

Oregon Retirement Savings Board Meeting

OST-Tigard Office
Mt. Hood Board Room
16290 SW Upper Boones Ferry Road
Tigard, Oregon

Thursday, 6/27/2019
3:00 - 4:00 PM PT

1. Agenda (3:00 pm)

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2. Review and Approve May 7, 2019 Board Minutes Presented By: Treasurer Tobias Read (3:05 pm)

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3. OregonSaves Investment Consultant Presented By: Michael Parker, Executive Director (3:10 pm)

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4. Public Comment (3:50 pm)



**Oregon Retirement Savings Board
Agenda**

Thursday, June 27, 2019

3:00pm – 4:00pm

OST – Tigard Office
Mt. Hood Board Room
16290 SW Upper Boones Ferry Road
Tigard, Oregon

CALL TO ORDER 3:00

There will be an opportunity for public comment before the end of the meeting.

ACTION ITEMS

1. **Review and Approve May 7, 2019 Board Minutes** **Treasurer Tobias Read**
ORSB Chair 3:05

FOR DISCUSSION AND POSSIBLE ACTION:

2. **OregonSaves Investment Consultant** **Michael Parker**
Executive Director 3:10

PUBLIC COMMENT: 3:50

Next Meeting of the Oregon Retirement Savings Board: August 6, 2019

Adjournment

Tobias Read	Kara Backus	Lee Beyer	Edward Brewington	Jeff Anderson	Pam Marsh	Cory Streisinger	Michael Parker
Treasurer	Member	Senator	Member	Member	Representative	Member	Executive Director
Chair							Oregon Savings Network

Minutes of the
Oregon Retirement Savings Program
Board Meeting of May 7, 2019

Members Present: Cory Streisinger, Acting Chair
Jeff Anderson
Kara Backus
Edward Brewington

Members Absent: Treasurer Tobias Read
Senator Lee Beyer
Representative Pam Marsh

Network Staff: David Bell, Deputy Director
Kaellen Hessel, Advocacy/Outreach Manager
Joel Metlen, Operations Director
Michael Parker, Executive Director
Missy Simpson, Executive Coordinator
Stephanie Swetland, Plan Specialist
John Valley, Policy & Outreach Director

Treasury Staff: David Elott, Legal Counsel
Kim Olson, Policy Director
Lisa Pettinati, Deputy General Counsel
Jen Peet, Corporate Governance Director
James Sinks, Dir. of Comm. & Stakeholder Relations

Others Present: Ted Bender, Ascensus
Kevin Boyles, Millennium Trust
Wendy Carter, Segal
Craig Chaikin, Segal
Matt Golden, Ascensus
Jeff Gudman, Lake Oswego
Ryan Harvey, Sellwood Consulting LLC
Vidur Mehra, SSgA
Scott Morrison, Ascensus

The meeting was called to order at 1:00 p.m. by Cory Streisinger, Acting Chair.

Agenda Item 1 – Review and approval of the February 5, 2019 and April 2, 2019 Board Minutes (ACTION ITEM)

MOTION: Board member Edward Brewington moved to approve the February 5, 2019 and April 2, 2019 minutes seconded by Jeff Anderson. The minutes were approved by a 4/0 vote.

Agenda Item 2 – Executive Director’s Report (INFORMATION ITEM)

Michael Parker, Executive Director, updated the Board on the progress of the state collaboration initiative, Washington State’s retirement bill, which did not pass, and progress on Oregon’s pending legislation. Mr. Parker discussed the budget with the Board, letting them know the program will be self-supporting in the next biennium. The next Board meeting will include draft charts to show where money is being spent. The final stage of interviews for the Investment Consultant are being conducted and staff will come back to the Board with a recommendation.

Agenda Item 3 – Program Implementation and Administration (INFORMATION ITEM)

a. Implementation / Program Numbers:

Joel Metlen, Operations Director, provided the Board with the numbers of employers and employees in the program, stating the participation percentages have not changed. The field representatives are continuing to provide in-person support throughout the state. As the program moves to smaller employers, a larger percentage will need to register than in prior waves. Age and zip code of savers will be brought back to the Board as data points. Mr. Metlen also gave a quick update on the research that is being done behind the scenes. A copy of Mr. Metlen’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

b. Outreach:

Kasey Krifka, Engagement Director, gave an update on outreach being done for OregonSaves. There are two general goals for the program, awareness and maintaining the brand. The spring campaign which includes TV, radio and digital video will run through June. A copy of Ms. Krifka’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

Program Administration:

Matt Golden, Ascensus, shared an update on the self-enrollment promotion Ascensus is doing beyond what the outreach team is doing, and will present feedback to the Board at the next meeting. The public website has been refreshed. Wave 4 invites were sent out on April 15th. During the platform update, Mr. Golden discussed what is happening with auto-escalation. Ascensus is working with payroll providers to help educate and work with them on understanding OregonSaves and taking on payroll deductions. Mr. Golden answered Ms. Backus’ question from the last Board meeting whether those that were self-enrolled were choosing investment elections differently than those through their employer. Less than 2% of funded accounts have made investment elections other than the default and the self-enrolled numbers are above 7%. A copy of Mr. Golden’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

Agenda Item 4 – Program Investment Review (INFORMATION ITEM)

a. Environmental Update:

Wendy Carter, Segal, presented the statistics on New Mexico’s retirement report she promised the Board at the February Board meeting, gave an environmental update on retirement, and talked about education on cyber security. A copy of Ms. Carter’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

Michael Parker discussed the process regarding cyber security in Treasury. Treasury does have a cyber-security team that answers questions on an annual basis. Staff is looking at a process for all Oregon State Treasury Boards for an annual check-in. Cory Streisinger asked Mr. Parker to put on the Board meeting schedule a proposal on what the policy should be for cyber security, for the Board to review.

b. SSgA’s Investment Manager Report:

Vidur Mehra, SSgA, updated the Board on the investment performance for Q1. A copy of Mr. Mehra’s Investment Manager Report is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

c. Investment Performance Review:

Craig Chaikin, Segal, gave a brief update on the investment performance. Assets grew to almost \$16.1 million as of March 31, up from \$10.9 million as of December 31. All investment options experienced positive returns in the quarter and performed in line with expectations. A copy of Mr. Chaikin’s Investment Performance is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

Ms. Backus asked that staff review the glide path and in the next six months see how people are responding to the market changes. Mr. Parker informed the Board that staff would take a look at the glide path on an annual basis and report back to the Board at the end of the year.

Agenda Item 5 – Legislation (INFORMATION ITEM)

Kim Olson, Policy Director, gave an update on the three bills for OregonSaves. SB 164, the compliance bill, passed on the Senate floor but has been delayed on the House floor. SB 165 passed on the Senate floor and a work session should happen soon. SB 166 is in Joint Ways and Means. The Senate Rules committee will be meeting to consider the Governors nominations to boards and commissions, which include Ms. Streisinger and Mr. Brewington.

PUBLIC COMMENT:

There was no public comment.

The meeting was adjourned at 3:04 p.m.



June 27, 2019

TO: Oregon Retirement Savings Board

FROM: Michael Parker, Executive Director, Oregon Savings Network

SUBJECT: Recommendation for Investment Consultant (RFP 170-1395-19)

Background

The contract with Segal Advisors, Inc., which provides investment consulting services to the Oregon Retirement Savings Board, expires on July 31, 2019. The contract has been in place since March 28, 2016. The OregonSaves staff worked with the State Treasury procurement office to develop a Request For Proposal to evaluate investment consulting firms and either retain Segal or select a new firm.

Evaluation Committee

Cory Streisinger, Board member

Michael Parker, Executive Director, Oregon Savings Network

David Bell, Deputy Director, Oregon Savings Network

Joel Metlen, Operations Director, Oregon Savings Network

Evaluation Process

The RFP was issued and we received four proposals (Callan, Meketa, Segal, and Sellwood). All proposals were received in good order and met the minimum qualifications outlined in the RFP. Services requested in the RFP were: investment policy development, investment performance monitoring, fee negotiation, quarterly performance reporting, investment manager searches, record keeper searches, data reporting, custom fund creation, program design, transition services, special projects, and Board education.

The evaluation criteria consisted of seven main areas: (1) Organization, ownership and independence; (2) Employees and resources; (3) Broad consulting capabilities; (4) Additional investment related capabilities; (5) Program administration capabilities; (6) Clientele; and (7) Price.

Each evaluation committee member evaluated each proposal based on the above criteria and assigned points. Each proposal was evaluated prior to the prices being disclosed to the evaluation committee. Pricing points (pricing scale predetermined by Treasury procurement office) were then added to the point totals of each proposer. The 2 proposers with the highest point totals moved on to the interview round.

The top 2 proposers were invited to participate in the in-person interview process. Both proposers were interviewed on the same day for 90 minutes each. (Joel Metlen was not available to participate in the interview process.)

The proposers were asked to prepare and present a mock board presentation on a pre-determined topic in addition to answering a set of pre-determined questions. The proposers were then reevaluated based on their performance in the interview, and the evaluation committee submitted a new set of points for each proposer.

RECOMMENDATION

The evaluation committee recommends Sellwood Consulting, LLC be retained as the investment consultant for the Oregon Retirement Savings Board.

[RESOLUTION]

The Board accepts the evaluation committee's recommendation and directs staff to enter into contract negotiations with Sellwood Consulting LLC for the purpose of retaining Sellwood as the next investment consultant for the Oregon Retirement Savings Board.

Upon approval of this recommendation by the Board, a notice to proceed will be issued, and a contract will be negotiated with Sellwood Consulting LLC.

If the Board does not adopt: Staff and procurement will extend the current contract for a period not to exceed 6 months, and will issue a new RFP for the services that are needed based on recommendations from the Board.