
**Minutes of the
Oregon Retirement Savings Program
Board Meeting of February 4, 2020**

Members Present: Treasurer Tobias Read, Chair
Jeff Anderson
Kara Backus
Edward Brewington
Cory Streisinger

Members Absent: Senator Lee Beyer
Representative Pam Marsh

Network Staff: David Bell, Deputy Director
Kaellen Hessel, Advocacy/Outreach Manager
Kasey Krifka, Engagement Director
Michael Parker, Executive Director
Sabra Purifoy, Operations Director
Missy Simpson, Executive Coordinator
James Sinks, Financial Education Program Manager
John Valley, Policy & Outreach Director

Treasury Staff: David Elott, Legal Counsel
Jen Peet, Corporate Governance Director

Others Present: Ted Bender, Ascensus
Kevin Boyles, Millenium Trust
Ryan Fitzgerald, Sellwood Consulting
Matt Golden, Ascensus
Jeff Gudman, Lake Oswego
Ryan Harvey, Sellwood Consulting
Carolyn Kohout, SEIU Local 99, Home Healthcare Worker
Deanna Longair, Ascensus
Lisa Massena, Massena Associates
Nathan Pellatz, Sellwood Consulting
Kevin Raymond, Sellwood Consulting

The meeting was called to order at 1:04 p.m. by Treasurer Tobias Read, Chair.

Agenda Item 1 – Review and approval of the November 4, 2019 Board minutes (ACTION ITEM)

MOTION: Board Member Cory Streisinger moved to approve the November 4, 2019 minutes, seconded by Board Member Edward Brewington. The minutes were approved by a 5/0 vote.

Agenda Item 2 – Administrative Rules Hearing and Approval (ACTION ITEM)

Michael Parker, Executive Director, and David Bell, Deputy Director, presented the amended administrative rules for 170-080-0015 and 170-080-0020, and asked for the Board to approve these amended rules. A copy of the rules is included as a part of the records for this Oregon Retirement Savings Program’s Board meeting.

MOTION: Board Member Kara Backus moved to approve the Administrative Rules as amended, seconded by Board Member Jeff Anderson. The motion was approved by a 5/0 vote.

Agenda Item 3 – Resolution for Non-Compliant Employers (ACTION ITEM)

Michael Parker, Executive Director, and David Elott, Legal Counsel, reviewed with the Board the resolution for non-compliant employers and asked the Board to give staff the authority to submit the names of employers who are non-compliant for Wave 1 and Wave 2, to the Department of Labor and Industries. This resolution will be added to the Delegation of Authority so staff can submit the names of these non-compliant employers on an ongoing basis after their 24-month grace period runs out.

After much discussion, the Board decided to wait on taking a motion on this authority, and have staff redraft the resolution. A separate Board call will take place within the next couple of months, to discuss and make a motion on this resolution.

Agenda Item 4 – Landmark Contract (ACTION ITEM)

Michael Parker, Executive Director, asked the Board to give approval for staff to enter into a contract with Landmark for auditing services.

MOTION: Board Member Jeff Anderson moved approval for staff to enter into a contract with Landmark for auditing Services, seconded by Board Member Cory Streisinger. The motion was approved by a 5/0 vote.

Agenda Item 5 – Investment Policy Statement – Review Changes (ACTION ITEM)

- **Target Retirement Fund Suite Changes**

Ryan Harvey, Sellwood Consulting, presented the suite of Target Date Funds to the Board which incorporated their recommendations and feedback from the November Board meeting, a copy of which is included as a part of the records for this Oregon Retirement Savings Program’s Board meeting.

MOTION: Board Member Cory Streisinger moved to approve the Investment Policy Statement, seconded by Board Member Edward Brewington. The motion was approved by a 5/0 vote.

Agenda Item 6 – Executive Director’s Report (INFORMATION ITEM)

Michael Parker, Executive Director, updated the Board on the Secure Act that was passed recently by Congress.

- The Act allows for the company that offers annuities be the fiduciary responsible for those annuities. Prior to this it was the employer that was offering those annuities and making sure that it was appropriate for the investors.
- The Act pushes back the age at which retirement plan participants need to take required minimum distributions, from 70-1/2 to 72, eliminating the maximum age for Traditional IRA contributions.
- The Act removes the stretch IRA which allowed non-spouses inheriting retirement accounts to stretch out disbursements over their lifetime, and now mandates that people who leave their retirement accounts to their heirs will have to exhaust that account within 10 years.
- The Act will allow a fiduciary to do an open MEP (multi-employer plan), bringing together businesses and industries that are not similar or alike. This will make it less expensive for some businesses. States may look at these Secure Choice Plans to determine if they want to do a MEP or an Auto IRA.
- The Act enables part-time workers to take part in a retirement plan of their employer. This would allow part-time workers to take part in the employer-sponsored plan if they meet a threshold of either 1000 hours worked or three consecutive years of 500 hours worked.

Mr. Parker gave an update on the budget stating there is sufficient revenue to cover the expenses for the 19-21 biennium. Staff will be concentrating more on employer engagement the next biennium and staff projects an ending fund balance around \$770,000 as we move into the 21-23 biennium. Michael Parker introduced Sabra Purifoy, the new Operations Director.

Agenda Item 7 – Program Implementation and Administration (INFORMATION ITEM)

- a) Implementation / program numbers**
- b) Program Administration**
- c) Outreach**

Matt Golden, Ascensus, shared with the Board a snapshot of the calls and emails Client Services has responded to the past year, over 68,000 calls with 25,000 from employers and 43,000 from savers, and has handled over 9,000 emails. The program went through a second year of auto-escalation with 22,254 savers having their rates increased, and over 5,500 savers auto-escalated for the 2nd time. Ascensus is working with the research team at Duke, testing different messaging to the employers and gave the Board an update on their findings. A copy of Mr. Golden’s presentation is included as a part of the records for the Oregon Retirement Savings Program’s Board meeting.

Ted Bender and Deanna Longair, Representatives for OregonSaves, shared with the Board their efforts of engagement with employers and employees over the last three years, a copy of their presentation is included as a part of the records for the Oregon Retirement Savings Program's Board meeting. Their focus for 2020 will be meeting with employers from Wave 5, focus on employee education for Wave 1 and 2 and engage with non-complying employers before BOLI letters go out.

David Bell, Deputy Director, presented the Program Manager Update, highlighting that the total assets is close to \$41 million, last quarter it was at \$31 million. The number of funded accounts is 58,689, which is up 8,000 from last quarter. Staff has included in their reporting the extra information requested by the Board at the last meeting. A copy of Mr. Bell's Program Manager Update is part of the records for this board meeting.

Agenda Item 8 – Investment Performance Update (INFORMATION ITEM)

Ryan Harvey and Kevin Raymond, Sellwood Consulting, gave their investment performance update, a copy of which is part of the records for this board meeting. Mr. Harvey presented a snapshot of 4th quarter, noting the market value was almost at \$41 million as of December 31st, with 65% in the Capitol Preservation Fund. Mr. Harvey gave an update on the glidepath and noted that every investment in the program delivered positive returns in 2019.

PUBLIC COMMENT:

Carolyn Kohout, Home Healthcare Worker, SEIU 503 Local member, had several questions regarding the information she heard at the board meeting and asked for clarification.

The meeting was adjourned at 3:52 p.m.