Oregon Retirement Savings Board
MINUTES
July 19, 2016

Board members present:
Chair, Treasurer Ted Wheeler
Kara Backus
Senator Lee Beyer
Kevin Jensen
Representative Tobias Read
Juanita Santana
Cory Streisinger

Oregon State Treasury staff present:
Michael Cox, Communications Director
Lisa Massena, Executive Director, ORSP
Alex Nelson, Project Manager
Kristin Dennis, Senior Policy Advisor
Tom Rinehart, Chief of Staff
Tim Sayre, Project Manager
Missy Simpson, Executive Assistant
James Sinks, Communications Director

ORSP Service Providers present:
Anek Belbase, Senior Research Project Manager, Boston College
Wendy Carter, VP, Senior Consultant, Segal Group
Glenn Ezard, Segal Rogerscasey
Joe Olivier, Consultant, BridgePoint
Geoffrey Sanzenbacher, Research Economist, Boston College

The Oregon Retirement Savings Board meeting was called to order at 9:02 am by Treasurer Ted Wheeler, Chair.

**Agenda Item 1 – Approval of the minutes of the June 7, 2016 meeting of the Oregon Retirement Savings Board (ACTION ITEM)**

*Board Action*
Motion to approve the minutes of the June 7, 2016 meeting of the Oregon Retirement Savings Board after correcting the date from June 6, 2016, to June 7, 2016.

| MOTION: | Cory Streisinger | SECONDED: | Juanita Santana |
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| ACTION | Motion Passes | | |

**Agenda Item 2 – Plan Update - Rulemaking: (INFORMATION ITEM)**

Lisa Massena presented the Board with a series of updates, including an update on the working groups' activity to date and future meetings, where expected. The Outreach working group is still active; its next meeting will be scheduled shortly. Ms. Massena also provided an update on the schedule associated with the ORSP rulemaking process. Separately, Staff is working on the 2016 Report to the Legislature. A working plan has been set and staff is developing the content for this Report.

Kara Backus asked for clarification regarding the Rulemaking process and the Department of Labor's Safe Harbor Regulations for Savings Arrangements Established by States for Non-Governmental Employees, if this means there are going to be a separate set of safe harbor regulations for governmental employees. Ms. Massena confirmed there will not. The language the DOL used and their concept was that states ordinarily cover governmental employees but are now, through the state administered retirement plans, looking to cover a broader set of employees.

**Agenda Item 3 – Report on Program Design and Recommendations - (INFORMATION ITEM)**
Wendy Carter from Segal gave a summary of the Program Design recommendations that Segal and BridgePoint collaborated on, and presented the Board with supporting documentation. The presentation included a program overview with Segal's recommendations.

Joe Olivier from Bridgepoint talked about the operational model and process, with a focus on simplicity. Ms. Carter finished the presentation by discussing her recommendations for the Program Design.

(*A full copy of the presentation has been made available on-line*)

**Agenda Item 4 – Report on Market Analysis and Financial Feasibility: (INFORMATIONAL ITEM)**

Anek Belbase from Boston College's Center for Retirement Research gave an overview of the Report on Market Analysis and Financial Feasibility. Senator Beyer asked for confirmation on the term 'the standard data transfer', and if this was related to initial enrollment. Mr. Belbase confirmed Senator Beyer's statement.

Geoff Sanzenbacher presented the Feasibility Analysis to the Board. Some highlights from the presentation included assumptions around initial startup costs, the annual ongoing cost per account, and investment costs would be 15 basis points. The report details a range of breakeven, cost recovery and cost reduction/scale circumstances for use by the Board and others.

(*A full copy of the presentation has been made available on-line*)

**Agenda Item 5 - Proposed Plan and Program Design: (Informational Item)**

Ms. Massena presented the Board with an updated Proposed Plan and Program Design with the changes the Board requested at the last Board meeting. The Board discussed the various elements in this enhanced design.

**PUBLIC COMMENT:**

Richard Schwarz gave public comment, asking the Board to consider the difference between having a payroll service and not. If there is a strong desire for having a phased-in plan approach, do not differentiate employers who use payroll services and those who do not.

Treasurer Wheeler called attention to written testimony that was received from Sanjeev Balajee who hopes we will have an SRI option amongst the investment options and suggests the opportunity to create a volunteer committee that could help with recommendations around SRI options.

Martin Noven from TIAA, gave brief public comment related to the 'Provider J Curve'. Mr. Noven suggested an option for dealing with the losses of the Plan would be breakpoint pricing, start out higher and let the provider make money to soften the J curve. One other point Mr. Noven made that was not covered in the presented reports was asset leakage. People like their "buckets", savings vs. retirement. One way to help with this is to create an emergency fund, that way people are not using their retirement but their emergency fund.

**Agenda Item 6 – Proposal to Approve Basic Plan Design: (ACTION ITEM)**

*Board Action*
Motion to approve Basic Plan Design.

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| MOTION: | Cory Streisinger | SECONDED: | Juanita Santana |
| ACTION | Motion Passes | | |

**Agenda Item 7 - Retention of General Consultant for the Oregon Retirement Savings Plan: (ACTION ITEM)**

Treasurer Wheeler asked for any of the prospective RFP participants to please step out of the board room so the Board could discuss the General Consultant for the ORSP and the contract.

Ms. Massena reported to the Board the process used in evaluating Proposers and developing the recommendation and advised that the Board is being asked to confirm Staff's recommendation of a provider for the General Consultant function for the plan. There were six qualified firms that responded to the RFP: Aon-Hewitt Investment Consulting, Arnerich Massena Consultant, Hyatts Group, Meketa Investment Group, Pension Consulting Alliance, and Segal Rogerscasey.

*Board Action*
Motion to approve the retention of Segal Rogerscasey for the General Consultant for the Oregon Retirement Savings Plan:

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| MOTION: | Cory Streisinger | SECONDED: | Juanita Santana |
| ACTION | Motion Passes | | |

Wendy Carter, Segal Consulting, and Glen Ezard, Segal Rogerscasey, gave a presentation for the Board.

(*A full copy of the presentation has been made available on-line*)

The next meeting will be on September 20, 2016.
ADJOURNED at 11:29