

Retirement Investment Advisory Committee Meeting
 Meeting Minutes
 LAUSD Headquarters
 January 19, 2012 3:00 PM – 5:00 PM

Committee Members:

- | | |
|--------------------|---------------------------------|
| 1. Janice Sawyer | Director of Benefits Admin. |
| 2. Tim Rosnick | Deputy Controller, CFO's Office |
| 3. Ed Burke | Board Appointee |
| 4. Steve Schullo | Member-at-Large |
| 5. Jack Moscovitz | AALA |
| 6. Joan Richardson | CSEA-LA Chapter 500 |
| 7. Sandy Keaton | UTLA |
| 8. Frank Torres | SEIU Local 99 |
| 9. Ron Miller | Building Trades Council |
| 10. Thomas Beatty | Teamsters/Local 572 |
| 11. Max Gonzalez | LASPA |

Present Members or Alternates – 1/19/2012

- | | |
|--------------------|-------------------------|
| 1. Janice Sawyer | Dir of Benefits Admin |
| 2. | |
| 3. Ed Burke | Board Appointee |
| 4. Steve Schullo | Member-at-Large (Alt) |
| 5. Jack Moscovitz | AALA |
| 6. Joan Richardson | CSEA-LA Chapter 500 |
| 7. Sandy Keaton | UTLA |
| 8. | |
| 9. Ron Miller | Building Trades Council |
| 10. | |
| 11. | |

Participants Present

- | | | | |
|-------------------|-----------|------------------|------------|
| Bill Tugaw | SST | Mariam Hironimus | LAUSD |
| Barbara Healy | SST | Brian Wong | LAUSD |
| Eric O'Leary | PARS | Karen Woods | LAUSD |
| Faith Hermann | PARS | Alan Warhaftig | AALA (Alt) |
| Julia Durand | CalSTRS | Kurt Ritter | TIAA-CREF |
| Kevin Krikpatrick | CalSTRS | Bruce Corcoran | TIAA-CREF |
| Patrick Bivans | CalSTRS | | |
| Scott Dauenhauer | CalSTRS | | |
| Jonathan Reilly | VALIC | | |
| Art Wexler | TIAA-CREF | | |

----- The meeting convened at 3:00 PM -----
 Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:07 pm.

(2) Approval of Minutes

The November 17, 2011 meeting minutes were approved.

(3) SST Update

No update due to the transition.

(4) 403(b) Plan Update

- Sandy asked if the 403(b) report was available. Jon explained that because of the transition to TSACG, VALIC did not have a chance to get the final report. However, Jon stated that he will get it soon to Mariam and she will be able to distribute it to the committee.

(5) **457(b) Plan Update**

- Jon Reilly from VALIC distributed a 457(b) spreadsheet that showed the plan has 2,589 participants with over \$31,000,000.00 in total assets.

(6) **PARS Plan Update**

- Eric announced as of November 30, 2011, total participants had a slight decrease bit due to the distribution of 1,193 accounts.
- The projected rate of return for the year is 1.08% based on the investment selection of the District.
- Of the \$125,094,214.00 dollars allocated, 96.77% is in the Los Angeles County Treasury fixed account.
- Total Assets, Contributions, and Distributions went down to \$125, 000,000.00 dollars.
- Eric followed up on a previous inquiry about charter school issues. He answered that PARS currently services nine charter schools that are independent from the District. Santa Monica, Fenton Avenue, Montague, Pacoima, and Granada Hills charter joined in 2005. Recently four other charters joined including El Camino Real.

(7) **Charter Schools**

- Janice announced she spoke with Jose Cole Gutierrez who was the director of charter schools. His team spoke with LACOE and found out that charter schools are not required to offer PERS, STRS, or PARS. Charter schools are required to offer a retirement plan, at a minimum social security. If a charter school does not offer PERS, STRS, or PARS, the employee no longer participates in those programs. The retirement account with PERS, STRS, or PARS will remain in the retirement system subject to the options available to that member. An employee who was in PARS and moves to a charter school that offers PERS and STRS will become a PERS or STRS member. His or her account will remain at PARS subject to conversion options available to that member.
- Sandy mentioned she is worried about potential disability coverage for STRS members who opt to convert to social security. If they are out of the STRS system, they will not be eligible for STRS disability coverage.
- Eric commented that PARS does not have any plans to attempt to nor will they replace either PERS or STRS. The intent of PARS is to cover part-time staff only.

(8) **403(b) and 457(b) Conversion Update**

403(b)

- Mariam announced that TSA Consulting Group (TSACG) officially took over as the new third party administrator on January 10, 2012. They've completed final conversion, administration takeover, and all aspects of the 403(b) from VALIC. Mariam thanked VALIC on behalf of LAUSD for all the hard work they've done to make the transition run smoothly.
- The 403(b) website went live and is available on the Benefits Administration website <http://403b.lausd.net>.
- At the town hall meeting on December 15, 2011, 75 representatives attended. Currently 350 representatives have registered with TSACG. All 27 approved vendors have transitioned over.
- Three companies are finalizing the information sharing agreement.

- Employees are adapting well to the streamlined process. All retiree data has been loaded into the system as well and retirees can do transactions online or via fax.

457(b)

- Mariam stated that January 17, 2012 was the first day for soft blackout. This is where employees can do limited types of transactions. January 24, 2012 will begin the hard blackout, VALIC will no longer do any transactions for any members. VALIC will start the transitioning process with TIAA-CREF. The expected completion date of transition will be February 14, 2012.
- All brokerage accounts except for 1 were successfully transitioned over.
- The website <http://457b.lausd.net> will go live on February 1, 2012.

(9) UTLA Endorsements

- Jack mentioned there is still confusion about endorsement and enforcement of vendors selling products on LAUSD campuses. He mentioned he saw Colonial Life Representatives selling Disability insurance and that the California Credit Union was holding 403(b) workshops at LAUSD headquarters, as examples.
- Jack proposed a motion that the Committee recommend that the CFO that work closely with the building management to ensure that the District policy on the sale of products on schools sites and campuses be reinforced. This includes all district properties. Jack motioned, Sandy seconded, the Committee voted 6 yes; 1 abstain, and the motion was moved.
- Alan wanted to point out that California Credit Union cannot conduct their own policies if they want to remain a tenant.

(10) Update on Research Project

- The purpose of the project is to answer “what is the liability?” and “what are our educational and financial needs.”
- Barbara announced that she and Bill are willing to be the project managers of the research project at no cost to the District and would potentially be funded by the 403(b) vendors. These contributions would be strictly voluntary. Barbara will reach out and get “buy-in” from the vendors via a letter asking for voluntary contributions.
- Some may argue that we have no fiduciary liability because we are exempt from ERISA. However, Barbara reminded the Committee that LAUSD is subject to the Education Code and California Code which have very similar ERISA language.
- Barbara mentioned she is working with a commission in Florida called the Independent Benefits Commission. They formed a “model plan” along with their own criteria. Florida did an RFP and picked 5 vendors. They negotiated and the vendors reduced their fees. All Florida districts accepted the plan but not all accepted the model exclusively, which defeated the purpose.
- Sandy mentioned that at the last UTLA retirement conference, 300 people attended. A survey was given out to employees and it revealed that employees were not prepared for retirement.
- Jack motioned that the Committee recommends the CFO go to the Board to get a resolution to support the LAUSD research project at no cost to the District. Jack motioned, Sandy seconded, the Committee voted: 7 yes, 0 no, and the motion was moved. Ed will work with SST on this project.
- There was also a motion to ask if the Office of the General Counsel will review whether LAUSD is at risk for potential litigation from 403(b) plan participants, based on possible violation of fiduciary responsibility. Jack motioned, Sandy seconded, the Committee voted: 7 yes, 0 no and the motion was moved.

- Sandy asked for a follow-up about TIAA-CREF products being sold in California and their CalSTRS partnership agreement. Art replied moving forward, all TIAA-CREF products will not be sold to new 403(b) participants. Mariam to speak with TSA Consulting Group.

(11) Letter to the Insurance Commissioner

- Barbara asked for an update on 770.3. This is the issue of competitive bidding in the state of California. It is a state statute that restricts a California School District from engaging in competitive bidding to get a better deal on 403(b) products for employers.
- Currently there is a coalition of labor groups, industry members, regulators, and political leaders who are trying to drop a bill this year, which would permit competitive bidding upon successful completion. The bill has a sponsor and has gone through legislative counsel, and so far, they have high confidence it will go through.
- Alan was concerned there was no follow through or commitment with the District's lobbyist in Sacramento. Janice replied that she emailed Edgar about the situation. They were waiting on a response on the letter that was sent to the Insurance Commissioner. Janice will meet with Edgar the following week.

(12) Union Membership

Janice spoke with Max Gonzalez and he is still interested in staying member. She will meet with him to discuss possible solution and about assigning an alternative to join. Janice will reach out to Tom Beatty from Teamsters. Mariam spoke with Alicia Loncar from Local 99. Alicia Loncar withdrew her name and assigned Frank Torres as the new designated member.

(13) Review of Fund Line Up

- Ed has requested a review of the fund line-up. He wants to expand the offerings and "fill in the holes." He was looking into some areas, such as, technology, healthcare, pharmaceutical, utility, real estate, and finance. If he recollects correctly Fidelity and Vanguard offer these types of funds. Barbara will look into some funds that will be appropriate to fill in the holes.
- Jack will recommend that the Committee discuss it in the May meeting and have a discussion on sector funds. Ed recommends that CalSTRS be included in the discussions.
- Barbara mentioned that the Growth Fund of America, which the committee de-selected, had the largest outflow of any managed mutual funds because of their performance.

(14) New Business

- Sandy sent an email to everybody about the L.A. Trustees workshop but did not know if people are planning to attend or not. The date is February 27 and 28 at the Westin LAX. The cost to attend is \$150. She knows John Chang and Bill Lockyer will be attending as well as other speakers who will hold workshops about pensions and investments.
- UTLA created an educational ad hoc committee and lobbied in Sacramento.
- Janice announced that she met with Janalyn Glymph, Personnel Director, and Rick Boull't, the Chief Operating Officer to discuss the possible idea of vetting a college 529 savings plan through the Committee. Janice wants to know what the Committee's thoughts are, and TIAA-CREF was selected by the state as the main provider.

(15) Set next agenda and next meeting date

- 529 College Savings Plan presentation
- TIAA-CREF Marketing Plan

The next meeting is Thursday, February 16, 2012.

Sandy motioned and Jack seconded to adjourn the meeting, the motion was moved.

Meeting adjourned at 4:55 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

February 16, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin.
2. Tim Rosnick	Deputy Controller, CFO's Office
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscowitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 2/16/2012

1. Janice Sawyer	Dir of Benefits Admin
2. Tim Rosnick	Deputy Controller, CFO's Office
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large (Alt)
5. Jack Moscowitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8.	
9.	
10.	
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Participants Present

Bill Tugaw	SST	Mariam Hironimus	LAUSD
Barbara Healy	SST	Brian Wong	L AUSD
Eric O'Leary	PARS	Karen Woods	L AUSD
Faith Hermann	PARS	Kristin Kearney	TIAA-CREF
Julia Durand	CalSTRS	Tracy Eastman	TIAA-CREF
Kevin Krikpatrick	CalSTRS	Bruce Corcoran	TIAA-CREF
Jeff Durham	CalSTRS	Art Wexler	TIAA-CREF
Scott Dauenhauer	CalSTRS	Stephen Banks	TSACG (via phone)
Mallorie Evans	UTLA (Alt)	April Young	TSACG (via phone)
Alan Warhaftig	AALA (Alt)		

----- The meeting convened at 3:00 PM -----

Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:15 pm.

(2) Approval of Minutes

The January 19, 2011 meeting minutes were approved.

(3) SST Update

- Bill Tugaw discussed the current situation with fee disclosure, ERISA regulations, and 408B2. He announced the Department of Labor finally came out with their final version. For private sector 401K type plan sponsors, they'll have to give information on specific fee disclosure from the provider effective July 1, 2012. Private sector related 404A disclosure from the plan sponsor to the participant, follows 60 days later. LAUSD is exempt from ERISA fee disclosure; however TIAA-CREF has agreed to follow all of the 408B2 disclosure regulations. This is for 457(b) plan only, 403(b) is exempt from disclosure.
- Bill Tugaw suggested LAUSD to voluntarily initiate the 404A disclosure, which is from the District to the participant. Bill explained the big difference is it will show the percentage and dollar amount breakdown specifically tailored to the participant as an ongoing process.

- Barbara Healy suggested that the District revive the fee disclosure requirement that was initiated three years ago for companies to become approved vendors with LAUSD.
- Barbara Healy mentioned that the 770.3 can be called an administrative burden, an uncompensated problem on the administrative side. Janice Sawyer mentioned that we need to address other vendors who are trying to become approved vendors with LAUSD. Mariam Hironimus made mention that she is inundated with vendor requests. Alan suggested the study of needs and concerns of the participants be done. From the results, the committee could establish the criteria of what types of investment products are appropriate. The criteria could include terms, expense ratios, and loads. Scott also mentioned that vendors have to be on www.403bcompare.com to do business in California.
- Mariam Hironimus met with building security and provided them with the bulletin that prevents sales people from coming onto District property. Also, the Senior Deputy Superintendent's newsletter mentioned the bulletin.

(4) 403(b) Plan Update

- Steve Banks reported several minor glitches were encountered. TSACG had to make adjustments to their normal processes, which caused a few unintended consequences. Those have been repaired and there were no other issues.
- April Young reported TSACG had over 1,900 people log in and utilize the system since January 10, 2012. They had 584 new salary reduction agreements (SRA) successfully processed online. They have had 531 changes to SRAs, 90 exchanges performed, 54 loans, and 10 straight distributions, including distributions from employees who have terminated. The overall response from representatives has been positive. April Young and Steve Banks performed several webinars for agencies. April reminded us that communication is vital for all parties involved.
- Steve Banks mentioned that they have received over 400 signed solicitation agreements back from representatives. The solicitation agreements encompass the bulletin guideline rules.
- Art asked where are they to report a representative if they catch them violating the bulletin guidelines. Steve Banks replied that TSACG can capture the information and provide the committee with the background of whether the 403(b) Representative has signed the Solicitation agreement, thus acknowledging that they knew the rules; and TSACG is willing to assist in the communication efforts to ensure the guidelines are enforced.
- Barbara Healy mentioned the committee does not have any consequences in place for guideline violations nor does the District have the ability to do background checks. Thus, all the more reason for keeping 403(b) Representatives off campus. Janice Sawyer mentioned that all of our contractors that are predominantly on campus have to sign a self certification that they all have had background checks through the Department of Justice.
- Steve Banks reported that they are working in conjunction with TIAA-CREF/ CalSTRS on the coordination of data sharing with loan information and loan qualification between the two plans.
- They provided a report of the 403(b) assets based on the SPARK data. There are about 23,000 active 403(b) participants. Alan asked if the number of participants whom are invested in the Legacy companies is known. Steve and April are working with the legacy companies and will gather that information within two months.
- TSACG has received from VALIC the full historical file from 2007 to the present of all contributions made by each individual to each company.
- The committee agreed to have the 457(b) website linked to the TSACG website.

(5) 457(b) Plan Update

Addressed in number 7.

(6) PARS Plan Update

- Eric announced that on the latest report closing December 31, 2011, there were no major on changes.
- Union Bank, the bank used by PARS, was purchased by U.S. Bank effective February 1, 2012.
- Steve Schullo suggested that PARS initiate a quarterly report instead of a monthly report. Eric stated he had no problem with that but he would still like to attend the meetings. Jack stated he appreciated the monthly PARS report and would like it to continue. Janice Sawyer suggested leaving the PARS plan update on the agenda and reading the information online to save time and paper, which was the main reason for Steve Schullo's suggestion.

(7) 403(b) and 457(b) Conversion Update

- Mariam Hironimus announced that the 403(b) transition is complete.
- The 457(b) plan transition is near completion. There are a few internal enhancements that should be completed within the next 90 days that will have no affect on LAUSD participants.
- Alan mentioned he was concerned that that the website wasn't thought through properly with clear instructions. Mariam replied it was a lesson learned and thanked all members involved because it has been a successful transition.

(8) Committee Feedback on Delivery Process

- Bruce Corcoran from TIAA-CREF gave an overview of the 457(b) transition and admitted that there were some challenges but overall the transition has been successful.
- Tracy Eastman was introduced as a member of TIAA-CREF and is responsible for obtaining client experiences and feedback.

(9) Marketing Plan

- Kristin, a communication consultant at TIAA-CREF, explained the marketing plan in detail. She focused on three plan goals and timeline. The first goal is to engage our employees by getting their attention and having them think about retirement versus other competing priorities. The second step is to educate them, TIAA-CREF will teach them about the plan and the broader topics like saving for retirement. And finally TIAA-CREF needs to motivate them to take positive action. The end-goal for everyone is to make sure our employees are doing everything they can to prepare for retirement.
- Art mentioned an additional strategy which is to work and attend meetings with UTLA, ALAA, substitute teachers, CSEA, Local 99, and other centers of influence in order to connect with District employees. Thus, by attending their meetings they will spread the information, and to follow up by making campus visits and presenting seminars on a cluster basis. They will notify the surrounding high school, middle, and elementary schools.
- Alan suggested creating a 7 minute video presentation to better spread the information.

(10) TIAA- CREF Traditional RCP rate questions/update

- Bruce Corcoran addressed a concern brought up by Alan regarding the TIAA-CREF Traditional RCP performance rate which had fallen from the expected range of 2.6%, previously negotiated, to a rate of 2% rate. Bruce explained their timing into the market was not ideal and that the bond market was hit hard. Bruce explained that the TIAA-CREF Traditional RCP does have stability and competitiveness, long-term returns, and is low cost to margins.

(11) District Property Access

- Addressed in number 4 above.

(12) Research Project Update

- Janice Sawyer offered to debrief the board members on the research project and keep them informed.
- Barbara Healy mentioned she had distributed materials including a solicitation letter to all current providers and outside vendors. She expects to have an estimated budget available by the next meeting.

(13) Letter to the Insurance Commissioner

- Alan asked if a response has been received from the lobbyist. Janice Sawyer said Edgar was waiting for a response from the District. Janice is willing to meet with the Legislative Office to continue discussions and will keep the Committee abreast of all discussions.

(14) New Business

No new business.

(15) Set next agenda and next meeting date

The next meeting is March 15, 2012.

Jack moved and Ed seconded to adjourn the meeting, the motion was moved – it was passed unanimously (7 yes votes).

Meeting adjourned at 5:17 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

March 15, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin.
2. Tim Rosnick	Deputy Controller, CFO's Office
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 3/15/2012

1. Janice Sawyer	Dir of Benefits Admin
2. Tim Rosnick	Deputy Controller, CFO's Office
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large (Alt)
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Ron Miller	Building Trade Council
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11. Max Gonzalez	LASPA

Participants Present

Barbara Healy	SST	Brian Wong	L AUSD
Eric O'Leary	PARS	Karen Woods	L AUSD
Faith Hermann	PARS	Bruce Corcoran	TIAA-CREF
Julia Durand	CalSTRS	Art Wexler	TIAA-CREF
Scott Dauenhauer	CalSTRS	Brian McAndrews	TIAA-CREF
Mallorie Evans	UTLA (Alt)	Laura Moewe	TIAA-CREF
Alan Warhaftig	AALA (Alt)	Zenny Agullana	Scholarshare
Stephen Banks	TSACG (via phone)		
April Young	TSACG (via phone)		

----- The meeting convened at 3:00 PM -----

Meeting called to order by Janice Sawyer.

(1) **Roll Call**

Quorum reached at 3:10 pm.

(2) **Approval of Minutes**

The February 16, 2011 meeting minutes were approved.

(3) **529 Plan Presentation**

Laura Moewe from TIAA-CREF and Zenny Agullana from Scholarshare Investment Board presented the college saving plan for vetting from the Committee. The premise of this program is to encourage employees to save for college. The 529 plan has been around since 1996 and is vetted by the State of California. TIAA-CREF's program started in 1999 and the minimum to start is \$15. It will be set up as a post-tax deduction, and any gains from the investment will be tax free if it's used for education. There are 19 different investment portfolios to choose from. The account owner always has ownership of the account and can select a beneficiary. It can be given to a family member as long as there is a blood relationship or adoption. It can also be used by the account holder. There's no application fee, transfer fee, commission, and no annual maintenance fee.

(4) AB1949 to Allow 403(b) Competitive Bidding

- Brian McAndrews from TIAA-CREF conducted a solicitation presentation for AB 1949. It is supported by Assemblyman Gil Cedillo. This bill would allow competitive bidding on a permissive basis for public school districts. It's part of a larger coalition of labor, school districts, and large insurance companies. The purpose of this assembly bill is to work around statute 770.3.
- Sandy Keaton asked if there were any wording changes on the bill. Bryan McAndrews replied there were. Alan Warhaftig and Sandy were concerned that the language was not clear enough for the competitive bidding process. Brian McAndrews further explained that the language in their draft was trying to be more inclusive than prescriptive. He welcomes and values the Committee's feedback.
- Sandy Keaton re-iterated that the wording has to be corrected in the bill so that it is to LAUSD's benefit. Sandy Keaton suggested Brian McAndrews work with CalSTRS on the language.
- Art Wexler further explained that this bill will allow a school district to initiate a competitive RFP process and choose a minimum of four providers.
- Alan Warhaftig wants the District's Office of General Counsel (OCG) to inoculate the Committee against liability if AB1949 does not pass. Janice will check with the OCG.

(5) SST Update

- Barbara Healy announced that SST will send the solicitation letter out by Monday March 18, 2012. The cover letter will include a mission statement and will be sent to every association member. It tells them what the committee is doing and solicits their support to participate in focus groups and surveys. It will be printed on SST letterhead and be signed by Bill Tugaw and Barbara Healy. It will also ask the individual associations and unions to support the research project and commit to participation in the focus groups.
- Another letter will be sent out to all the approved and non-approved vendors. This letter will ask for funding to support the research project. It will ask for a minimum of \$10 per participant. It is to be sent out to committee members as well. The money will be requested by April 19, 2012 and put into a separated trust account established by Bill Tugaw.
- Jack Moscovitz asked what the estimated timeline will be on the survey. Barbara estimated the timeline to be completed is between two to four months.

(6) 403(b) Plan Update

- Steve Banks reported that the website updates have been put into queue and will be implemented by the following week. Steve gave an interim report of the contributions for January and February 2012. Steven announced that he is creating a report with a consolidated, three months trailing. In addition, he announced TSACG will provide graphs and reports with a twelve month trailing. TSACG will produce a mean and a medium number for each company and group, and compare it to their entire database of the mean and medium contributions on a national level.
- Alan Warhaftig asked if TSACG could generate a report of what the distributions of participants in each plan are. Steve answered they can do that, but they are currently not receiving that specific data from the school district. If TSACG could get job classification and demographic files, they could generate it. TSACG can do that within two to three months if the committee requests it.
- Steve Banks reported there have been close to 900 salary reduction changes since last month and about 200 new participants. Hardship requests since inception in February has been close to 500. Of the 500 hardships, 422 were approved.
- Steve Banks also reported that TSACG received close to 200 unforeseen emergency 457(b) requests, which should have been sent to TIAA-CREF instead.

(7) 457(b) Plan Update

- Julia Durand reported that the cafeteria sit-ins have averaged 11 people for Tuesdays, Wednesdays, and Thursdays. Individual appointments have begun, eight for this week and nine for the following week. Julia predicts the appointments will continue to rise. TIAA-CREF is averaging two calls per day.
- David Raffin reported there have been 82 new enrollments. The average age was 45; average contribution was \$380 monthly, however out of the 82 enrollments only 34 completed the salary reduction agreement.
- Art Wexler asked if he can do a quick Power Point presentation to the committee for vetting. Janice replied it could be scheduled for the following meeting.

(8) PARS Plan Update

Eric O' Leary reported no major changes to the PARS plan.

(9) NAGDCA Membership

- Sandy wanted the committee to reinstate membership into NAGDCA.
- Jack Moscovitz motioned and Sandy seconded for the committee to acquire a NAGDCA membership. The committee voted 8 yes, 0 no and the motion was moved.

(10) District Property Access

- Janice Sawyer reported she made a call to Scot Graham, LAUSD real estate director. He was unavailable. She will follow up with him for the next meeting.
- Jack Moscovitz motioned and Sandy seconded that the committee take action and draw up a plan to bring fines and repercussions when agents and vendors violate the district policy. The committee voted 8 yes, 0 no and the motion was moved.

(11) 403(b) Roth Amendment

No new business.

(12) New Business

No new business.

(13) Set next agenda and next meeting date

The next meeting is April 19, 2012.

(14) Public Comments

Sandy Keaton announced the investment workshop is still scheduled for May 5, 2012.

(15) Adjournment

Jack motioned and Sandy seconded to adjourn the meeting, the committee voted unanimously (8 yes votes) and the motion was moved.

Meeting adjourned at 5:20 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

April 19, 2012 3:00 PM – 5:00 PM

Committee Members:

- | | |
|--------------------|---------------------------------|
| 1. Janice Sawyer | Director of Benefits Admin. |
| 2. Tim Rosnick | Deputy Controller, CFO's Office |
| 3. Ed Burke | Board Appointee |
| 4. Steve Schullo | Member-at-Large |
| 5. Jack Moscovitz | AALA |
| 6. Joan Richardson | CSEA-LA Chapter 500 |
| 7. Sandy Keaton | UTLA |
| 8. Frank Torres | SEIU Local 99 |
| 9. Ron Miller | Building Trades Council |
| 10. Thomas Beatty | Teamsters/Local 572 |
| 11. Max Gonzalez | LASPA |

Present Members or Alternates – 4/19/2012

- | | |
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| 1. Mariam Hironimus | Benefits Manager (Alt) |
| 2. Tim Rosnick | Deputy Controller, CFO's Office |
| 3. Ed Burke | Board Appointee |
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Participants Present

- | | | | |
|------------------|-------------------|-----------------|-----------------------|
| Barbara Healy | SST | Gregg Breed | LAUSD |
| Eric O'Leary | PARS | Brian Wong | LAUSD |
| Scott Dauenhauer | CalSTRS | Karen Woods | LAUSD |
| Mallorie Evans | UTLA (Alt) | Bruce Corcoran | TIAA-CREF (via phone) |
| Alan Warhaftig | AALA (Alt) | Brian McAndrews | TIAA-CREF (via phone) |
| Stephen Banks | TSACG (via phone) | | |
| April Young | TSACG (via phone) | | |

----- The meeting convened at 3:00 PM -----
Meeting called to order by Jack Moscovitz.

(1) Roll Call

Quorum reached at 3:07 pm.

(2) Approval of Minutes

The March 15, 2011 meeting minutes were approved.

(3) 457(b) Presentation

Mariam announced that the presentation will be postponed until the next meeting.

(4) AB1949 to Allow 403(b) Competitive Bidding Update

- Brian McAndrews summarized the previous updates with Assemblyman Gill Cedillo on allowing competitive bidding, on an optional basis, for school districts' 403(b) plans. Brian and Art Wexler provided some language amendments from CTA to remove their opposition. Brian does not know what CTA's standing is currently.
- Alan Warhaftig expressed concern over the amendment because it would allow employees to continue to contribute to the same high cost vendors, even if they are not one of the selected vendors by LAUSD. Bruce Corcoran replied that Alan's concern would be an option at the district level. A

school district may decide to grandfather a vendor in or to cut them off. Bruce further explained that the choice will be permitted in the words of the proposed legislation.

- Alan mentioned he would like to see specifications like a one year phasing out process rather than seeing a deal where all of the legacy vendors get to target the districts. Scott Dauenhauer mentioned that given our current interest rate environment, these provisions might be beneficial to some LAUSD employees. He reasoned that we may not want to cut off someone who has a guaranteed minimum interest rate.
- Alan was also concerned about the language where only school districts with 2,500 students or less could do “piggy back” contracts and why the school districts’ size was the main criteria. Bruce understands both sides of the argument; he mentioned he is also concerned that CTA will pull back their support if LAUSD pushes too hard on the subject.
- Ed Burke mentioned that this is a classic example where the bill is not perfect, but we can work toward modifying the bill in the future to make it better.
- Sandy asked if LAUSD would be liable if it doesn’t want to continue with legacy vendors. Barbara replied that with this bill LAUSD will be covered. Scott agreed with Barbara on the risk assessment and the vetting process. Bruce further supported this competitive bidding standpoint.
- Bruce reported that they currently have up to 32 letters of support from employers, labor groups, and associations and some letters of opposition.
- Bruce reiterated that he would love to have LAUSD’s support; it’s really critical to the success of the entire state. It is not perfect, but it is a significant improvement over the current situation.
- Sandy Keaton proposed and Steve Schullo seconded a motion for the RIA Committee to support AB1949. The committee voted 7 yes, 0 no and the motion was passed.

(5) **SST Update**

- Barbara Healy announced that SST circulated the mission statement to the committee one month earlier. On April 17, 2012, SST sent out via certified mail to all current vendors, requests to fund the research project at the rate of \$10 per participant. SST has set up a trust account and a budget report to track expenditures.
- SST will follow up with vendors who do not respond to the letter within 10 calendar days. SST will report at the next meeting how many vendors have responded and how much money has been raised. A more detailed plan will be forthcoming.
- Sandy asked Barbara to make a UTLA educational presentation on May 5, 2012. Barbara suggested that depending on the number in attendance that SST may be able to develop their first focus group.
- Barbara shared an interesting topic she heard at a webinar recently. The topic was regarding the disconnect between the way plan sponsors and participants look at 401k plans. She found out that 65% to 70 % of participants really want someone else to tell them what to do with their money. Participants don’t want education nor do they want investment tools. However, plan sponsors are doing the direct opposite by providing more retirement investment information and tools for participants. Participants’ biggest concern is who can they trust? Barbara found out that a professionally managed account is the best option for people with that concern.

(6) **403(b) Plan Update**

- Steve Banks reported that he, April Young, or another representative will plan on attending the May 17, 2012 meeting.

- Steve Banks reported the total contributions for the months of January, February, and March. The monthly totals were aggregated from all of the payrolls and it compared each month's contributions and number of participants.
- Beginning next month, Mariam Hironimus and the Benefits staff should gain access to the TSACG database which will provide the ability to pull any previous month's data and generate reports for the Committee.
- Steve Banks reported on the assets for LAUSD. The report showed a high balance, a low balance, and an average balance based on some of the District's approved and legacy 403(b) vendors. They also calculated a median within those accounts, and reported that the average participant's balance is just under \$13,000.
- The figures revealed that there are a lot of people in their thirties who just started contributing to their tax shelter accounts over the last couple of years. It looks like participants are putting in lower amounts.

(7) 457(b) Plan Update

- Mariam Hironimus reported that as of March 31, 2012, there was an increase of 31 new participants. Mariam thanked TIAA-CREF members Kevin, Sam, and Jeff for their diligence and hard work.
- Scott Dauenhauer added that TIAA-CREF has rolled out some new report management tools to CalSTRS and that TIAA-CREF will be making them available to LAUSD as well. Scott reminded the Committee to feel free to email him or Julia Durand with any additional report requests.
- Two reports were requested – one that details by age the number of participants in the TIAA-CREF Traditional account and the 2nd report that further breakdown these participants and show the number of participants that solely contribute to the TIAA-CREF investment fund. Scott will follow up on these inquiries.

(8) PARS Plan Update

Eric O' Leary reported there was one considerable change to the PARS plan. There was a one-time change between the active contributing participants and non-active contributing participants. The previous month showed a 10,000 difference to active contributing participants. In January of 2011, the district made a massive adjustment to a large number of participants which placed them into the non-active contributing category.

(9) NAGDCA Membership

- Mariam Hironimus announced that the application for NAGDCA is almost complete. There is one field that needs discussion. The committee must select one primary and four secondary account participants. These participants will have access to the NAGDCA website as well as its information. The one primary member has to be a district employee for billing purposes. All committee members and alternates are able to participate in the regular seminars and functions.
- Mariam Hironimus, Sandy Keaton, Steve Schullo, Alan Warhaftig, and Ed Burke were selected as primary and secondary account participants.
- The NAGDCA conference will be held in San Diego and is set for September 29th through October 3, 2012.

(10) District Property Access – Draw up phases of actions

- Sandy Keaton announced that un-authorized 403(b) agents are still coming onto school campuses. Mariam said she will resend out the bulletin to all vendors next week.

- Jack Moscovitz suggested the committee focus on educating to improve knowledge, provide notification, provide punishment to violators, and finally consider removal of the vendor.
- Sandy Keaton, Alan Warhaftig, Jack Moscovitz, and Scott Dauenhauer volunteered to form a sub-committee to draw up phases of actions.

(11) New Business

- Gregg Breed the new Chief Risk Officer was introduced to the Committee.
- Mariam Hironimus announced a sub-committee is needed for the upcoming Investment Consultant RFP as the contract for SST Consulting expires in June 30, 2012. Mariam Hironimus, Sandy Keaton, and Ed Burke volunteered to be members of the sub-committee. Alan Warhaftig and Jack Moscovitz will be the alternates.

(12) Set next agenda and next meeting date

The next meeting is May 17, 2012.

(13) Public Comments

Mariam Hironimus announced that the amendment for the Roth 403(b) has been signed by the Chief Financial Officer and has been posted on the Benefits Administration website as well will be posted on the TSA Consulting Group website. In addition, TSA will disseminate it to all the vendors.

(14) Adjournment

Sandy Keaton motioned and Mariam Hironimus seconded to adjourn the meeting, the committee voted unanimously (7 yes votes) and the motion was moved.

Meeting adjourned at 4:56 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters
May 17, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 5/17/2012

1. Janice Sawyer	Director of Benefits Admin
2.	
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Alan Warhaftig	(Alt)
7. Sandy Keaton	UTLA
8.	
9.	
10.	
11.	

Participants Present

Barbara Healy	SST	Gregg Breed	LAUSD
Bill Tugaw	SST	Mariam Hironimus	LAUSD
Eric O’Leary	PARS	Brian Wong	LAUSD
Faith Harmann	PARS	Karen Woods	LAUSD
Scott Dauenhauer	CalSTRS	Art Wexler	TIAA-CREF
Julia Durand	CalSTRS (Via phone)	April Young	TSACG (via phone)
Mallorie Evans	UTLA (Alt)		

----- The meeting convened at 3:00 PM -----
Meeting called to order by Jack Moscovitz.

(1) Roll Call

Quorum reached at 3:07 pm.

(2) Approval of Minutes

The April 19, 2011 meeting minutes were approved.

(3) AB1949 Update

- Sandy Keaton announced that Harold Boyd, lobbyist for UTLA ended up not supporting the bill at the last minute. Alan Warhaftig asked Sandy to find out more information about the situation so he could file an official complaint.
- Art mentioned that it is being revised by Gill Cedillo’s office.
- Janice Sawyer announced that Edgar Zazueta, a legislative representative of LAUSD, was present at the meeting with an official approval memorandum.

(4) SST Update (Quarterly Review)

- Barbara Healy explained the contents of the quarterly report. She compared the index funds against actively managed funds. Barbara reported that the first quarter return was 11.39% which was very respectable. Barbara concluded that as an aggregate plan, the portfolio has outperformed its benchmark consistently. There was 1 fund with a 5-star rating, 8 funds with a 4-star rating and 7

funds with a 3-star rating. Currently, there are two funds on the watch-list; they are Pimco Total Return Admin and American Funds Fundamentals Investors R4.

- Per Ed Burke's suggestion, Barbara recommended some additional asset classes for the LAUSD portfolio. SST identified these classes based on the parameters of the categories. Barbara Healy passed out some additional asset classes for the committee to consider adding or replacing.
- Alan Warhaftig asked if it is possible to initiate a custom target fund. Scott Dauenhauer replied that it is possible to change or map into a custom target fund if that is what the committee wants.
- Sandy motioned to get more information about the custom target funds. Jack Moscovitz seconded and the motion was passed.
- Art Wexler suggested that another possible option could be to move T. Rowe Price 2010 target fund into T. Rowe Price 2020, which offers better ratios. Steve Schullo and the committee were concerned about the aggressiveness of the glide path and the expense, and that it would not be in the best interest of the younger generation employees. Scott Dauenhauer will analyze the age demographics to address Steve's concerns. Bill Tugaw further reassured the committee that as target date funds, these were doing good based on the glide path and the risk associated with it.

(5) Update on Research Project

- Bill Tugaw announced that they sent out solicitation letters for funding of the research project. They received positive responses from Axa Equitable, CalSTRS, Plan Member, TIAA-CREF, Security Benefit, and VALIC. They are still in discussion with MetLife, the Legend Group, Industrial Alliance Pacific, and Great American.
- The only "no" response they received so far was from ING Life and ING Reliastar. ING explained that they are on the market to be sold, and they are trying to strengthen their financial statements.
- Bill will send out a second solicitation letter to those who have not yet responded at all. He will notify the committee on the status of the funding. Alan Warhaftig asked SST how much money were they asking for funding of the project; Bill replied \$10 per participant account.
- The committee would like to know the balance of the VALIC donation and whether we could use that money to fund the research project. Janice will inquire that from the Chief Financial Officer.
- Barbara Healy announced she formed a focus group with 55 people at the UTLA workshop on May 5, 2012. The participants were given a survey with ten questions. The questions were rated between 1 to 10, 1 being the lowest and 10 being the highest. The overall average score was 8.5. The survey showed that participants trusted CalSTRS and UTLA. Participants preferred to receive information via written reports, websites, seminars, and emails with links to websites.
- Mariam Hironimus announced that the Deputy Controller would like to get the financial accounting of the project for the Chief Financial Officer.

(6) 403(b) Plan Update

- April Young reported that TSACG has given plan sponsor access to pull reports from their website to designated LAUSD employees such as Mariam Hironimus, Karen Woods, and Brian Wong. Reports could now be pulled by the 10th of the month for the previous month.
- April mentioned that there is one difference to this month's TSACG report which is that it shows only the assets of authorized vendors. The previous report included both legacy vendors and authorized vendors.
- Mariam Hironimus announced that she is working on the demographics file with the District's IT Team in hopes of having additional information such as classification, union, and salary data populated into the file.

- Alan Warhaftig, who is Joan Richardson's alternate, would like to see what the profile of contributions is for each major class code. Mariam asked if they could group them by union since there are so many different class codes. The Committee agreed to group by union.

(7) 457(b) Plan Update

- Scott Dauenhauer passed out the 457(b) Plan Asset Summary data for the committee to review. He will update the information for the upcoming meeting.
- Art Wexler reported that he did a presentation for Alan Warhaftig's school and to Mariam Hironimus' team and has finalized his presentation for future seminars.
- For marketing purposes, Art's team plans on meeting with the department heads from the Beaudry Headquarters first. His team would like to attend all their future meetings and seminars if available.
- Julia Durand reported that the TIAA-CREF team has touched 163 individuals - 128 were from the cafeteria, 4 from presentations, 15 phone calls, 13 walk-ins, and 3 by other methods. There were 32 enrollments for the month of April.

(8) RFP for Consultant Update

- Mariam reported that the contract for SST expires June 30, 2012. The District has requested an extension for 3 months. It will go to the Board of Education for approval on June 12, 2012.
- All the documents will be going to procurement during the final stages for release. Mariam will reach out to the sub-committee separately to set up future meetings.

(9) District Property Access – Sub-Committee Update

- Alan Warhaftig made a recommendation to make vendors take responsibility for independent agents affiliated with them. Alan also recommended the committee to establish sets of violation responsibilities for agents and vendors. Alan suggested a framework of 3month, 6 month, and 1 year bans, and finally de-selection for consecutive violations. Jack Moscovitz asked how the record keeping will come kept.
- April Young suggested sending an additional agreement.
- Janice Sawyer reported she spoke with Earl Perkins to find possible solutions of safety concerns for LAUSD. Earl replied it is on their upcoming agenda.

(10) New Business

None

(11) Set next agenda and next meeting date

- The next meeting is June 21, 2012.

(12) Public comments

None

(13) Adjournment

Meeting adjourned at 5:15 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

June 21, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 6/21/2012

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Alan Warhaftig	(Alt)
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Ron Miller	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Gregg Breed	LAUSD
Bill Tugaw	SST	Mariam Hironimus	LAUSD
Eric O’Leary	PARS	Brian Wong	LAUSD
Faith Hermann	PARS	Karen Woods	LAUSD
Scott Dauenhauer	CalSTRS	Art Wexler	TIAA-CREF
Kevin Kirkpatrick	CalSTRS	David Raffin	TIAA-CREF
Stephen Banks	TSACG (via phone)	Mallorie Evans	UTLA (Alt)

----- The meeting convened at 3:00 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:05 pm.

(2) Approval of Minutes

The May 17, 2012 meeting minutes were approved. Life Insurance of the Southwest was removed from the first sentence of section 5.

(3) SST Update

- Barbara Healy and Scott Dauenhauer explained customized target date funds to the committee.
- Scott Dauenhauer presented an overview of a custom target date glide path called *Easy Choice*. There are three choices: conservative, moderate, and aggressive. There are three portfolios to choose from: full equity, full alternative, and full fixed income portfolio. The portfolio will adjust the stocks and bonds depending on the employee’s target retirement date and risk choice. It was established in 2007 and is managed by Scott and CalSTRS investment staff. Total cost to participants is between 0.18 to 0.67 basis points, depending on the aggressiveness of the portfolio. The portfolios are tracked via *Morning Star*.
- Alan Warhaftig moved to establish a sub-committee to explore the feasibility of creating similar *Easy Choice* portfolios. Janice Sawyer seconded the motion; the Committee voted 7 yes and 0 no, and the motion was passed.

(4) Update on Research Project

- Bill Tugaw announced that they have received a “yes” response from AXA Equitable, MetLife, Plan Member Services, Security Benefit, TIAA-CREF, and VALIC. Bill also noted that VALIC agreed in principle based on dollars they’ve already sent to the district. Bill will generate a report to finalize all the commitments, however, no monies have been received as of yet. The “no” reply came from ING ReliaStar, USAA, and Paul Revere. All of the others have not yet replied to their inquiry.
- Barbara Healy mentioned that Christopher DeGrassi from NTSAA, sent a letter to Bill Tugaw to object the committee’s research project. SST Consulting has not responded to the letter, and feels it should be more appropriate for the committee to generate a response. Bill Tugaw will send a draft to John Walsh and Janice Sawyer to finalize a response to the letter.

(5) 403(b) Plan Update

- Steve Banks reported that participants and assets were fairly stationary for the previous month. Steve met in person with Mariam Hironimus, Karen Woods, and Brian Wong to resolve and update the demographic files as the committee recommended. Steve anticipates being able to personally attend the September Committee meeting to present more significant reports.
- Mariam Hironimus agreed with Stephen Banks that if all goes well with the BTS team and the testing, the new demographic file should take effect on September 1, 2012.
- Alan Warhaftig asked Steve Banks if the committee will be able to get reports broken down by union, age distribution, age range, and payroll dates. Steve replied yes, because all of those items were discussed at the meeting with Mariam and are to be implemented on the demographic file.
- Steve further re-assured the committee that he will send mock-reports to give them a preview of the format. He will also ask prior to the meeting if there are any other requests for various types of information or reports.
- Sandy Keaton asked why there was an increase of TIAA-CREF participants. Steve Banks replied that those were not new accounts. Instead, those were data showing someone coming back to work or re-starting their contributions.

(6) 457(b) Plan Update

- Scott Dauenhauer reported that the monthly participant assets dropped slightly in May 2012. Assets were down \$940,000 to \$950,000. Markets were down in May but contributions helped keep it from dropping too much. Participants were up slightly.
- In the previous meeting Steve Schullo asked if Scott Dauenhauer could create an asset weighted average of participants for the average age. Scott replied the average age in the plan was 46.76. The weighted asset average age was 51.7. There was about a four year difference, and it also showed that there was more money held by participants who were older in the plan.
- There were new 22 enrollments in May. Most of the enrollees were female, between the ages of 40 to 49 years old. Five of the enrollees were above age 60.
- Barbara Healy mentioned that the Department of Labor made commentary on self-directed brokerage accounts. The DOL is expecting plan sponsors to get full disclosure on any of the costs expected on a self-directed account. They also implied that the plan sponsor is responsible for monitoring the investments in the account. This only applies to ERISA plans. However, Barbara suggested the committee should consider whether or not the District should continue to offer a self-directed brokerage account. Scott Dauenhauer further mentioned that the Department of Labor did make an

exception: a “participant number” exception and a “one percent” exception. The plan sponsor only had to monitor the funds that had more than “one percent” of participants in them.

(7) RFP for Consultant Update

Mariam reported that the deadline for the RFP submission will be June 22, 2012. The first meeting for the sub-committee will be June 25, 2012.

(8) May 5th 2012 Investment Workshop

- Sandy Keaton thanked Janice Sawyer, Ron Miller, Alan Warhaftig, Mallorie Evans, Barbara Healy, and all the participants who showed up to the workshop. She commented that Dan Otter did an excellent job explaining the cost of certain plans, NEA value builder, and union presentation. The next workshop will be held on February 2, 2013 and April 13, 2013. The pre-retirement conference will be held on December 1, 2012 and March 9, 2013.
- Scott Dauenhauer asked if it would be possible to record the workshop so it could be viewed online. Sandy replied she will try to make that effective at a future date.
- Mallorie Evans commented that participants who attended were pleasantly surprised and excited about the education they received in the workshop.

(9) District Property Access Update

- Alan Warhaftig and Mariam Hironimus provided an example of a financial advisor who has been caught on school campuses and distributing 403(b) flyers to teachers’ mailboxes on numerous occasions.
- Ed Burke mentioned that the best approach to limit property access is from a safety standpoint. Janice Sawyer agreed with Ed and announced that she met with Earl Perkins to speak about district access. The operations administrators are also taking a standpoint that property access is a safety issue.
- Mallorie Evans commented that she is a member of the UTLA leadership conference committee, and she wanted to incorporate “safety on campus” as a focus in the upcoming chapter chair training.
- Jack Moscovitz and Sandy Keaton mentioned that the bulletin is the rationale for the unions. Sandy further had a conversation with Arlene about vetting and sponsorship.
- Janice Sawyer offered to meet with the Chief of Police in regards to district access and safety.
- Alan provided a report on the Enforcement Sub-Committee’s recent meeting.
- Jack Moscovitz motioned and Sandy Keaton seconded the below items 1, 2 and 3; the committee voted 7 yes and 0 no, the motion was passed.

1) TSACG or LAUSD should contact each 403(b) vendor with a list of agents that have registered with TSACG as representing the company. The companies should be required to confirm whether or not the agents on the list do, in fact, represent them. TSACG or LAUSD would notify any agents who were not confirmed by the companies as appointed representatives.

2) In the cover letter accompanying the list of agents, TSACG or LAUSD should assert that the companies are responsible for the conduct of their authorized representatives and their adherence to LAUSD policies, specifically the requirement that they not conduct business or cause promotional materials to be distributed on District property. Without going into specifics, the letter should indicate that failure by a company’s authorized representatives to comply with LAUSD policies could lead to suspension or termination of the company’s approved vendor status.

3) To implement this policy, a website (or hotline of some sort) should be established to facilitate reporting of violations. At the same time, administrators, UTLA chapter chairs, School

Administrative Assistants and other gatekeepers must be educated about and regularly reminded of this LAUSD policy and their responsibility to enforce it.

- Steve Banks is willing to create the proposed letter. He also mentioned that the concept is not new and it could be accomplished.

(10) New Business

- Eric O’Leary distributed a handout and stated there were no real changes from the prior month.
- Janice Sawyer announced that the new sub-committee members for the creation of the Target Date Funds are Alan Warhaftig, Steve Schullo, Ed Burke, and Sandy Keaton.

(11) Set next agenda and next meeting date

The next meeting is to be announced and if there is one in August it will be on August 16, 2012.

(12) Public comments

Art Wexler asked if it would be alright to invite assemblyman Gill Cedillo to thank him for the work he has done. The committee discussed it but no definite decision was made.

(13) Adjournment

Meeting adjourned at 4:35 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

August 16, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 8/16/2012

1. Gregg Breed	Chief Risk Officer (Alt)
2.	
3. Ed Burke	Board Appointee
4. Alan Warhaftig	(Alt)
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Ron Miller	Building Trades Council (via phone)
10.	
11.	

Participants Present

Bill Tugaw	SST	Janice Sawyer	LAUSD
Eric O’Leary	PARS	Brian Wong	LAUSD
Faith Hermann	PARS	Karen Woods	LAUSD
Julia Durand	CalSTRS	Art Wexler	TIAA-CREF
Kevin Kirkpatrick	CalSTRS	David Raffin	TIAA-CREF
Stephen Banks	TSACG (via phone)	Bruce Corcoran	TIAA-CREF (via phone)
Mallorie Evans	UTLA (Alt)		

----- The meeting convened at 3:00 PM -----
Meeting called to order by Gregg Breed.

(1) **Roll Call**

Quorum reached at 3:07 pm.

(2) **Approval of Minutes**

The June 21, 2012 meeting minutes were approved.

(3) **SST Update**

- Bill Tugaw announced that the quarterly reports were not delivered. However, he provided a brief fund overview. American Funds Fundamental barely missed the benchmark for the one year and three year target, so Bill recommended it to be placed on the watch list. Pimco Total Return has rebounded back, he recommended that it be taken off the watch list. Bill recommended the target date funds to go on the watch list for its performance and Bill thought it a good idea to revisit the target date funds because they are very aggressive.
- There was a management change in American Euro Pacific Growth. They re-shuffled the team and brought in two new institutional managers to a total to twelve. Bill doesn’t think the fund managers will shift the way they will do business because they have a buy and hold policy.
- Bill communicated about the fee disclosures under the Department of Labor’s 408(b)(2) regulations, which was effective for ERISA employers and ERISA plans effective July 1, 2012. Even though LAUSD is non-ERISA, SST Benefits Consulting believes in voluntarily disclosure as a best practice method. SST announced that it is a 3(21) fiduciary advisor which provides non-discretionary

investment performance and investment policy assistance services. SST also announced it does not expect to receive any other type of compensation for its services under its agreement with LAUSD.

- The Department of Labor (DOL) announced previously that self-directed brokerage accounts could become subject to oversight by the committee. The Department of Labor decided to retract that announcement.
- Sandy Keaton motioned, and Jack Moscovitz seconded that the original fund sub-committee are to explore additional core funds and other asset classes in addition to the target date funds. The committee voted 6 yes and 0 no and the motion was passed.

(4) Update on Research Project

- Gregg Breed asked to hold off on the research project until the RFP process is completed.

(5) 403(b) Plan Update

- Steve Banks reported that the summer has been pretty benign and there has not been a lot of movement. Across the board there has been some decline in participation, mostly due to the fact that it was summer.
- The assets comparison shows that the median assets have grown and the average has grown as well. Steve compared the figures to the Michigan consortium of small school districts as well as the rest of the country. Their average was \$25,000 and their median was around \$11,000. Steve announced that the average is a little bit higher for LAUSD.
- Gregg Breed asked if the decrease in participants for July was due to the reduction in force. Steve Banks replied it most likely is the case. He also predicted it will pick up in September.
- Jack Moscovitz reported that he has heard positive feedback from participants; clients were truly impressed from the services that they were receiving from TSACG.
- Steve Banks stated that the demographic file that TSACG receives monthly from the District will be including more comprehensive data and TSACG will be developing new types of reports that the committee has been requesting. The file is scheduled for the September release.
- Steve announced that the new reports should be ready for release in the September meeting. He would like the committee's feedback to the forthcoming reports so adjustments can be made accordingly for the October meeting. Steve will plan to personally show up for the October meeting to present and discuss the new reports.

(6) 457(b) Plan Update

- Julia Durand passed out the 457(b) investment flyers that they have been working on for the committee's review. Julia's team met with Janice and asked for feedback from the Benefits Staff. She wanted to recognize and thank Karen Woods for her editing assistance with the flyers. The flyers are still a work in progress.
- Julia asked the Committee for suggestions for future flyers and to help develop a consistent on-going message. Sandy Keaton suggested emphasizing that LAUSD sponsors this voluntary plan, that the 457(b) is a benefit, that there is an oversight committee watching the funds, no surrender charges and low fees.

(7) 457(b) Fee Disclosure

- Alan pointed out that participants in the TIAA-CREF Traditional Annuity were promised a 2.35% rate of return as represented on the website; however there is a discrepancy of the 22 basis points as a fee which he understands but feels that a fixed rate investment ought to show the actual net return.
- Bruce Corcoran explained to the committee that every plan sponsor using the TIAA-CREF Traditional annuity is currently getting a 2.4 % interest rate. The 22 basis points represent the individual plan

level expenses. Sandy Keaton commented that the actual earnings needed to be very clear. Jack Moscowitz asked if a declaration statement could be included on the quarterly statements.

- Bruce Corcoran disclosed an operational error that his team discovered in the plan. He is working with his team to come up with a resolution.

(8) Consultant RFP Update

- The RFP is still pending. It will be discussed on a future date.

(9) PARS Update

- Eric O' Leary distributed the report for June 30, 2012 which was the end of fiscal year of 2011-12.
- Ed Burke noticed that there were charter schools included in the report and wanted to know where that came from. Eric responded that it only showed non-contributing participants within the year, which included dependent charter schools. They showed up in a code based on information LAUSD provided. They still don't know who these folks are.
- At the start of this motion process, Gregg Breed reminded the committee that all motions are requests to direct Janice Sawyer or Gregg Breed to take the Committee's recommendations to the District's CFO for the final decision.
- Jack Moscowitz motioned and Sandy Keaton seconded the request for Eric O' Leary to bring in a trustee who could make some investment recommendations for the PARS Plan. The committee voted 6 yes and 0 no and the motion was passed. It was suggested that the trustee come in October.

(10) District Property Access Update

- Alan Warhaftig and Jack Moscowitz discussed how independent advisors were infiltrating school campuses. They come onto the campuses offering to give presentations as a pretense to get sales leads. Others have impersonated CalSTRS or used CalSTRS pensions as a scare tactic.
- Jack Moscowitz asked what would be the mechanics of changing the current bulletin to better prevent these incidents from occurring.
- Alan Warhaftig pointed out Bulletin 5474.0 which provided the language for enforcement.
- Gregg Breed motioned and Jack Moscowitz seconded that the committee suggest to Janice Sawyer and Gregg Breed to present the proposal to modify the language of the bulletin. The committee voted 6 yes and 0 no and the motion was passed.
- Art Wexler suggested that the language in the new bulletin state that the 457(b) vendor is allowed onto school campuses. Alan Warhaftig replied that the existing language states that those exclusions did not apply to the 457(b) vendor.

(11) New Business

- Sandy Keaton announced that there was a NAGDCA conference coming up at the end of September and wanted to know whether or not the funds were available for conference attendance.
- Sandy Keaton motioned and Jack Moscowitz seconded that the committee discuss the NAGDCA membership and the status of the education money that the committee asked about. The committee voted 6 yes and 0 no and the motion was passed.
- Janice Sawyer suggested the committee to send one person to the NAGDCA conference and then report the information back to the committee. Jack Moscowitz recommended sending Sandy Keaton to the conference. There were also questions as to who has the authority to allow District staff to attend the conference, who arranges their replacement subs and who pays for the sub costs.

- Julia Durand will send Janice Sawyer the NAGDCA Conference agenda, research how many members the committee can send and the costs associated with the conference.
- Bill Tugaw clarified that the IRS guidelines state that the money had to be used for the benefit of participants and their beneficiaries. He further stated what line items can be used, such as paying for administrative people, paying for professional services, education, plan decision makers and staff.
- Save for Retirement Week is coming up in October. Sandy asked Ed Burke if he would present a Resolution to the Board in September.

(12) Set next agenda and next meeting date

- SST to present the 457(b) Plan 2nd Quarter Report.
- PARS Trustee Presentation for October's RIAC Meeting.
- The next meeting is scheduled for September 20, 2012.

(13) Public comments

No comments.

(14) Adjournment

Meeting adjourned at 5:07 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

September 20, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 9/20/2012

1. Janice Sawyer	Director of Benefits Admin
2.	
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Ron Miller	Building Trades Council (via phone)
10.	
11.	

Participants Present

Bill Tugaw	SST	Mariam Hironimus	LAUSD
Eric O’Leary	PARS	Brian Wong	LAUSD
April Young	TSACG (via phone)	Karen Woods	LAUSD
Julia Durand	CalSTRS (via phone)	Art Wexler	TIAA-CREF
Alan Warhaftig	AALA (Alt)	Kevin Kirkpatrick	TIAA-CREF
Gregg Breed	LAUSD	Rod Skidmore	US Bank

----- The meeting convened at 3:00 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:08 pm.

(2) Approval of Minutes

The August 16, 2012 meeting minutes were approved as amended. A spelling error in Section (9) PARS Update row 2 has been corrected. Alan Warhaftig corrected the statement in (7) 457(b) Fee Disclosure. He pointed out that there was a discrepancy between what was shown on the account through the portal and what was on the statement in the fixed rate account.

(3) 457(b) Quarterly Report

- Janice Sawyer announced and congratulated SST Consulting as they will be our ongoing consulting team.
- Bill Tugaw announced that the quarterly reports revealed that second quarter did not perform as well that the first quarter. However, the markets have turned around immensely afterwards. There were four contributors to the upswing: corporate earnings were strong, the economy began to grow, Germany decided to back other European countries that are in trouble, and the presidential elections. Value investing became the category of choice. The Federal Reserve has talked about quantitative easing 3 (QE3), which was re-purchasing longer term treasury securities. Bill noted that QE3 is currently continuous. Unemployment is still a problem. Bank of America announced they will lay off 16,000 employees by the end of the year. Housing is improving a lot almost across the board, house values are increasing in value. Bill’s final assessment is the committee needs to continue to diversify.

- Total assets increased from \$35.8 million to \$37.5 million. There are roughly 30% in the TIAA-CREF traditional fixed account. Bill stated that it was a little lower compared to other entities, which have between 35% to 40%. The good news about TIAA-CREF traditional account is it has one of the strongest financial ratings amongst its competitors. The 457(b) mutual fund has an incredibly low dollar weighted expense of 46 basis points (0.46%). Heavy usage of the index funds make this the most inexpensive portfolio that SST has ever seen.
- Sharpe Ratio for the actively managed funds was a positive 0.96. The Standard Deviation was a little less volatile from 15.91 three months ago to 15.30. The Alpha is a measurement that brings the value added by an investment manager. It is currently at -0.06%. It is expected since very little value is added by a manager when dealing with index funds. For indexes, the manager's main purpose is to track funds, not actively pick investment categories.
- Bill stated that all of the index funds are properly following the market which is good news for the committee.
- Bill discussed fund #2 American Funds Fundamental Investors. It has a slightly negative 1 year and 3 year performance; however SST still feels really good about it. It has historically been a top performer. It missed its performance due to 20% exposure to international stocks when compared to its peers, which only have 5%. SST recommended putting it on the watch list due to its performance.
- Fund #4 American Funds Washington Mutual had a little bit of a style drift. It's a Large Cap Value fund but it recently drifted into the blend fund territory which means it is now holding more growth stock than a "True Value" fund. SST recommends no action at this time.
- Fund #8 American Euro Pacific Growth is managed by Rob Lovelace from Capitol Research. They recently consolidated their firm and have a new research team supporting the fund. SST wanted the committee to be aware of this, but recommends no action at this time.
- Fund #10 Pimco Total Return is managed by Bill Gross, who initiated steps to de-risk the portfolio. After it stumbled in 2011 by being void of treasuries when treasuries were at a surge, Bill was not comfortable with what the future looked like, so he situated the portfolio for uncertainties. He reduced any currency bets and moved away from derivatives and cash bonds. It has recovered since then so SST recommends removing it from the watch list.
- Bill stated that all of the T. Rowe Price Retirement funds (Fund #13 - 2010, Fund #14 - 2020, Fund #15 - 2030, and Fund #16 - 2040) are too aggressive. For example, the 2010 fund allocation has 55% in equities and 45% in bonds. The glide path is more aggressive than what SST would recommend for all of them. One of the things Bill likes about it is it's a "through" glide path, meaning it will continue to get more conservative once it has passed its target date.
- Alan Warhaftig recommended talking concretely about the custom target date funds when the sub-committee begins its upcoming meeting. Alan asked Bill how they are adjusted through the year and Bill answered it could be done quarterly, semi-annually, or annually. Bill recommended started out quarterly for everyone to get comfortable with it. Bill likes the idea of custom target dates funds because you could build it with funds that are already in your portfolio that SST already has the analytics on. SST would have the risk data.
- Sandy Keaton asked Art Wexler about the how often the Easy Choice portfolio sub-committee meets. Art replied they meet quarterly.
- Bill continued by explaining the Morning Star ratings. He announced that they came out with new pillars for their analytics. These pillars include: process, performance, people, parent, and price in any given fund. They gave each fund a category of gold, silver, bronze, neutral, and negative based on their analytics. Bill further explained the risk and volatility statistics of the funds. The asset allocation has information on participants, percentage of assets, and the balance in them. The expenses tab showed a breakdown of what kind of revenues really came out of these funds. Bill also reminded that the 37 basis points were not in there. 12B1 fees, which are marketing and maintenance fees, were also not included in the basis points.

- Art Wexler mentioned that TIAA-CREF found a mistake and will fix the mistakes moving forward.
- SST placed the LAUSD portfolio in the Morning Star program for benchmarking analysis. SST looked at the investment style, top 10 holdings, and performance yield. The stock intersection, which showed the top 25 stocks in the LAUSD portfolio, revealed it was very diversified.
- Bill concluded by recommending Fund #2 American Funds Fundamentals to remain on the watch list, #10 Pimco Total Return to be removed from the watch list, and #12-16 T. Rowe Price Retirement to be placed on the watch list. Ed Burke moved, and Sandy Keaton seconded to accept the recommendation. The committee voted 6 yes and 0 no and the motion was passed.

(4) 457(b) Plan Update

- Art Wexler announced that CalSTRS is sponsoring the UTLA annual conference at the Bonaventure hotel and TIAA-CREF will be attending it. TIAA-CREF has also re-hired Sam, one of the employees who was previously laid off. Sam was able to visit 5 campuses, and was able to get one visit and four call backs.
- Sandy Keaton announced that there is a list of all the future conferences held by UTLA which is available to the public. Sandy reiterated that one does not have to be a UTLA member to attend; it is open to other union members of LAUSD.
- Art mentioned that there are about 1,600 people who have not designated a beneficiary, so his team will attempt to contact them via phone messages.
- Mariam explained that there is a marketing flyer and enrollment form for the 457(b) that will be mailed with out with the open enrollment package. There is also the opportunity to mail them out in the confirmation package. Sandy motioned to mail it both times and Jack Moscovitz seconded. The committee voted 6 yes and 0 no and the motion was passed.
- Sandy Keaton asked Julia Durand how long it will take realistically for the sub-committee to look at custom target date funds. Julia estimated it could take a year and Bill estimated 6 months. Jack Moscovitz recommended initiating it next year. Mariam Hironimus recommended putting in a disclaimer that funds are subject to change, which would resolve the problem.
- Sandy announced she will be doing a presentation at the leadership conference on Sunday morning at 8:30 a.m. She will be heavily emphasizing the 457(b) plan; she is asking people to spread the word about attending it.

(5) 457(b) Fee Disclosure Update

- Art Wexler and Bruce Corcoran did some research on the discrepancy pointed out by Alan Warhaftig and found out Alan was correct. His team is also taking measures to correct the error on the fixed traditional accounts. Therefore, anyone who was overcharged will be refunded and if under charged then TIAA-CREF will pay the costs.

(6) 403(b) Plan Update

- April Young reported that TSACG received additional data regarding ancillary reports requested by the committee. They have created test files and Stephen Banks will attend the October meeting to discuss all of the reports with the committee.
- About 1,800 online transactions have been processed between June and August 2012. Approximately 530 transactions out of the 1,800 are salary reduction agreements (SRA). About 700 to 750 have been processed manually by TSACG.

(7) Consultant RFP Update

- As announced, SST Consulting won the District's Consulting RFP.

(8) PARS Update

- Eric O' Leary introduced Rod Skidmore from U.S. Bank to the committee. He will be part of the presentation in the next meeting. Eric announced that U.S. Bank representatives are anticipating presenting multiple investment options, including capabilities and options. Eric would like feedback on preferences of the committee.
- Sandy Keaton suggested this presentation be moved to the November or December meeting as the October agenda is full. Jack Moscovitz supported Sandy's opinion. The committee agreed.

(9) Save For Retirement Week Update

- Ed Burke announced he sent out a copy of the resolution to the members of the committee. Sandy Keaton asked if any members needed to appear for the Board meeting with Ed. He explained the procedures of the meeting and answered general inquiries on expectations by the committee.
- The meeting will be held on October 9, 2012. Julia Durand will also attend to be a presenter. Mariam Hironimus will handle the audio and visual aspects upon request.

(10) District Property Access Update

- Janice Sawyer announced she will be in contact with the Chief of police. The school police have campus aides, safety officers, and sworn officers on school campuses, so they could be an extra deterrent. She has set up a meeting with former principle John White from LSW, who went through staff relations to talk to Janice. They will discuss with each about the bulletin. They are trying to circumvent the bulletin policy to get access to LAUSD school campuses.
- Jack Moscovitz reiterated that agents are contacting individual schools under the pretense that they want to come onto campus to give a seminar on retirement investment. The "no selling" approach is actually meant to get leads by taking names and contact information to sell their products. Jack gave further examples including a woman who carried a supposed letter of authorization to go on campus. Janice revealed that these agents are also getting savvy by attempting to request proprietary information as a public records request.
- Jack Moscovitz motioned, and Ed Burke seconded to direct Janice Sawyer to follow through with the modification of the bulletin. Also, in preparation for the next meeting, she is to have a discussion from Stephen Banks, relating to getting permission from Megan Reilly to implement the bulletin. The committee vote 6 yes and 0 no and the motion was passed.

(11) New Business

- Art Wexler would like to set up cluster seminar meetings when possible. He asked the committee members to assist with this effort. Janice Sawyer offered to introduce them when possible.
- Sandy Keaton re-emphasized the investment workshops that are available in conjunction with the cluster meetings.
- Sandy Keaton asked who will be attending the NAGCDA conference and what the price was. Steve Schullo replied the cost is about \$200. Janice Sawyer reminded that there is about \$25,000 left in the retirement investment committee fund after the SST contract is paid out. The representatives who will be attending the conference will be Malorie Evans, Sandy Keaton, Steve Schullo, and Mariam Hironimus.
- Bill Tugaw announced that SST temporarily suspended the fund solicitation for the LAUSD research project. SST will give a status report once a month. There is currently \$60,000 available from TIAA-CREF, Plan Member Services, and Axa Equitable; Metlife has made a commitment of \$10,000. Bill believes more funding will come in once the NTSAA letter has been responded to by LAUSD.

- Steve Schullo talked about streamlining the structure of the RIAC meetings.

(12) **Set next agenda and next meeting date**

- The next meeting is scheduled for October 18, 2012.

(13) **Public comments**

No comments.

(14) **Adjournment**

Meeting adjourned at 5:12 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

October 18, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Ron Miller	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 10/18/2012

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Christian Valtierra	CSEA (Alt)
7. Sandy Keaton	UTLA
8.	
9. Doug Marian	Building Trades Council (Alt)
10.	
11.	

Participants Present

Barbara Healy	SST	Mariam Hironimus	LAUSD
Eric O’Leary	PARS	Brian Wong	LAUSD
Faith Hermann	PARS	Karen Woods	LAUSD
Julia Durand	CalSTRS	David Raffin	TIAA-CREF
Alan Warhaftig	AALA (Alt)	Michael Schaeffer	AXA Equitable
Gregg Breed	LAUSD	Rod Skidmore	US Bank
Stephen Banks	TSACG		

----- The meeting convened at 3:00 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:06 p.m.

(2) Introduction of Christian Valtierra – CSEA –LA Chapter 500

Christian Valtierra and Doug Marian were introduced to the committee.

(3) Approval of Minutes

The September 20, 2012 meeting minutes were approved.

(4) SST Update

- Barbara Healy recommends that the committee do a 457(b) plan amendment to remove the 457(b) special three year underutilization catch up provision from the plan document. She explained that the calculation for it was too complicated and it would not hinder anyone’s ability to contribute their maximum into their accounts. Jack Moscovitz motioned, and Sandy Keaton seconded to recommend that Janice take this recommended change to Megan for approval. The committee voted 7 yes, 1 abstain, and 0 no; the motion was passed.

(5) 403(b) Plan Update

- Stephen Banks conducted a presentation to show the progress of the 403(b) data. He re-iterated that the goal was to interpret participation demographics, identify trends, utilize data to assist Benefits

Administration to communicate the benefits of the plan, and to discuss other types of reports that can be generated from the new as well as existing data. All reports were grouped by employment category, including participant age, provider, income levels, and percentage participation by group. Salary ranges included \$5,000-\$25,000, \$25,000-\$50,000, \$50,000-\$75,000, \$75,000 and above. Steve provided a caveat that the data was still in progress, so some of the categories will be more accurate once TSA Consulting Group (TSACG) receives more updated data.

- Stephen followed up on the committee's prior inquiry of finding out how many financial representatives were no longer authorized to sell vendor products. The request to validate authorized representatives was sent out to the companies one week ago and 136 listing agents will be removed.
- Alan Warhaftig asked if committee members could go online to the TSACG website to verify if financial representatives have or have not register by completing the District's Solicitation Agreement. Stephen replied TSACG could contact these reps and notify them of the requirement to register in order to sell financial products. LAUSD will be notified if any financial representatives refuse to sign.

(6) 457(b) Plan Update

- Julia Durand thanked the committee members who attended the NAGCDA conference. She thanked Steve Schullo for volunteering to help out at the conference.
- Sandy Keaton announced that she and Barbara conducted a presentation at a UTLA leadership conference. Kevin Kirkpatrick and Art Wexler got 47 schools to sign up to have a presentation at their location, but they have been blocked by some principles who told them their school already had presentations for the year.
- Jack Moscowitz and Alan Warhaftig announced that as soon as they receive the new rule changes and bulletin changes, they will get them published in the AALA updates which hopefully will help bring things back into compliance.
- Dave Raffin announced there were 18 new enrollees and 14 of them were female. The average age was around 45 to 55 years old. Julia announced that CalSTRS was working on drafting some additional reports regarding the breakdown of participants, assets, gender, and age group, to present to the committee.
- Sandy thanked Julia for hosting NAGCDA and encouraged the committee to look at its publishing online.
- Steve Schullo suggested the committee collaborate with Los Angeles City and Los Angeles County which won awards for leadership.

(7) 457(b) Fee Disclosure Update

It was suggested this item be placed on next month's agenda.

(8) PARS Update

- Eric O' Leary passed out the PARS report for the committee to review.
- Barbara announced she has been working with Eric on drafting an investment policy statement for PARS and it will be presented at the November meeting. Gregg Breed would like to take the investment policy statement to discuss it with Megan Reilly once it is completed.
- Rod Skidmore, from U.S. Bank, is to do a presentation on the different investment options available to the District's PARS program. This presentation could be moved to December if the committee wants more time to discuss the investment policy.

(9) Research Project Update/ Letter

- Barbara Healy will send out the response letter to NTSAA (National Tax Sheltered Accounts Association) and copy Gregg Breed and Megan Reilly.
- No additional funds have been received for the project.

(10) Target Date Funds Update

- The Sub-Committee comprised of Alan Warhaftig, Sandy Keaton, Ed Burke, Steve Schullo, Barbara Healy, and Bill Tugaw met to discuss the possibility of developing custom target date funds. The members compared that to the Vanguard managed target date funds. They discussed whether the glide path should be “to retirement” or “through retirement”.
- The Sub-Committee members looked at the T. Rowe Price 2020 and Vanguard equivalent 2020 which are through retirement options. They discovered that the quality of the mix bonds played a major role in the merits. Barbara will research and suggest some “to retirement” target date funds in the future for a more comprehensive view.
- The Sub-Committee’s goals are to substantially cut the costs of the expense ratios while also giving employees a more secure product in terms of equity and quality of bonds.
- The members discussed the possibility of Wellington and Wellesley as other funds to add.
- Barbara suggested de-selecting T. Rowe Price Retirement Income if the committee decided to de-select T. Rowe Price Target Date Funds.

(11) District Property Access Update

- Janice Sawyer met with Earl Perkins to discuss the solicitation bulletin. Earl Perkins agreed to meet with Janice and the chief of police to update the bulletin.
- Stephen Banks recommended to the committee to set up a meeting at least once a year, with all the financial representatives to review the rules of doing business with LAUSD. Stephen offered to reach out to vendor companies to discuss rogue agents not signing the solicitation agreement.
- Sandy motioned and Steve Schullo seconded that Committee direct Janice Sawyer and Gregg Breed to schedule another vendor forum meeting with Stephen Banks in January 2013. The goal of the forum is to educate and remind agents about the new rules with LAUSD property access.

(12) Old & New Business

- The third quarter review is due in November.
- Barbara Healy suggested discussing the TIAA-CREF Stable Value default account. She mentioned that a default account is technically supposed to be placed in a lifecycle, blend, or target date, not a stable value account.
- Steve Schullo wants to discuss the Committee’s meeting process flow and structure.

(13) Set Next agenda for November 15th, 2012

The next meeting is scheduled for November 15, 2012.

(14) Public Comments

No comments.

(15) Adjournment

Meeting adjourned at 5:04 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

November 15, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Christian Valtierra	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 11/15/2012

1. Gregg Breed	Chief Risk Officer
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannan	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Mariam Hironimus	LAUSD
Eric O’Leary	PARS	Brian Wong	LAUSD
Malorie Evans	UTLA	Karen Woods	LAUSD
Julia Durand	CalSTRS (Via Phone)	Art Wexler	TIAA-CREF
Alan Warhaftig	AALA (Alt)	Kevin Kirkpatrick	CalSTRS
April Young	TSACG (Via Phone)	Rod Skidmore	US Bank

----- The meeting convened at 3:00 PM -----
Meeting called to order by Jack Moscovitz.

(1) **Roll Call**

Quorum reached at 3:09 p.m.

(2) **Approval of Minutes**

The October 18, 2012 meeting minutes were approved.

(3) **Plan Updates**

A) Third Quarter 457(b) Review

- Barbara Healy announced that the biggest reaction to the market was the *fiscal cliff* instead of the presidential election. The biggest impact was the increase in taxes on capital gains, and investors were selling off at the current rate instead of waiting for the 2013 rate. If Congress could not come up with a compromise, the gross domestic product (gdp) could become negative, which will be bad for the economy. Barbara reassured that the market will not look like it did in 2008, it is readjusting itself.
- The Department of Labor (DOL) reported that the unemployment rate for October, increased from 7.8% to 7.9%. This showed that the U.S. economy is still not adding enough jobs to create growth. California has an unemployment rate of 10.2%. Mortgage rates appear to be getting lower as well.
- There are 30.9% of participants in the guaranteed fixed account and the money market account. It was not high according to peer group comparison but it was still too high for the number of participants in the District. Barbara believed it was a reflection of the volatility of the marketplace and an indication that LAUSD employees need more education and more diversification. The fixed account paid 2.03% which was very competitive; and LAUSD has the highest credit rating for a fixed account according to Barbara’s research. The average dollar weighted expenses in the plan reduced slightly from .46% (46

basis points) to .45% (45 basis points), making it one of the most inexpensive lineups of all of SST's clients. Per Steve Schullo's request, Barbara will include the 37 basis points for administrative fees in the future quarterly reports.

- Performance of index based versus actively managed funds indicated that index funds were a better value. Only American EuroPacific Growth and PIMCO Total Return outperformed the indexes.
- Barbara reviewed each fund and made the following recommendations based on each ones performance: All the funds had no action recommended with the exception of 1) T. Rowe Price Retirement Inc. and 2) T. Rowe Price Retirement 2010, 2020, 2030, 2040. It was suggested that for these 2 particular funds that they be deleted and possibly replaced with the Vanguard Target Date Funds.
- Barbara announced that the T. Row Price Target Date Funds are good funds and they are performing at or better than their peers. The issue with this suite of funds is twofold. Firstly, they are expensive compared to other target date funds. Secondly, the glide paths are too aggressive per the analysis of the committee and the sub-committee. The sub-committee recommended the T. Rowe Price Retirement Inc. be mapped into Vanguard Wellington.
- Barbara mentioned there was very low utilization of Target Date Funds. In other plans the size of LAUSD, Target Date funds are highly utilized, and it is usually because they are the default account. However, Barbara mentioned LAUSD doesn't have automatic enrollment, so no one is being placed into these funds. Barbara further asked why there are 293 participants in a money market fund. The earning for that is .03% versus the stable value account, which earns 2.3%. Barbara asked why a money market fund was offered in the first place.
- Barbara was searching for cheaper revenue sharing funds and identified all the American Funds, American Century, and PIMCO as needing replacement. Barbara reached out to CalSTRS and TIAA-CREF for cheaper share classes from the same fund. If the committee changed American Funds Fundamental change from R4 to R6 share class, the expense ratio will drop from 0.66% to 0.31%. American Century Heritage could drop from 1.01% to 0.81%. American EuroPacific could drop from 0.85% to 0.50% and PIMCO Total Return could drop from 0.71% to 0.46%. If the committee decided to change the share class, participants will get a lower share class and it would make the plan totally revenue neutral. It would make the record keeping much more transparent.
- Gregg Breed motioned, and Sandy Keaton seconded to start the approval process to change the share class. The committee voted 6 yes and 0 no, and the motion was passed.
- Barbara announced that SST Consulting sent out the response letter to NTSAA with a copy to the District. SST will re-solicit companies that declined to provide the research project with grant money and will set up conceptual focus groups. Barbara will need 15-18 people for the group who are willing to work together for about an hour. She wants all of the union members represented. The objective of the focus group is to find out why teachers have low participation rates, what their level of comfort and trust is, and what medium would be best for educating them about the investment plan.

B) 403(b)

- April Young reported that as of November 14, 2012, there were approximately 54,402 accounts with the authorized venders. There are about \$1.8 billion dollars in assets with an average balance of about \$34,000. The highest individual account balance is about \$1.5 million dollars and the lowest is at negative \$21.
- The system utilization of Aggregated Records and Transactions (ART) is being used by active employees and retirees. April reported that between system utilization and manual processing, there were about 9,000 transactions processed for the calendar year of 2012. These transactions included loans, contract exchanges, and purchase of service credits. There have been approximately 3,500 new salary reduction agreements (sra).

C) PARS/ Draft Policy statement

- Rod Skidmore from U.S. Bank presented an investment proposal for the Public Agency Retirement Services (PARS) funds. U.S. Bank is the current trustee for Alternate Retirement System (ARS) and has been investing conservatively in treasuries for PARS. Rod proposed the assets be diversified into 15% equity, 80% fixed bonds, and 5% cash. U.S. Bank assumes oversight and liability for investment portfolios. The estimated fee would increase from 0.10% to 0.1575%. However, because the PARS account has \$125 million in assets, U.S. Bank will charge only 0.08% for accounts over \$110 million. U.S. Bank uses low cost, no load index funds, and Exchange Traded Funds (ETFs). Fifteen out of 18 asset classes are iShares, Powershares, and Vanguard. Only three are actively managed, including PIMCO, American Century, and TCW. There are no direct derivatives or commodities in the portfolio. Rod presented a hypothetical scenario: if the ARS assets were exposed to 5% from 2002, the 10 year return on investment after fees would have been \$38 million dollars more than they are currently.
- Sandy Keaton motioned, and Steve Schullo seconded to take the report from PARS, the investment policy statement, as well as the investment, to the investment subcommittee for discussion. The committee voted 6 yes and 0 no, and the motion was passed.

(4) Target Date Funds Update

- Alan Warhaftig reported on the Investment Subcommittee alternatives to the current T. Rowe Price suite of Target Date Funds. The subcommittee researched target date funds that had glide paths *through* retirement and *to* retirement. SST provided the subcommittee with charts and an overview prospective of the fund choices. The committee members took into consideration, the bond risk and quality of the portfolio. The members paid extra attention to where the fund would leave participants at “0” year retirement age. They looked at nine options and eliminated T. Rowe Price and ING due to their comparatively low quality of bond portfolios. CalSTRS Pension 2 had an interesting array of portfolios, but because they could not be tracked in Morningstar therefore transparency became an issue and they were rejected.
- The subcommittee chose one 2025 target date fund that was *to retirement*, American Century Livestrong (ARWIX), and three 2020 target date funds that were *through retirement*: BlackRock LifePath (STLCX), Wells Fargo Advantage DJ (WFOBX), and Vanguard Target Retirement (VTWNX). Two more actively managed funds will be recommended to the lineup. The first is Vanguard’s Wellington (VWENX) which is about 65% stocks and 35% bonds with an expense ratio of 0.19%. The second is Vanguard’s Wellesley (VWIAX) which is about 38% stocks and 59% bonds with an expense ratio of 0.18%. Both funds are rated five stars by Morningstar.
- Sandy Keaton moved, and Gregg Breed seconded for the addition of Wellington and Wellesley to the fund lineup as a recommendation to present to the Chief Financial Officer (CFO). The committee voted 6 yes and 0 no, and the motion was passed.

(5) Education

A) Open Enrollment Campaign

Mariam Hironimus announced that the paper applications were mailed out to 92,000 active employees. A second mailing will be included with the Health Benefit confirmation statements scheduled for mailing the week of December 17, 2012.

B) Upcoming Marketing Plans

- Art Wexler will have a master calendar to show for the upcoming meeting.
- Sandy Keaton announced that a UTLA pre-retirement conference will be on December 1, 2012. It will cover topics about CalSTRS, social security, and health benefits. A 457(b) plan representative will be in attendance. There is a scheduled investment workshop on February 2, 2013.

C) Online Access

- Art Wexler reported that there were 117 new visitors to the 457(b) website and 26 new enrollments since the 457(b) flyer and applications were included in the Health Benefits Open Enrollment Packets which were sent in late October. Art reported that a licensed financial advisor in Denver would be contacting participants to inquire about their investment choices if they chose a money market account or the traditional fixed rate account; if they chose to contribute \$25 to \$50; and/or if they did not select a beneficiary. Art and his team have communicated with over 3,000 people about the 457(b) program.

D) District Property Access

- Mariam Hironimus announced that the School District is in the process of re-issuing the bulletin. Certificated Personnel is reviewing the bulletin and Janice Sawyer is working closely with Dr. Bowes from Employee Staff Relations to additional language to the bulletin.

(6) Set Next Agenda for Next Meeting

- The next meeting is scheduled for December 13, 2012.

(7) Public Comments

No comments.

(8) Adjournment

Meeting adjourned at 4:59 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

December 13, 2012 3:00 PM – 5:00 PM

Committee Members:

1. Janice Sawyer	Director of Benefits Admin
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6. Joan Richardson	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8. Frank Torres	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates – 12/13/2012

1. Mariam Hironimus	LAUSD (Alt)
2. John Walsh	Director, Finance & Policy
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannan	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Rod Skidmore	US Bank
Eric O’Leary	PARS	Brian Wong	LAUSD
Alan Warhaftig	AALA (Alt)	Karen Woods	LAUSD
Julia Durand	CalSTRS	Art Wexler	TIAA-CREF
Kevin Kirkpatrick	CalSTRS	David Raffin	TIAA-CREF (Via Phone)
Stephen Banks	TSACG (Via Phone)		

----- The meeting convened at 3:00 PM -----
Meeting called to order by Jack Moscovitz.

(1) Roll Call

Quorum reached at 3:10 p.m.

(2) Approval of Minutes

The November 15, 2012 meeting minutes were approved.

(3) Revamping the Agenda

- Steve Schullo motioned, and Sandy Keaton seconded, the proposal of changing the schedule of the monthly meeting agendas. The rationale is to free up time so the meeting could focus on five proposed agenda items. These agenda items are: committee education, allocation of \$25,000 for 457(b) education purposes, operations update, discussion of one of the aforementioned reports, and campus access. The committee voted 3 yes, 1 no, 2 abstain and the motion was halted.
- Steve Schullo offered to table the above motion, and Sandy Keaton seconded, so that it could be revisited again after further thought and considerations. Jack Moscovitz will withhold the vote and accept the motion to table by the maker of the motion, and move to a vote at a later date. The committee voted 6 yes, 0 no and the motion was passed.

(4) 457(b) Plan Update

- Art Wexler announced his team has enrolled 120 people since the Open Enrollment campaign began. The second mailing with the confirmation benefits package is currently being delivered.

- Art passed out 5 sample 457(b) marketing flyers for the committee to review and provide input.
- Mariam Hironimus stated she would like to have a flyer sent out between March and April to coincide with tax time and again at the beginning of the school year. The upcoming campaign will most likely be sent via email to save on paper, printing and postage costs.

(5) **457(b) Fee Disclosure Update**

- Art Wexler announced that the fee disclosures will be on the statements and the microsite.
- Barbara Healy asked Art why the expense ratios, basis points, and ticker symbols were not included as part of the fee disclosure statements. Art will bring a sample statement for the committee members to review.

(6) **SST Update**

- Barbara Healy handed out documents and reported on her findings of the following fund categories: international, real estate, and emerging markets. The request was initiated by Ed Burke. Barbara found between two to four funds for each category all of which are revenue neutral. Barbara reminded everyone that the committee's final decisions should be submitted to the Chief Financial Officer as one recommendation package. Barbara also reported that she was unable to find healthcare funds that fit into the Committee's Investment Policy requirements.

(7) **Research Project Update/Letter**

- Barbara Healy announced that she has been working with Sandy Keaton and Alan Warhaftig to get representatives from UTLA and AALA. She still needs classified representatives to be part of the focus groups. Barbara would like between fifteen to eighteen people to participate between January 30, 2013 and February 2, 2013. Mariam Hironimus replied there are many classified employees at LAUSD headquarters and that she would assist with getting a focus group of classified employees. Barbara Healy and Chris Hannan will coordinate getting representatives from the Building and Trades Council to participate in the focus groups.

(8) **Target Date Funds Update**

- Alan Warhaftig reported that the sub-committee held their third meeting. They started out with four options and eliminated the CalSTRs Easy Choice portfolio. They determined that adding the CalSTRS Easy Choice portfolio, which is comprised of eighteen funds, to replace four T. Rowe Price Target Date funds was not practical. The cost would be too expensive once the plan administration fee of .037 basis points was included. Also, it would be difficult to look up and research the portfolio because the portfolio of funds does not have a *single* ticker symbol.
- Barbara mentioned that the tools were what made *Easy Choice* great. It was very well constructed and has very good oversight. However, there were some downsides; one is that the tools would have to be built into the LAUSD 457(b) portal which would be a delay. Secondly, tracking is an issue. Thirdly, mapping those suites of target date funds would be a problem if LAUSD chose another 457(b) provider. Fourthly, moving money out of the TIAA-Traditional Annuity would expose LAUSD to a market value adjustment as well as a surrender penalty.
- Alan Warhaftig reported that the Wells Fargo Target Date Funds were too expensive so it too was eliminated.
- Alan Warhaftig reported the sub-committee also compared BlackRock and Vanguard funds. He mentioned that BlackRock was a "To" fund instead of a "Through" fund. The glide paths for both funds at retirement year were very similar. There was a discussion of long term and moderate term bond portfolios and the issue of diversification. The sub-committee ultimately decided on choosing BlackRock LifePath Index funds to replace the T. Rowe Price Target Retirement funds.

- Sandy Keaton motioned, and Steve Schullo seconded to accept the sub-committee's recommendation of BlackRock for the target date funds. The committee voted 6 yes (John Walsh had left the meeting), 0 no, and the motion was passed.
- Sandy Keaton moved, and Steve Schullo seconded to close the money market and map it into the TIAA-Traditional account. The committee voted 6 yes (John Walsh had left the meeting), 0 no, and the motion was approved.
- Sandy Keaton moved, and Ed Burke seconded that Mariam Hironimus go to Megan Reilly to discuss the three motions from the investment sub-committee. These motions include the addition of the Wellesley and Wellington funds, the changing of the target date funds, and finally, the closing of the money market fund and have it mapped to the TIAA-CREF Traditional account. The committee voted 6 yes (John Walsh had left the meeting), 0 no, and the motion was approved.

(9) 403(b) Plan Update

- Stephen Banks reported there were not many changes with the 403(b) as far as numbers were concerned. There was, however, a jump in the USAA Investments as it was believed that USAA had not been reporting all of their accounts to TSACG until recently.
- Stephen Banks and April Young will be in Los Angeles on January 16, 2013 for a 403(b) representative meeting. A notification will be sent out to all vendors via email the week of December 17th and a follow up email in January which will emphasize the mandatory nature of the meeting.
- Sandy Keaton asked Stephen if it is possible to get the breakdown of employees by age, the total account balances, and the breakdown of whether employees are in annuity or fixed accounts. Stephen replied that has become a best practice; however different vendors are still using different platforms, so it is a bit difficult. Sandy requested to see fixed annuity versus other products. Stephen replied he will provide the requested reports as long as TSACG is receiving it in the SPARKS data. His team will give it their best effort based on the data.
- Steve Schullo asked Stephen if it was possible to get locations that sales people tend to go. Stephen replied the demographic file did not have a work center location, so currently it is not possible.
- Alan Warhaftig asked Stephen if there was a way for the committee to access the reports for querying purposes. Stephen replied once the factual information is available, it should be possible. However there are some stages/requirements to fulfill.

(10) PARS Update / Presentation Part 2

- John Walsh explained that he needs to recuse himself of all future PARS votes as his wife has a PARS account. (This item was discussed early on in the meeting at John Walsh's request.)
- Sandy Keaton motioned, and Steve Schullo seconded, to direct Mariam Hironimus to go to Megan Reilly to review the content of the proposal. This proposal includes a five to fifteen percent investment in equities. The sub-committee would like to know if Megan is comfortable going in that direction with PARS before proceeding with providing fund recommendations and changes. The committee voted 6 yes (John Walsh is recused), 0 no, and the motion was passed.

(11) District Property Update

- The District Property Access issue will be delegated to a sub-committee.
- Alan Warhaftig would like to suggest getting LAUSD School Police to participate in the sub-committee meetings regarding property access.

(12) Periodic Vendor Review/Evaluation

- Alan Warhaftig suggests the Committee to have a periodic evaluation of vendors such as CalSTRS, TSACG, and SST Consulting bi-annually or annually. Mariam Hironimus replied that Procurement actually handles those types of tasks. Jack Moscovitz suggested Alan Warhaftig bring a motion in the upcoming meeting.

(13) Old & New Business

No old or new business

(14) Set next agenda for next meeting

The next meeting is scheduled for January 17, 2013.

(15) Public Comments

No comments.

(16) Adjournment

Meeting Adjourned at 5:10 p.m.