

NEW JERSEY SECURE CHOICE SAVINGS BOARD

Minutes of the Meeting December 13, 2024

Minutes of the Board meeting of the New Jersey Secure Choice Savings Board (the “Board”) held via Zoom on Friday, December 13, 2024, at 10:05 AM Eastern 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
- 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
- Peter Moak, Secure Choice Savings Program
- Johanna Colapinto, Secure Choice Savings Program
- Yon Brown, Secure Choice Savings Program

Chair Andrea Spalla presided over the meeting and Todd Hassler, Executive Director, kept the minutes.

Chair Spalla called the meeting to order at 10:05 AM. Chair Spalla introduced herself and made the following statement:

I hereby call the December 13, 2024 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.

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 Yon Brown, to please call the roll.

Yon Brown, Secure Choice Savings Program took roll call:

*Andrea Spalla
Tariq Shabazz*

*Kevin Walsh
Luis O De La Hoz
Charles Hall*

We have a quorum present.

Chair Spalla continued:

We also have present, Secure Choice Program Executive Director, Todd Hassler and many members of his team.

Thank you and welcome to everyone in attendance. If there are any members of the public in attendance who wish to speak at this meeting, please note that the Board will open the floor for public comment at the end of the meeting before we adjourn.

I ask members of the Board to identify themselves before making or seconding a motion because this is a virtual meeting.

I would like to request a motion to adopt the Resolution approving the minutes of action taken at the October 25th, 2024 board meeting. Those minutes were emailed to the Board approximately November 27th, 2024, and a copy of the Resolution and minutes are included in your Board package under "Exhibit 4A & 4A1".

May I have a motion to approve the minutes of the Board meeting held on October 25^h, 2024 board meeting?

Kevin Walsh moved to approve the minutes.
Tariq Shabazz seconded the motion.

There was no discussion from the Board.

Charles Hall, Jr. abstains
The motion passed with all 4 remaining board members in attendance voting to approve the minutes.

Chair Spalla opened for a motion for executive session for legal questions.

There was no discussion from the Board.

Charles Hall moved to move into executive session.
Luis de la Hoz seconded.

All voted in favor to move into Executive Session.

Executive Session 10:10 to 10:25

I would like to invite the Program's Executive Director Todd Hassler to provide the Board and the public with a program update.

Todd Hassler provided a status update on the New Jersey Secure Savings Program:

Hello and thank you for attending the Secure Choice Savings Program December 2024 annual Board Meeting.

Today we'll be providing an overview of the program's operations, program investments, reviewing marketing efforts, and reviewing some board actions as well.

From a program operations update, I'd like to begin by celebrating once again our \$1,000,000 milestone that the citizens of New Jersey have contributed into the program which is a major advancement for the state of New Jersey. I'm happy to say that we continue to see an accelerated growth in the program's utilization. To help more readily share these successes in the future, we are working to determine the appropriate frequency and standard for reporting to the Community. We foresee something like this being shared on our web page, however, we'll provide an update to the board in an upcoming meeting on how frequency and availability of that data so that it's shared properly.

Considering program investments, the Program Investment Committee is scheduled to meet in the new year. Our Investment Advisor, Segal Investments has provided a third quarter investment report to the program. There are two excerpts from the report that I would like to share with the board.

The first slide shows our investment allocations as of September 2024. The graph demonstrates where the program's assets are allocated. As you can see, the funds are primarily invested in the stable value fund and the target retirement date funds. It follows our investment policy default standards, where individuals are initially invested for the 1st 30 days in a stable value fund and then they migrate into one of the target retirement investments, however, unlike other State Auto IRA programs, we are seeing a greater utilization of our investment alternatives. Most states are functioning around a 98%-99% allocation into the default investments, RetireReady NJ is presently seeing about 93% allocation. This is a 6% deviation, it is an interesting statistic. It is something that we intend to continue to follow here, but it does speak highly of the work that the Investment Committee has put into this election and the development of the investment portfolio available through RetireReady.

Further, our investments continue to show superior expense management comparative to similarly situated investments. As you can see on the slide, our expense ratios are a mere fraction of the median performance compared to medium performing comparative funds. I'm going to draw your attention to Target date Retirement 2035. That fund has about \$12,000 in it operating with an expense ratio of eight basis points. A comparative fund at the median is at about 75 basis points so we're essentially 1/10th of the expense of the median in the same or similarly situated funds. That's really good, these are very efficiently operating funds.

From a marketing perspective, since October 25, board meeting, we have posted a number of

social media posts, 27 in Facebook, 28 in LinkedIn and 27 on Instagram. We've hosted several meetings, 2 webinars for the employers, this is 8 total since the launch, these webinars have reached over 1200 employer participants. We've also hosted 2 saver webinars, 5 since the launch which reached over 400 savers.

We have also attended some in person events, 2 in the last 30 days, which marks 14 since the launch of the program. Seven virtual events, totaling 12 since our launch.

One of the most notable is an event that we attended with AARP, this was our tele-town hall. That singular event reached over 2000 participants here in the state, both employers and employees that will be covered by RetireReady.

In addition to our outreach and education initiatives, we have promoted webinars with webinars hosted by our service provider VestWell that were dedicated to the training of the employer communities. This partnership was a tremendous success for the program. They held nine of these virtual trainings and confirmed that over 230 employers in the State of New Jersey attended. Most importantly, they tracked the behaviors of these attending employers and confirmed that 62 registered and are in the process of uploading and allowing their employees to contribute. That's a great success for us. We hope to continue to do more of these partnerships with Vestwell in the future. I'd like to thank them for their continued support and efforts to make the program a success.

We have also 3 events scheduled in the coming month. These are saver and employer webinars and we expect to continue to do our outreach more strategically in the coming months.

Beginning on December the 4th, we also initiated our Visual advertisement campaign where our material is being posted on the interior and exterior of New Jersey Transit buses. On your screen, you'll see a sample of the advertisement that was posted on the side the king side of a New Jersey Transit bus. These are specifically running in and on the buses in the Middlesex and Essex counties. We'll be monitoring the effectiveness of these ads and providing results to the board in the New Year.

Last but far from least, I'm happy to inform the board that AARP, which is a well known national National advocate nonprofit organization that has been a great community partner for retirement has commissioned streaming advertisement that promotes the program and will create awareness of the need to prepare for retirement for secure retirement here in New Jersey. These have been aired on both streaming radio and television. If you have not heard them, please feel free to reach out. I would be happy to share copies of them with you. I do want to thank our friends with AARP for all their help and commitment to seeing the success of citizens here in New Jersey.

Moving on to employer engagement and enforcement, as we previously discussed, retire ready is actively working to identify, engage and influence the employers to comply with the mandate under the Secure Choice Savings program. Since September the 15th We have completed the registration deadline for large and small employers and we are in the process of identifying and engaging these employers. As of Today we have engaged over 200 who have failed to register with RetireReady. Communications have been sent and documented to ensure that the program can demonstrate these employers have been notified of the requirement to register with the program.

Since the September 15 registration deadline, we have identified and engaged more than 400 employers who have failed to register for RetireReady NJ. Communications were sent and documented to insure that the program can demonstrate that these employers have been notified of their requirements to

register with the program. As we approach the new year, we will need to begin discussing the program's enforcement provisions. These steps will allow the Board to enter into these discussions with confidence that every step possible was taken to notify the employer community of the Act's mandate.

We will share the results of these efforts in upcoming Board meetings.

Looking to Program Analytics, the program continues to advance nicely. Since our last Board meeting October 25th, one month ago, more than 300 employers have register for RetireReady NJ.

During the same period, approximately 5,500 New Jersians have started saving for retirement!!! Once again - close to tripling the number of savers since the October board meeting.

As a result of these registered employers their employees have been able to make retirement savings contributions totaling more than \$1 Million in the past month. Our current funding level is \$1,349,419. This is more than a 375% increase in assets under management!!!

Congratulations to the Board for their commitment to this cause

With that said, I'd like to move on to matters requiring board action. To begin, We are presenting Exhibit 7A a resolution to elect a Vice Chair Person. The Program's By-Laws states that at an annual meeting, a Vice Chairperson is elected from the members of the Board. After great consideration, Charles Hall JR is being recommended for this position. Charles has been a valued member of the Board since its inception, as well as a leader in the community. His professionalism and acumen in the financial service industry will be an asset to this position. Because of his quality and reputation, it is without reservation that Mr. Hall Jr is recommended for the role of Vice Chair Person.

Moving onto the RFP Program Auditor, Since the last board meeting we have completed a Request for Quote for the Program Auditor. This service provider will perform the audit of the program and production of the requisite reports to the Governor that are mandated by the Secure Choice Savings Program Act.

The Committee has received and evaluated the remitted proposals, and has come to an agreement that Landmark Financial LLC. (Landmark) is best suited to serve as the auditor for RetireReady NJ. With Landmark's support and expertise, we will be able to meet the obligations required by the Act. More importantly, with Landmark's examination and guidance, we will be able to continue to grow the program with the appropriate controls that will ensure the confidence of our citizens here in New Jersey.

With this in mind, we are recommending the board to pass resolution 7B, awarding the Program Auditor contract to Landmark.

Next I would like to bring the Board's attention to Resolution 7C, the proposed 2025 schedule for the Secure Choice Savings Program Board Meetings. The program staff has circulated this

proposed schedule and verified availability of the current Board Members. I would like to ask the Board to consider and approve Resolution 7C adopting the 2025 Board Meeting Schedule in accordance with our By-Laws and requirements under State law.

As we look forward to the 2026 Fiscal year (FY26), I would like to introduce the Annual budget to the Board for consideration. As you will see in the prepared Resolution 7D, and accompanied summary memo, we are anticipating an increase in expenditures of 500 thousand dollars over the FY25 appropriated budget. The proposed FY26 budget totals 4.046 million dollars. This increase is primarily a result from non-salary costs, including service providers, occupancy costs, and education and outreach necessary to support the program. These expenditures are all necessary elements to maintain the Program following our successful launch.

We would like to remind the Board that this budget resolution, should it be ratified, is subject to the appropriations act. As we are also aware, FY26 is expected to be a challenging budget year and we may receive an appropriation of a lesser amount.

With this in mind, 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 FY26 budget.

This being said, this does bring my report to the board to a conclusion. If the board has any questions for me at this time, I'd be happy to speak to them. Thank you.

Chair Spalla asks for action on Agenda Item 7A, the election of the Board's Vice-Chairperson.

Tariq Shabazz moves.

Luis O. De La Hoz seconds.

The motion passes with the members of the Board currently in attendance voting for it.

Chair Spalla asks for action on Agenda Item 7B, the approval of Landmark CPA as Program Auditor.

Luis O. De La Hoz moves.

Charles Hall, Jr. seconds.

Kevin Walsh abstains

The motion passes with the remaining members of the Board currently in attendance voting for it.

Chair Spalla asks for action on Agenda Item 7C, the 2025 board meeting schedule.

Charles Hall, Jr. moves.

Kevin Walsh seconds.

The motion passes with the members of the Board currently in attendance voting for it.

Chair Spalla asks for action on Agenda Item 7D, the approval of the FY26 budget.

Kevin Walsh moves.

Luis O. De La Hoz seconds.

The motion passes with the members of the Board currently in attendance voting for it.

Chair Spalla asked about any old or new business from the board of which there was none.

Chair Spalla then opened the meeting up for public comment, of which there was none.

There being no further business, on a motion from Luis O. De La Hoz, which was seconded by Tariq Shabazz, and carried by voice vote from members present voting in favor, the meeting was adjourned at 10:47 AM.