



**ADVISORY COMMITTEE MEETING MINUTES  
MAY 11, 2005  
PERS HEADQUARTERS  
BOARDROOM  
TIGARD, OREGON**

**COMMITTEE MEMBERS PRESENT**

ROMAN MARTUSHEV, CHAIR  
BARRY KAST, COMMITTEE MEMBER  
PETER A. BYEMAN, COMMITTEE MEMBER  
FRANK GOULARD, COMMITTEE MEMBER

**STAFF MEMBERS PRESENT**

GAY LYNN BATH, MANAGER  
MARSHA BACON, CS ADMIN.  
DENISE HELMS, ASST. TO MANAGER  
KATHY PETERSON, PROGRAM COORDINATOR  
JUSTIN NAEGLE, EDUCATIONAL REP  
JACK SCHAFROTH, LOCAL GOV'T REP

**I. INTRODUCTION:**

Call to Order by Chair Martushev at 9:30 a.m. Chair Martushev.

**II. APPROVAL OF MINUTES:**

Chair Martushev asked for any changes to the minutes from the February 9, 2005, meeting as presented. Frank Goulard asked that a typo on 5-D) be corrected. Minutes were updated accordingly. Byeman then moved to adopt the minutes as presented. Kast seconded the motion, and it carried unanimously.

**III. OLD BUSINESS: None**

**IV. ADMINISTRATIVE REPORT:**

**A) Performance Results:** Kevin Nordhill, Treasury Department, gave an overview of the last quarter, stating that it has been a tough road for equity managers this year. The last quarter was not the best and all options were slightly below the benchmark. Nordhill discussed possible structural plans for the future.

**B) Asset Report:** Bath shared the most recent asset report noting the assets have grown from \$678 million in 2004 to \$748 million in 2005. Bath explained that the participants seem to stay very well diversified.

**C) Plan Update:** Bath explained the new format to the Plan Update. With less text and more design, it is easier to read. The format will change even more when the new communication products come out. The Plan Update will change to match the new design. Bath stated the article “Easier Money Management A Mouse Click Away” brought a lot of responses to CitiStreet from participants asking how to use it. OSGP will add the directions to the website and to the next plan update. Goulard suggested we make a small box in the Plan Update for the dollar amount participants can defer each year including the 50+, and 3-year catch-up amounts.

**D) Local Government/State Status Report:** Jack Schafroth highlighted his main goal of getting the participation numbers up. Participation is up from last year and continues to increase. The most recent additions are Port of Newport, Sutherlin School District, City of Carlton, City of Oakridge, Corvallis School District and Bend Lapine School District. Schafroth stated that OSGP was highly regarded and people seem to be very satisfied with our plan. He explained that being out on the road educating people is helping the participation level. Schafroth noted that Corvallis School District, in its recent contract negotiations, eliminated its early retirement incentive program. Instead, the school district gave eligible employees lump sum amounts in the form of cash. Many employees chose to defer those amounts. Schafroth was able to attend meetings at the school district with human resources personnel and 403(b) providers. He communicated the differences between OSGP and 403(b) plans and discussed the low fees offered by OSGP. This resulted in over \$400,000 being transferred into OSGP.

Justin Naegle gave an update on the progress of the 2005 goals and strategies for state employees, miscellaneous agencies and higher education. One of Naegle’s goals is to increase participation and he thinks holding more “brown bag” presentations can help him reach that goal. He has had 342 attendees at workshops in the first quarter alone. These particular workshops are good because state employees can attend them during their lunch-hour. Two of the most popular topics are taxed deferred savings and how to manage your account. Chair Martushev asked if he contacts the training and development department, adding it might be another way to increase enrollments. In addition, when people switch jobs, are they notified they can join OSGP? Bath added the new enrollment kits are almost complete. In addition, CitiStreet has enhanced security on the website; when you log on, you have the choice of selecting a user name or social security number. If you choose to continue using your social security number, it now appears as asterisks on the screen instead of the actual numbers.

**E) Service Review and Introduction of New Client Relationship Manager:** Bob Donohue introduced Tony Signorello from CitiStreet who will be replacing Bob. Carol Cann was also introduced, and she will replace Greg Forte as client relationship manager. Goulard asked Donohue about ways to capture e-mail addresses from all state and local government employees for future communications regarding the plan. Bath stated we added a line to the enrollment kits for new employees to provide that information. In addition, we are checking with payroll administrators to see if they can send out e-mails

to all their employees. We still must be careful about trying to retrieve this information with all of the spam and current e-mail security issues. Donohue explained they are working on e-mail confirms, and that some of the larger companies are doing it.

Signorello gave an overview of the added security access to the website. Signorello expressed his excitement at the introduction of the new logo for OSGP, explaining this new branding will help participants identify our plan. All communications, including the website, will be updated with the new branding. Signorello presented the service review for the first quarter of 2005. He highlighted the call center statistics, noting the benchmark for calls is 30 seconds. Goulard asked that another bar be added to the statistics in the service review to reveal how many calls hold past 30 seconds. Goulard also asked that CitiStreet print the percent of total eligible employees by age for both state and local government. Bath stated that we can try to get this information from the state list serve, but CitiStreet does not have access to that information, and it is not available from the local governments. Signorello will look at the slides and put some more comparisons and trends together. Martushev asked if \$25 was the minimum that participants could contribute. Bath explained this was an administrative rule from OSGP. Martushev suggested lowering the minimum amount of the deferral to see if that would help bring some more participants on board. Goulard asked that the numbers be checked on the local government statistics, including the number of participants. There was a discussion on stable value and short-term value funds.

## **V. NEW BUSINESS:**

- A) Preview of New OSGP Communication Materials:** Shelley Gallant, Communications Manager, presented the new enrollment package and communication materials to the committee. Gallant stated that the main initiatives are to increase awareness and participation, and to educate retirees of the advantages of staying in the plan. Gallant said the cost of the new enrollment kits in full color were 2/3 less; \$4 versus \$14 – than the previous kits. Goulard would like to replicate the maximum and minimum deferral amounts on the background sheet in bold.
- B) Status of Advisory Committee Member Recruitment:** Bath gave an update of the recruitment progress for the Advisory Committee position, noting we are getting some excellent responses. Applicants have until May 31, 2005 to apply. Bath and Bacon explained the initial process of the selection would be reviewed first by the PERS Director Paul Cleary, and the Deputy Director Steve Delaney and then given to the PERS board for final review and selection.

## **VI. ADJOURNMENT:**

There being no further business, Chair Martushev adjourned the meeting.

Respectfully submitted,

Denise A Helms

ASSISTANT TO THE DEFERRED COMPENSATION MANAGER