

*To: Members of the Executive Committee of the Legislative Commission on Pensions and Retirement*

*From: Sean Kelly and Susan Lenczewski*

*Subject: Board of Directors of the Minnesota Secure Choice Retirement Program-- Appointment of Applicants to Three Board Seats*

*Date: January 5, 2024*

*Attachment: [Exhibit A](#) – “Submitted Application Materials”*

## **Background**

As required by the Minnesota Secure Choice Retirement Program Act, [Laws 2023, Chapter 46](#), the Board of Directors for the Secure Choice program is to consist of seven members:

- “Ex officio” members who are the Executive Director of MSRS and the Executive Director of the State Board of Investment or their designees;
- Three members appointed by the LCPR; and
- Two members appointed by the Governor.

Except for the two ex officio members who serve indefinitely, directors will serve two-year terms.

The LCPR is responsible for appointing three members to the board. The Executive Committee, according to the [Commission’s rules](#), has the authority to act on behalf of the full Commission between Commission meetings. As a result, the Executive Committee has the authority to appoint candidates to the board during the Executive Committee meeting on January 8, 2024.

## **Application and appointment process**

Below is a timeline of the application process that has taken place prior to the Executive Committee meeting on January 8, 2024.

August 2023:

- LCPR staff worked with the Office of the Minnesota Secretary of State to create a [webpage](#) for the board on the Secretary of State’s Boards and Commissions system. The webpage was created to allow candidates to apply for open seats on the board.
- LCPR staff sent emails to many individuals in the retirement and financial services communities in Minnesota to invite potential candidates to apply.

September to present:

- LCPR staff met several times with Marco Lanz and Cayten Gardner from the Governor's appointments office to discuss the applicants and a vetting process.
- LCPR staff conducted preliminary vetting of applicants through research using publicly available sources.
- To date, 16 applicants have applied for the five open seats, which includes the seats to be appointed by the Governor. The online application required applicants to fill out an application form and permitted applicants to submit a resume and cover letter. The application form provides no information on an applicant, other than the applicant's name, telephone number, and county of residence. If an applicant did not submit a resume and cover letter with their application, LCPR staff encouraged them to do so.

We suggest that the Executive Committee make appointments contingent upon satisfactory completion of a background check, to allow for additional vetting of the final candidates. After consultation with several non-partisan legislative staff, LCPR staff has learned that it is not customary for appointing authorities within the legislature to require a background check for appointments. However, the Governor's office conducts background checks for all board appointments. In addition, the members of the board owe a fiduciary duty to the participants of the program, which may justify further due diligence.

Once the Executive Committee selects final candidates for appointment, and subject to the Chair's wishes, LCPR staff will 1) prepare a letter from the Executive Committee to each individual appointed, informing them of their appointment and copying the Governor's office and the Secretary of State, 2) notify the rest of the members of the Commission, and 3) post notice of the appointments on the Commission website. LCPR staff will also contact the appointees to move forward with the background check.

### **Applications for the LCPR seats**

We have received applications from nine individuals for the three boards seats that are to be appointed by the Commission. We have reviewed the applications and publicly available sources as part of our vetting process. The rest of this memo provides a summary of each applicant based on our review.

For more information on each applicant, please see Exhibit A, which is a compilation of the applications, cover letters, and resumes as submitted by the applicants.

Please note that several applicants appear to have the qualifications and experience needed for board seats other than the one they designated in their application. Because any one applicant could have applied for all three seats, the Commission has the flexibility to appoint an applicant

to a seat that is not the seat designated by the applicant in the applicant's application, if the applicant's expertise and experience also matches the criteria for that seat. This will allow the Commission to appoint the most qualified individuals to the board, even where two highly qualified applicants applied for the same seat.

The seats to be filled by the LCPR and the applicants to each are the following:

**Executive or operations manager with substantial experience in record keeping 401(k) plans ("recordkeeping seat"):**

- Heather Johnson submitted an application form but did not submit a resume or cover letter. Due to the lack of information about Ms. Johnson that a resume or cover letter would provide, LCPR staff have not been able to evaluate her experience and background.
- Robert Woytassek submitted a resume with his application form. He is Senior Vice President and Director of Retirement and Benefits at ARB (Alerus Retirement and Benefits). He appears to have substantial experience with recordkeeping.

**Executive or operations manager with substantial experience in individual retirement accounts ("IRA seat"):**

- Kent Schutte submitted an application form, cover letter, and resume. He is President and CEO of three financial services companies (EFS Advisors, Advanced Advisor Group, and Aviben) and appears to have substantial experience with 403(b) arrangements, but not specifically IRAs.
- Danica Goshert submitted an application form, cover letter, and resume. She is Senior Vice President and Private Wealth Manager at Integrated Equity Management and appears to have substantial experience with IRAs.

**Executive or other professional with substantial experience in retirement plan investments ("investments seat"):**

- Cynthia Geiwitz submitted an application form, cover letter, and resume. She is Senior Counsel for Wells Fargo & Company and appears to have substantial experience with retirement plan investments, recordkeeping, and IRAs. Ms. Geiwitz has no objection to filling either the recordkeeping or IRAs seat rather than the investments seat, if the Committee determines the board would benefit from having her fill one of the other seats.

- Bradley Arends submitted an application form and bio that appears to be used for marketing purposes by his firm. He is the co-founder and CEO of intellicents and appears to have substantial experience with recordkeeping and retirement plan investments.
- James Miley submitted an application form, cover letter, and resume. He is the co-founder, Managing Director, and Chief Investment Officer of Hays Financial Group and appears to have substantial experience with retirement plan investments.
- Allen Hoppe submitted an application form, cover letter, and resume. He is the Director of Banking, Investments, and Debt for the City of Minneapolis, and appears to have substantial experience with investments, but not specifically retirement plan investments.
- Peggy Ingison submitted an application form, cover letter, and a bio. She is currently retired and worked most recently as the Chief Financial Officer and Senior Administrative Officer for the Minnesota Historical Society. She just completed a term as a member of the SBI's Investment Advisory Council. She appears to have substantial experience with retirement plan investments.