presented the reasons for compliance penalties and summarized compliance penalties in other states.

Cynthia Geiwitz inquired about the Department of Labor's role in enforcing compliance issues. Dave Bergstrom will follow up with further information regarding similar programs in other states.

Dave summarized a modification suggested for penalties and non-compliance as recommended by the NFIB and Chamber of Commerce which would establish a 30-day forgiveness period for employers who comply within 30 days of receiving the notice of imposing a penalty. Dave also recommended a law change to have the authority to adopt a policy to waive fees in extenuating situations.

- *Cynthia Geiwitz moved approval of the proposed penalty structure with the amendment to allow for a 30-day forgiveness period for employers who comply within 30 days of receipt of the notice of imposing a penalty, and a law change to allow the Board to establish policies to waive fees in extenuating situations. The motion was seconded by James Miley and passed unanimously by roll call vote.*

Non-Agenda Item

Dave Bergstrom shared recommendations for potential legislative changes. The first, strengthens the law that allows other state agencies to provide private data to the Program and clarifies that the MN Secure Choice Board will maintain the privacy of the data. He is also recommending authority to request technical changes without Board approval. He asked the Board to create a committee to approve legislative changes on behalf of the board during the Legislative Session. Jill Schurtz, Board Chair, affirmed that this is a common practice and agrees with creating a legislative committee.

Jill Schurtz then asked Erin Leonard, Vice Chair, if she would chair and form this legislative committee and she agreed to do so.

- *Danica Goshert moved approval of the formation of a legislative committee for legislative changes led by Erin Leonard. The motion was seconded by James Miley and passed unanimously by roll call vote, with Erin Leonard abstaining.*
- *Robin Ritter moved approval to allow the Interim Executive Director, with support by the legislative committee, to make technical changes or minor policy changes that are required during the session with larger policy issues being brought back to the full Board. The motion was seconded by James Miley and passed unanimously by roll call vote.*
- *James Miley moved approval to allow the Interim Executive Director, with support by the legislative committee, to draft a policy around data privacy to give assurances to other state agencies that the MN Secure Choice Program would maintain data privacy so we can receive data necessary to run the Program. The motion was seconded by Robin Ritter and passed unanimously by roll call vote.*

5. Permanent Executive Director Search

Dave Bergstrom presented two methods to hire the permanent Executive Director. The Board can hire an Executive Search Firm or conduct a Board/Staff directed search. Dave Bergstrom provided pros and cons and costs for each. Discussion followed.

- *Cynthia Geiwitz moved approval of the formation of a committee to lead the Secure Choice Board through the effort of the search for the permanent Executive Director led by Robin Ritter. The motion was seconded by Erin Leonard and was passed on a roll call vote with Robin Ritter abstaining.*
- *Cynthia Geiwitz moved approval to hire an Executive Search Firm to search for the permanent Executive Director. The motion was seconded by Erin Leonard and passed unanimously by roll call vote.*

Adjournment

- *James Miley moved to adjourn the meeting. The motion was seconded by Alex West Steinman and passed unanimously by roll call vote.*

The meeting adjourned at 3:19 p.m.