



**ADVISORY COMMITTEE MEETING MINUTES**  
**May 14, 2014**  
**Archives Boardroom**  
**SALEM OREGON**

**COMMITTEE MEMBERS PRESENT**

Kevin Nordhill, Committee Member  
Jeff Labhart, Committee Member  
Mark Carlton, Committee Chair  
Keith Baldwin, Committee Member  
Debbie Darst, Committee Member

**STAFF MEMBERS PRESENT**

Gay Lynn Bath, Manager  
Kathy Gannon, Program Coordinator  
Tamie Cannon, Assistant to Manager  
Jack Schafroth, Local Government Representative  
Karen Blanton, Educational Representative

**I. INTRODUCTION:**

Meeting called to order by at 9:30 a.m. Mark Carlton requested introductions from all those in attendance.

**II. APPROVAL OF MINUTES:**

Minutes from the February 12, 2014 were approved as presented

**III. OLD BUSINESS:**

No old business was discussed.

**IV. ADMINISTRATIVE REPORT:**

**A. ForUs Presentation:** David Ramirez of ForUs presented to the Advisory Committee what his company could offer in to our program in the way of products and services. ForUs provides ways to get the attention of hard-to reach employees and ways for participants to navigate retirement and health care solutions via interactive guides based on behavioral science.

**B. Q1 2014 Service Review and Field Activities:** Brian Merrick, Kenje Mallot, and Yolanda Dominguez of ING presented. Merrick reported that while more money is coming into the plan, more money is also leaving the plan due to an aging population. He discussed the Personal Financial dashboard, a new enhancement being offered that allows participants to consolidate other financial holdings. E-money is built in and the program is refreshed each night. It offers a broader spectrum than just coordination of personal financial holdings. Merrick reported that a Retirement Readiness Indicator will be coming this summer, probably in August. It provides a snapshot in today's dollars of retirement assets and can also present



information in a context of how much will be needed in retirement. It is a dynamic tool that allows them to change different aspects like contributions and earnings rates. Spouse factors can also be included. He said ING can present a demo of this new feature at the next Advisory Committee meeting.

Merrick then reviewed tax exempt market information and talked about the transition to VOYA Financial. He reported that this change doesn't have much application to OSGP and that our plan is branded as OSGP in case participants have questions.

Kenje Mallot then presented the local operations update, starting by providing background information on Yolanda, OSGP's new onsite ING representative. She explained that ING's local activities have been reduced because of the transition between Justin and Yolanda and mentioned that Justin continues to assist with the local plan activities throughout the transition. Some goals have already been met, so there are plans to meet with Gay Lynn Bath to update the goals. There was discussion about the number of IAP rolling to OSGP and possible efforts to increase the percentage of IAP rollovers to OSGP.

Brian Merrick finished ING's presentation with a brief review of communications efforts.

- C. Q1 2014 Performance Review:** Jake O'Shaughnessy from Arnerich Massena discussed how Q1 interest rates fell back, possibly based on weather factors. A rebound is expected in Q2. He mentioned that approximately five years have passed since the crisis point on March 9, 2009 and that if participants had stayed invested, they would have enjoyed approximately 25 percent returns compounded. He discussed emerging market dollars returning to the developed world. Regarding the fix market, O'Shaughnessy reported a high point of five percent and a low point of 2.7 percent. He also discussed how the Fed is gradually removing qualitative easing programs that were driven by higher interest rates and that corporate debt had not been favored over government debt. He reported that intra-stock correlation being reduced is becoming evident, that people are starting to prefer individual companies, and that stocks are starting to differentiate themselves.

O'Shaughnessy referred the attendees to page five of his report and discussed how lower numbers are better. He reviewed how Black Rock funds are more conservative and are underperforming compared to others right now because of that. He then referred the attendees to page eight and discussed whether the current stable value fund strategy was prudent. He said it is. Our stable value fund was performing at 1.4 percent while other funds are performing at zero percent (money market accounts).

- D. Financial Engines Update, Communication and New Advisory Committee Member Update:** Gay Lynn Bath reported that she is still working with procurement to add the financial advice tool (Financial Engines).



Bath then discussed mailings used to reach out to State employees and the enrollment statistics that resulted. She talked about the difficulty of communicating with the various local governments. She reported that an RMD mailing was sent out in March and another letter sent out to participants with dollars in short-term fixed to educate them of the intent of that fund and how to reallocate their funds. Bath then talked about the ambassadors OSGP has at certain agencies and the impact they are having on the program. She also related a conversation she had with Michael Jordan, COO at the Department of Administration, on about the possibility of getting his support to allow state employees to use agency time to attend education sessions since this program is one of their employment benefits.

- E. State Q1 2014 Status Report:** Karen Blanton reported that the workshop attendance has increased. She explained the availability of DHS' webinar services that OSGP uses to provide OSGP workshops to DHS employees. She described the increases in the frequency of DHS presentations due to use of the webinar services and that there is now a waiting list for our presentations. She also reported having reworked the Wealth Builder presentation. Blanton reviewed the successes in improved communication with ODOT employees. She demonstrated the power of DHS and ODOT employees not having to use their personal time to attend workshops resulting in most of the 358 enrollments received this quarter. Blanton also explained that 15 of 39 brown bag workshops were at ODOT and that she is almost up to her goal on state employee targeted workshops. Finally, she talked about her increased efforts to push IAP rollovers to OSGP and enrolling with minimum \$25 monthly contributions in preparation for retirement and to allow for the IAP rollovers. Blanton also reported that she has cut back the information provided in the workshops to allow participants 20-30 minutes to actually fill out the enrollment forms during the session.
- F. Local Government Q1 2014 Status:** Jack Schafroth reported the program is still seeing increases in monthly deferrals and increase rollover activity among local government participants. He reported that there will be no new Q2 adoptions and reported on the benefit fairs he had attended. He plans to focus on one-on-one meetings with participants and visits to employer sites. He will be backing off of school district visits for the summer and focus instead on city, county, and special agencies' worksites.
- G. Q1 2014 Plan Statistics:** Kathy Gannon reported that the program is seeing contributions increase, new enrollments jumping (particularly among state employees). Part of these enrollments are attributed to employees enrolling just prior to retirement so that they can roll IAP accounts. She provided a breakdown of the new enrollments between traditional, Roth and a combination of the two.



Gannon then reported on special projects. Dee Monday has been actively pursuing increased participation in 50-plus and 3-year catch-up provisions, and we have noted a huge increase in those participation levels. Gannon reported a spike in the number of loans, but not the dollar amounts. She reported that participants are usually choosing to continue contributing while repaying the loans. She also reported that Unforeseeable Emergency requests have slightly increased, and mentioned that those participants do have to suspend their contributions for a period of time. Gannon reported that inbound rollovers have increased, but that the increase is due, in part, to IAP rollovers. She also reported seeing minor increases in outbound rollovers, which is due, in part, to trustee to trustee transfers to make PERS service time purchases. Gannon wrapped up her report by talking about the new targeted efforts at DHS and ODOT

**V. NEW BUSINESS:**

Debbie Darst and Keith Baldwin will be leaving the Advisory Committee. Gay Lynn Bath reported receiving applications from ten state employees and three local government employees for the vacant Advisory Committee seats. She discussed the process for recruiting and adding new committee members. Steve Schnurbusch, from DEQ and Celeste VanCleave, from Central Linn School District, are the names that will be presented to the PERS Board at their next meeting.

**VI. AUDIENCE PARTICIPATION: There was no audience participation.**

**ADJOURNMENT:** The next meeting is scheduled for August 13, 2014 in Salem.

There being no further business, the meeting was adjourned at 12:09 p.m.

Respectfully submitted,

Tamie Cannon  
Oregon Savings Growth Plan Staff