**Minutes from the Joint Meeting of**

**THE DEFERRED COMPENSATION COUNCIL &**

**THE DELAWARE COLLEGE INVESTMENT PLAN BOARD**

**February 24, 2016**

A Joint meeting of the Deferred Compensation Council and The Delaware College Investment Plan Board

Was held February 24, 2016 at 9:00 AM in the Conference Room of the Office of the State Treasurer

Located at 820 Silver Lake Blvd., Suite 100, Dover, DE 19904

All Council & Board Members Represented or in Attendance:

The Honorable Ken Simpler, State Treasurer

Secretary Thomas J. Cook, Department of Finance

Mr. Charles Campbell-King, State Employee Member At-Large

Mr. Robert Scoglietti (on behalf of Director Ann Visalli, Office of Management & Budget)

Mr. José Echeverri, President, SWAN Financial Group

Mr. Dan Scholl, Schroders Investment Management (Telephonically)

Mr. Donald Shandler, President of Shandler Associates (Telephonically)

Mr. Ralph Cetrulo, Public Member At-Large

The Honorable Karen Stewart, Insurance Commissioner (9:33AM)

Council & Board Members Not in Attendance:

Mr. Stephen Saville

Others in Attendance:

Ms. Ann Marie Johnson, Deputy Attorney General

Mr. Robert Willard, Deputy Attorney General

Ms. Shana Payne, Director of Higher Education, Department of Education

Ms. Valerie M. Watson, Deputy Principal Assistant, Department of Finance

Ms. Rhonda West, Department of Insurance

Ms. Nora Gonzalez, Deputy State Treasurer, Office of the State Treasurer

Mr. Michael Green, Financial Investment Program Manager, Office of the State Treasurer

Mr. Dan Kimmel, Financial Investment Program Specialist, Office of the State Treasurer

Mr. Omar Masood, Office of the State Treasurer

Ms. Martha Sturtevant, Office of the State Treasurer

**CALLED TO ORDER**

Mr. Simpler called the meeting to order at 09:06 AM. Introductions were made around the table.

Mr. Simpler reviewed the genesis for a possible collaboration of talent and board consolidation. Mr. Simpler then reviewed the Achieving a Better Life Experience (“ABLE”) program timeline and implementation options as well as a suggested timeline for a tentative consolidation and approval by the General Assembly.

Ms. Gonzalez reviewed the current program priorities and initiatives of the Deferred Compensation Council. She cited examples of what the DCC has learned through the most recent RFP process and suggested DCC would add value to the DCIP.

Mr. Simpler reviewed how the ABLE plan might also benefit from a consolidation.

Mr. Echeverri discussed the goals, priorities, and initiatives of the DCIP and provided the timeline of a typical meeting. Mr. Scoglietti then reviewed the goals, priorities, and initiatives of the DCC and elaborated on the background and details of the most recent RFP.

Ms. Johnson inquired about the handling of withdrawals from the DCIP, noting similar hardship requests from DCC plans. She asked whether ABLE would mirror the same federal regulations as the DCIP. Mr. Simpler clarified that ABLE guidelines would mirror 529 plans.

Mr. Simpler provided an overview of the proposed consolidated board structure and compared it to the Cash Management Policy Board. He discussed details of CMPB meetings, subcommittees, reporting and consultant relationship. He stated that the proposed board merger would leave DCC and DCIP as subcommittees, with the notable addition of adding the Treasurer to the DCIP subcommittee. He also proposed board chairs be members of the public.

Mr. Simpler reviewed the proposed ABLE Board structure. Mr. Simpler discussed the pending implementation options and how the direction of the implementation may be transitory or might alter the proposed architecture. He suggested an implementation taskforce be formed to provide a recommendation for the best path and outcomes for Delawareans.

Mr. Simpler noted that if there is a merger, Dan Scholl who currently works for a state vendor, may need to resign due to conflict.

Ms. Johnson then reviewed the architecture of the Pension fund and noted the similarities to the proposed board.

Mr. Simpler provided an architectural overview of the Office of the State Treasurer (“OST”) and elaborated on the support OST would provide to the proposed board.

Mr. Simpler led a discussion of statutory provisions of DCIP, DCC and ABLE and a pathway for approval by the General Assembly. Mr. Scoglietti asked about regulations beyond the state that may need to be considered. Ms. Johnson said that federal regulations would be considered and the stakeholders of each board would be accounted for in the prosed provisions.

Mr. Campbell-King discussed how a consolidation offers a rebranding opportunity and might benefit participant enrollment.

Mr. Scoglietti said he would like further clarification on mapping the synergies, particularly on the investment side, but agreed fundamentally that he was in favor of a board merger. He expressed concern that the proposed timeline may be aggressive. Ms. Stewart suggested that if it could not be ready for proposal by May, it could be ready for the agenda in January.

Mr. Simpler provided history on the ABLE legislation, the four implementation paths and the outcomes of each. He led a discussion on eligible participants, anticipated enrollment percentage and competition from other states.

Referring to economies of scale, Mr. Simpler said Mr. Masood was researching other states and the option of a joint-venture model. Mr. Simpler added that in discussions with eligible participants, there was consensus that a consortium would be most cost-effective to participants.

**PUBLIC COMMENTS**

No public present for comment.

**ADJOURNMENT**

A MOTION was made to adjourn the meeting at 11:00 AM.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

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The Honorable Ken Simpler, State Treasurer

Co-Chair for the Deferred Compensation Council

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The Honorable Thomas J. Cook, Secretary of Finance

Co-Chair for the Deferred Compensation Council

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Jose Echeverri,

Chair, Delaware College Investment Plan