



**COLORADO  
Secure  
Savings**

## **Meeting minutes from the Monday, October 18, 2021 Board Meeting**

### **Board members in attendance:**

Keshia Allen Horner

John Ikard

Jim Martin

Toby Nuber

Carolyn S. Paul

Alvin Tafoya

Darrell Watson

Sean Wood

Treasurer Dave Young

### **2:01 – 2:05 pm Welcome and approval of meeting minutes**

Darrell moved approval of the minutes from the August 16, 2021 Board Meeting. Carolyn seconded the motion. The motion passed at 2:05 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

### **2:05 – 2:22 pm Partnership Opportunity**

Hunter and Claudia have been working to create a program between Colorado's Secure Savings Program and New Mexico's Work and Saves. Hunter introduced Claudia Armijo and Lynn Hoffman from New Mexico. Claudia and Lynn addressed the Board and are very excited for this collaboration.

Darrell moved to put forward a memo of cooperation between New Mexico Work and Saves and the Treasurer's staff to continue to move forward on a formal program. The motion is open to any formal amendments that the State of Colorado's disclosure staff deem necessary. Sean seconded the motion.

The Board discussed the motion along with questions and answers. One question asked is why New Mexico is interested in cooperating with Colorado. New Mexico is excited for the opportunity to share



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the experience, and expertise and program design and insights. New Mexico is behind Colorado due to the legislation passing later than Colorado's Secure Savings Program.

The motion passed at 2:20 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

#### **2:22 - 2:43 pm Program Timeline**

Presented by Andrea and Derrick from AKF. They have added a new category called partnership opportunity, along with resources and updated the time frames.

Darrell moved to approve the updated program implication timeline provided by AKF. Carolyn seconded the motion. The motion passed at 2:42 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

#### **2:43– 3:50 pm Initial Design Elements**

Hunter hopes to get the initial design elements decided so staff can write solicitations around them.

The first item discussed was auto escalation rates. Hunter explained what is required in statute and shared other states automatic escalation. Recommended auto escalation for CSSP participants is one percent annually, up to eight percent.

Darrell moved to approve a default automatic escalation for program participants at a rate of one percent annually and up to eight percent provided that contributions do not exceed the IRA contribution limits. Toby seconded the motion.



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The Board discussed the motion and asked questions.

The motion passed at 3:10 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

#### Enrollment Waves

Three states have implemented enrollment waves. The states have varied in their enrollment practices, and Colorado is learning from their experience to determine the best option for Secure Savings. Waves are expected to provide clarity to employers required to take action.

Darrell moved to approve the following motion with caveat language that speaks to equity. The motion is to approve formal enrollment waves following the pilot program at an interval of six months in between waves and segmenting firms using the following structure; first wave 100 plus employees, second wave 50 plus employees and third wave 5 plus employees. Jim seconded the motion. The motion passed at 3:27 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

#### Roth/ Traditional IRA

Hunter recommends using Roth IRA accounts because it appears to be the best structure to facilitate the type of program the Board is putting together.



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Darrell moved to utilize Roth IRA accounts as a default account structure for program participants of the updated program timeline. John seconded the motion. The motion passed at 3:34 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

#### Investment Structure

Approve the core lineup that was presented during the last meeting. The target date is required in statute, but the board has flexibility on the other asset classes.

Darrell moved to utilize the following investment structure for program participants, target date series, capital preservation, balanced ESG, core fixed income, and global equity. Toby seconded the motion. The motion passed at 3:40 pm.

- Keshia Allen Horner – Yes
- John Ikard – Yes
- Jim Martin – Yes
- Toby Nuber – Yes
- Carolyn S. Paul - Yes
- Alvin Tafoya - Yes
- Darrell Watson – Yes
- Sean Wood – Yes
- Treasurer Dave Young – Yes

#### **3:41-3:50 pm Program Updates and Next Meetings**

The Treasurer's Office received a great list of candidates for the analyst position, and will begin the interview process soon. Hunter will send a Doodle poll for a meeting in early November.

#### **3:50 – 10:57 pm Public Comment**

- Written Comments
  - There were no written comments.
- Verbal Comments
  - Katie Wendlend – Human Interest
    - Is Colorado going to allow cannabis companies in the program and will it be rolled out different than other companies?



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- Yes Colorado intends to include cannabis companies. There is no plan for the rollout yet.
- Jervis DiCicco - Concerned citizen/Co-founder of a financial wellness company
  - Would like to caution the committee to be very aware of the tradeoffs of saving for retirement and dealing with urgent financial needs. Do not want to be exaggerate current financial issues. Want to help folks move forward and not backwards.
- Thomas Little – Achieve Retirement
  - Had the same questions regarding Cannabis as Katie did.
  - Federal Government has plans to launch its own program. How will that affect Colorado and New Mexico’s?
    - Secure Savings would be grandfathered in. Will have the ability to do their own program.
  - Would the Federal Government be less expensive or would the programs be in line with each other?
    - Secure Savings is capped but it is an open question.
- Demetrius Johnson – DSquared Financial Group
  - Would like to make sure the Board is keeping the underserved people in the forefront as the program moves on.
  - Demetrius had a question on fees.
    - Aggregated assets under management. The fees will be priced into product.
- Andrew Blevins – Pew Charitable Trust and private citizen
  - Flagged a report from Oregon’s program for the Board to look at.

**Meeting was adjourned at 4:13 pm.**