FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

MINUTES OF THE MEETING OF THE BOARD MEMBERS

February 20, 2003

Andrew M. Saul, Chairman of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on February 20, 2003, at 10:00 a.m., Eastern Standard Time. The meeting was open to the public at the Board's offices at 1250 H Street, N.W., Washington, D.C. In attendance were Scott Lukins of Washington, member (by telephone); Thomas A. Fink of Alaska, member (by telephone); Alejandro Sanchez of Florida, member; Gordon J. Whiting of New York, member; James B. Petrick, Executive Director (Acting); and Elizabeth S. Woodruff, Secretary. Other agency representatives attending were Lawrence Stiffler, Director, Automated Systems; Thomas J. Trabucco, Director, External Affairs; and Pamela-Jeanne Moran, Deputy Director, External Affairs. An agenda for the meeting is attached.

1. Approval of the minutes of the January 21, 2003, Board member meeting.

Chairman Saul entertained a motion for the approval of the minutes of the open portion of the January 21, 2003, Board member meeting. The following motion was then made, seconded, and adopted without objection:

> MOTION: That the minutes of the open portion of the Board member meeting held on January 21, 2003, be approved.

2. Thrift Savings Plan activities report by the (Acting) Executive Director.

a. Legislation.

Mr. Petrick reported that Congress has reorganized for the first session of the 108th Congress. In the House, the Board's committee of jurisdiction is chaired by Congressman Tom Davis (VA); the subcommittee is chaired by Congresswoman Joanne Davis (VA). In the Senate, the Board's committee of jurisdiction is chaired by Senator Susan Collins (ME); the subcommittee is chaired by Senator Peter Fitzgerald (IL).

Mr. Petrick explained that, on February 19, 2003, the Secretary of the Treasury determined that portions of the money in the G Fund could not be reinvested in Treasury securities because to do so would exceed the current Federal debt limit. However, all of the G-Fund money is still on account with the Treasury and the interest which would accrue if the G-Fund were fully invested will still be credited to the G-Fund pursuant to statute.

Finally, Mr. Petrick advised the Board members that the Agency had announced that the TSP's over-50 catch-up legislation will be implemented this year, such that contribution elections will be accepted in July and contributions can be withheld as early as the first pay period in August.

b. January 2003 TSP performance review.

Mr. Petrick reviewed key aspects of the January 2003 performance of the G, F, C, S, and I Funds (attached). Mr. Petrick also discussed TSP participation rates as of January 31, 2003.

c. Board member meeting schedule.

The Board members decided to postpone staff presentations, normally scheduled for the May Board members' meeting, until after the appointment of a new Executive Director.

3. New system development.

The Board's Director of Automated Systems, Lawrence Stiffler, discussed the status of the new record keeping system's development. Mr. Stiffler advised the Board members that the first tests of the five file set split were run on February 18, 2003, and the results exceeded expectations. Work on reports for the new system has made significant progress over the past month with 80% of the report functions tested, 70% of which passed.

Mr. Stiffler recommended that MATCOM support for NFC operations during the parallel testing and implementation phases be funded at the 100% level, rather than the 75% level, which would cost an additional $994,000. Mr. Fink questioned what implementation date had been established and Mr. Stiffler explained that none would be set until parallel testing had been completed. Mr. Sanchez asked if the estimate was reasonable and acceptable. Mr. Stiffler and Mr. Petrick responded that they

believed it was. Based on this discussion, the Board members unanimously approved the request.

4. Litigation.

The meeting was closed for a discussion of pending litigation, on a vote taken by the Secretary before the meeting. The Board members voted unanimously to close this portion of the meeting. Present during this portion of the meeting were the Board members, Mr. Petrick and Ms. Woodruff.

5. Personnel matters.

The meeting was also closed for a discussion of personnel matters, on a vote taken by the Secretary before the meeting. The Board members voted unanimously to close this portion of the meeting. Present were the Board members, Mr. Petrick and Ms. Woodruff.

6. Plan overview.

As requested at the January meeting, Pamela-Jeanne Moran, Deputy Director, External Affairs, presented a plan overview, similar to that provided to Federal employees, covering eligibility to participate, contribution rules, investment options, the loan and withdrawal programs, and activities available on the TSP website.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection, and Chairman Saul adjourned the meeting at 2:01 p.m.:

MOTION: That this meeting be adjourned.

Elizabeth S. Woodruff

Attachment

NOTE: A verbatim transcript of this meeting was made by BETA reporting services.