

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

February 21, 2013 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. Christian Valtierra | CSEA-LA Chapter 500 |
| 7. Sandy Keaton | UTLA |
| 8. | SEIU Local 99 |
| 9. Chris Hannan | Building Trades Council |
| 10. Thomas Beatty | Teamsters/Local 572 |
| 11. Max Gonzalez | LASPA |

Present Members or Alternates

- | | |
|------------------------|-------------------------|
| 1. Janice Sawyer | LAUSD |
| 2. Tim Rosnick | LAUSD (Alt) |
| 3. Alan Warhaftig | Board Appointee (Alt) |
| 4. Steve Schullo | Member-at-Large |
| 5. Jack Moscovitz | AALA |
| 6. Christian Valtierra | CSEA |
| 7. Sandy Keaton | UTLA |
| 8. | |
| 9. Chris Hannon | Building Trades Council |
| 10. Thomas Beatty | Teamsters |
| 11. | |

Participants Present

- | | | | |
|-------------------|---------------------|------------------|-----------|
| Bill Tugaw | SST | Mariam Hironimus | LAUSD |
| Barbara Healy | SST (Via Phone) | Brian Wong | LAUSD |
| Abigail Billings | PARS | Karen Woods | LAUSD |
| Veronica Martinez | PARS | Art Wexler | TIAA-CREF |
| Mallorie Evans | UTLA | David Raffin | TIAA-CREF |
| Julia Durand | CalSTRS (Via Phone) | Aaron Knode | TIAA-CREF |
| Kevin Kirkpatrick | CalSTRS | Stephen Banks | TSACG |
| Brian Gould | CalSTRS (Via Phone) | | |

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

Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:05 p.m.

(2) Approval of Minutes

The December 13, 2012 meeting minutes were approved. There were no January minutes to approve as quorum was not met for that meeting.

(3) Revamping the Agenda

- Steve Schullo addressed the idea of having the 457(b) *quarterly* reports presented in February, May, August, and November; the 457(b) *monthly* report by CalSTRS presented in March, June, September, and December; the 403(b) reports by TSA Consulting presented in January, April, July, and October; and the PARS report presented in January and June unless there is an urgent issue. Sandy Keaton replied that the committee often recesses in December or July so those months may have to be changed accordingly. Sandy Keaton motioned and Christian Valtierra seconded the recommendation to amend the standing item as a 457(b), 403(b), PARS, and District property access update. This would allow the committee to receive reports and ask questions with the intent of hopefully keeping a discussion to ten minutes. The committee voted 9 yes and 0 no and the motion was passed.

(4) 457(b) Plan Update

- Sandy Keaton announced that they had a fabulous investment workshop on February 2, 2013. Many people enjoyed the seminar and said it was well worth their time to attend. Many participants asked why the District and unions didn't hold these seminars for new employees. There were many people who utilized the breakout sessions with Art Wexler, Barbara Healy, Ed Baum, and others. The keynote speaker was Dan Otter. Steve Schullo, Dan Robertson and Dan Otter spoke about their books. The upcoming seminar is scheduled for April 13, 2013 and the keynote speaker will be Rick Rogers.
- Art Wexler announced that the processing of paper enrollments is now a one day process. Benefits Administration has established some key performance indicators and one of them is to have 4,000 employees be educated about the 457(b) program. So far, the CalSTRS/TIAA-CREF team has reached out to 2,300 employees, as well as, has met every other benchmark discussed.
- Art also mentioned that employees at school campuses are beginning to report people who aren't supposed to be on school campuses.

(5) 457(b) Fee Disclosure Update

- Art Wexler provided an update on the 457(b) 2012 statement error and stated that participants who were undercharged will not be charged and those who were overcharged will be paid back and made whole. In the fourth quarter, the fees paid to TIAA-CREF for the program were correct; it was just how they were accounted for that needed clarification. All will be communicated to participants via mailed notices.
- Art introduced Aaron Knode, from TIAA-CREF, who will be in charge of 457(b) marketing for the School District.
- Sandy Keaton announced that many employees have a misconception that the 457(b) plan is *managed* by LAUSD, and they don't trust LAUSD holding their money. Sandy wants to ensure that employees are educated that it is actually a District sponsored plan, and that their money is not held by LAUSD.

(6) 457(b) Marketing

- There will be an email campaign in May after the fund changes go into effect.

(7) SST Update

- Bill Tugaw presented the 457(b) quarterly review. The total assets increased from \$39.9 million to \$42.6 million as of the end of 4th quarter 2012. The total assets include the money market and the fixed account. The overall annual fund growth for 2012 was 15.83%.
- Bill suggested placing the Vanguard MidCap Value Index (fund #7) on the Watch-list due to the one (1) and three (3) year investment performance. Sandy Keaton motioned, and Jack Moscovitz seconded to move the report recommendation of placing the fund on the Watch-list. The committee voted 9 yes, 0 no, and the motion was passed.

(8) Research Project Update/ Letter

- Bill Tugaw thanked members of the committee who gathered volunteers for the research project. Bill announced they were working with the International Foundation of Employee Benefit Plans (IFEBC) to benchmark organizations similar in size to LAUSD. Unfortunately, now IFEBC is unable to continue assisting due to prior commitments, but offered alternative organizations that could help. SST is still in conversation with Dr. Shlomo Benartzi and staff from UCLA who will hopefully join in on the finishing touches of this project.
- Funding for the project is complete. The following 403(b) providers have elected to support the research project: Axa Equitable, Metlife, Plan Member Services, TIAA-CREF, ING, Reliastar, and

Security Benefit. VALIC suggested funding from the administrative expense reimbursement provided to the District during their term as the Deferred Compensation Plan Provider. All of the other providers have either rejected to support or have been silent about supporting the Educational Research Project. The current cash balance available for the project is \$92,628.38.

(9) Target Date Funds Update

- T. Rowe Price Target Date Funds will be replaced if approved by the Chief Financial Officer.

(10) 403(b) Plan Update

- Stephen Banks announced that TSACG has received the location information needed to generate the reports requested by the committee. TSACG will begin to work with the raw data to produce a meaningful report and it will take about thirty days. Alan Warhaftig asked if it was possible for committee members to query the information. Stephen answered it was possible.

(11) 403(b) Plan Document Loan Amendment

- Stephen Banks asked the committee to make an amendment to the Plan Document for the benefit of the employees. The request is to amend the Plan Document to the current IRS allowable loan provisions. The IRS allows employees to borrow 100% of the first \$10,000 or half of the account balance (maximum loan of \$50,000), whichever is larger. This would give employees more leeway because without this amendment, they will be forced to take a hardship if they do not qualify for a loan under the current provisions. Barbara Healy announced that she had already drafted the provision change since the previous meeting's discussion. Sandy motioned and Jack Moscovitz seconded, to amend the Plan Document to increase the permissible loan amount to the allowable IRS limits, subject to the limitations of the annuity contract with the vendors. The committee voted 7 yes, and 2 no and the motion was passed.

(12) PARS Update

- Mariam announced that she met with John Walsh who met with Megan Reilly. They reviewed the proposal that US Bank submitted and they are in favor of the subcommittee taking a look at fund recommendations to present to Megan. They would like to know if SST can provide some benchmarks of other public entities' investment performances.

(13) District Property Access Update

- Alan Warhaftig announced that Sandy Keaton, Jack Moscovitz, Barbara Healy, Mariam Hironimus, Karen Woods, and Alan himself were on a conference call to discuss the revised language for BUL-5474.0, which prohibits 403(b) and other solicitors on LAUSD sites. They agreed that they needed to urgently revise the policy. There was a discussion to either revise the existing bulletin or recommend the issuance of a separate bulletin. The new bulletin includes section A, B, C, and D, of Alan's handout which covers solicitations and sale of merchandise. Art Wexler suggested including PARS into section B of the bulletin. Jack Moscovitz suggested including computers into section C of the bulletin. Alan Warhaftig motioned, and Jack Moscovitz seconded that the committee approve this new language as the core to a new separate bulletin and a revision of the existing BUL-5474.0. The committee voted 9 yes, 0 no and the motion was passed.
- Mariam Hironimus spoke with Teresa Harvey, the manager of the California Credit Union branch at Beaudry headquarters, to determine whether they sell or make referrals for 403(b) products. Mariam then met with Teresa, the vice president of the branch, as well as their representatives. They provided

Mariam with a copy of their presentation and later reached out to Art Wexler. Art will meet with CCU to discuss possibilities of a partnership.

- The subcommittee requested Mariam to contact School Police to arrange for a chief or ranking officer to be available to participate in the next subcommittee meeting. Janice Sawyer might be able to contact a deputy chief or sergeant to participate.

(14) Periodic Vendor Review/Evaluation

- Alan Warhaftig moved to have a subcommittee to conduct annual evaluations of the three vendors: SST Consulting, TSA Consulting Group, and CalSTRS. The subcommittee shall conduct evaluations to report to the full committee. Janice Sawyer stated that we are the contract sponsor thus Janice will return with a timing schedule.

(15) NAGDCA Renewal

- Sandy Keaton motioned, and Janice Sawyer seconded, to renew the NAGCA membership. The committee vote 9 yes, 0 no and the motion was passed.

(16) Set Agenda For Next Meeting

Next meeting is scheduled for March 21, 2013

(17) Public Comments

No Comments.

(18) Adjournment

Meeting Adjourned at 5:10 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

March 21, 2013 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. Christian Valtierra	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8.	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates

1. Janice Sawyer	LAUSD
2. Jamaar Everett	LAUSD (Alt)
3. Ed Burke	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council (via phone)
10.	
11.	

Participants Present

Bill Tugaw	SST (Via phone)	Mariam Hironimus	LAUSD
Barbara Healy	SST	Aldersen Picar	LAUSD
Eric O’Leary	PARS	Karen Woods	LAUSD
Mallorie Evans	UTLA (Alt)	April Young	TSACG (Via phone)
David Raffin	TIAA-CREF (Via phone)	Julia Durand	CalSTRS (Via Phone)
Alan Warhaftig	AALA (Alt)	Brian Gould	CalSTRS (Via Phone)

----- The meeting convened at 3:05 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:10 p.m.

(2) Approval of Minutes

- The following changes were requested on the February 21, 2013 meeting minutes: 1) on page 2 add Dan Robertson as he also spoke about his book and 2) on page 3 change the wording from “VALIC authorized” to “VALIC suggested” regarding the research project funding. Steve Schullo motioned and Jack Moscovitz seconded to approve the February meeting minutes as amended above. The committee voted 7 yes and 0 no and the motion was passed.

(3) 457(b) Marketing

- An email campaign is scheduled for early May after the fund changes go into effect. A marketing strategy meeting has been scheduled for April 15th at 3:00 pm with Mariam Hironimus, Janice Sawyer, Julia Durand, Brian Gould, Alan Warhaftig, Sandy Keaton, Aaron Knode, Dave Raffin, and Mallorie Evans.
- Julia Durand has been requested to provide an updated 457(b) application with funds and ticker symbols by May 1, 2013.

(4) SST Update

- Barbara Healy thanked the Fund Sub-Committee for all their hard work and stated she has been working with TIAA-CREF, CalSTRS and the District on the fund change process.

(5) Research Project Update/Letter

- Bill Tugaw distributed a handout with a general update of the research project. Bill announced that SST is now conversing with the International Foundation for Retirement Education (InFRE) and will likely involve information from the Employee Benefit Research Institute (EBRI) to assist with this project. SST is still in contact with Dr. Shlomo Benartzi and staff from UCLA.

(6) Target Date Funds Update

- Megan Reilly, the Chief Financial Officer, approved the replacement of all the funds. Mariam Hironimus announced that the District sent out an announcement letter to all participants and that TIAA-CREF will be sending out the official fund change letters next week.

(7) 403(b) Plan Document Loan Amendment

- The request to amend the 403(b) Plan Document to the current IRS allowable loan provisions has been submitted to Megan Reilly for signature/approval. If approved it will be given to TSA Consulting Group for implementation and posted on the District's website.

(8) Periodic Vendor Review/Evaluation Update

- Janice Sawyer spoke with Procurement and they have suggested that the vendor contracts be reviewed annually. A Sub-Committee was made up of Alan Warhaftig, Mallorie Evans, Steve Schullo and Mariam Hironimus and/or Janice Sawyer. Janice offered to gather the contracts and put together a timeline.

(9) Standing items:

- a) 457(b) – There were 118 new 457(b) enrollments in February.
- b) 403(b) – April Young stated that the new reports will be fully operational next month and will be on the Plan Sponsors website.
- c) PARS –
 - Eric O'Leary provided answers to questions from the previous month's meeting. He explained that the charter accounts were from 2009 and prior – these were the fiscally independent charter schools. Units "P" and "R" were reported to PARS that way by the District. He also explained that the change in the number of participants (number in question was 169 participant changes) was typical in a given month.
 - Alan Warhaftig distributed a handout which outlined the Sub-Committee's findings on the PARS funds.
- d) District Property Access Updates –
 - Alan Warhaftig reiterated that he wanted a school police representative to be on the Sub-Committee's conference calls or to attend the RIAC meetings. Janice Sawyer spoke to Nancy Ramirez, Deputy Chief of Police.
 - The draft bulletin was presented and the Committee wants "PARS" to be added to item B on page 3 and "computers" to be added to item C on page 3. Jack Moscovitz motioned and Sandy Keaton

seconded to approve the draft bulletin with the aforementioned additions. The committee voted 7 yes, 0 no and the motion was passed.

(10) 457(b) Administrative funds being used to pay SST fee

- The VALIC contract was for the administration of the 403(b) and 457(b). Therefore, the money can be used to pay SST Benefits Consulting. Ed Burke pointed out that the SST Benefits Consulting Contract would not have been passed by the Board if the funding for the contract was to come from the District's general fund. Ed further explained that most consultants are paid by special funds such as grant money, categorical goals, and bonds, not by the general fund.
- Sandy Keaton asked if Committee members could be reimbursed by the fund if they attend the NAGDCA seminar. It was suggested that a budget request be done and submitted to Megan Reilly for approval.

(11) VALIC Stable Value Account

- Alan Warhaftig asked the Committee if the "book value" or the "crediting value" of the Market Value Adjustment (MVA) was higher when the funds were transitioned over from VALIC to CalSTRS. If there was a gain, where are those funds? It was stated that there was a gain and that the funds are currently in the TIAA-CREF Traditional Annuity in the Plan's name. It was also asked what could be done with these funds. Barbara Healy explained that the funds could go to 1) Plan level expenses, 2) be returned to the participants who were in the fund at the time, or 3) be returned to all the 457(b) participants.
- Barbara Healy asked Julia to determine how easy or difficult it would be to divide up the funds; and could TIAA-CREF do the dividing of funds. If possible, would they; if not, why couldn't they? The Committee would like to know how difficult it would be to divide the money and refund it to the participants.

(12) Set Agenda For Next Meeting

- Next meeting is scheduled for April 18, 2013.
- Steve Schullo is unavailable and would like Alan Warhaftig to be his alternate – the request needs to be in writing and submitted to Megan Reilly in advance of the meeting.
- All agenda items are to be submitted by 4/10/13.
- Ed Burke's last meeting will be in July.

(17) Public Comments

No Comments.

(18) Adjournment

Meeting Adjourned at 4:54 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

April 18, 2013 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. Christian Valtierra	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8.	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates

1. Mariam Hironimus	LAUSD (Alt)
2. Jamaar Everett	LAUSD (Alt)
3. Ed Burke	Board Appointee
4. Alan Warhaftig	Member-at-Large (Alt)
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council
10.	
11.	

Participants Present

Bill Tugaw	SST	Art Wexler	TIAA-CREF
Barbara Healy	SST	Brian Wong	LAUSD
Eric O’Leary	PARS	Karen Woods	LAUSD
Rachael Sanders	PARS	April Young	TSACG (Via phone)
Rod Skidmore	U.S. Bank	Julia Durand	CalSTRS (Via Phone)
Rick Rosenthal	U.S. Bank (Via Phone)	Kevin Kirkpatrick	CalSTRS (Via Phone)
Steve Banks	TSACG (Via Phone)	Nancy Ramirez	LASPA

----- The meeting convened at 3:03 PM -----
Meeting called to order by Jack Moscovitz.

(1) Roll Call

Quorum reached at 3:04 p.m.

(2) Approval of Minutes

- Alan Warhaftig motioned and Mariam Hironimus seconded to approve the March 21, 2013 meeting minutes. The committee voted 7 yes and 0 no and the motion was passed.

(3) 403(b) Plan Update & Online Reports Presentation

- Steve Banks presented the 403(b) participation rate of employees across the school district. The map showed participation rate by zip code as well as color coded to differentiate target areas.
- Alan Warhaftig asked Steve if the electronic version has a breakdown of employee categories such as certificated, classified, or bargaining units. Steve replied that it does; it also includes a breakdown by age, vendor, and group affiliation.
- Steve Banks mentioned that a survey will soon be sent out to all 403(b) Representatives to determine best marketing strategies.

(4) 457(b) Marketing

- Art Wexler announced that the new 457(b) enrollment form has been completed. The new form contains the new replacement funds. A fund notification letter and a follow up email will go out to

participants. He also announced that there are 4 upcoming 457(b) seminars – 2 each day – on Tuesday April 30th and Wednesday May 1st. All employees in the Beaudry building are to be notified of the seminars via email.

- Kevin Kirkpatrick announced that the District has 3,298 participants as well as \$47,708,835 in the assets. There were 47 new enrollments in the month of March. The number of people that Art, Sam, Jeff, CalSTRS counselors, and Kevin have reached out to since July of 2012 is just under 4,800 and that they are on track to meet their annual benchmarks.

(5) SST Update

- Barbara Healy discussed potential topics to be included in the upcoming 457(b) education piece to be presented by SST. First, is the Investment Policy Statement which should be reviewed annually to ensure it lines up operationally with the Committee's goals. Next, is the self-directed brokerage account – which does allow the buying and selling of stocks and bonds; so part of the review should be whether or not it should be addressed in the policy statement or leave it as is. The third topic suggested to review is the TIAA-CREF plan document – which Barbara suggested doing in the second quarter.

(6) Research Project Update

- Bill Tugaw announced that they have a contract with InFRE (International Foundation for Retirement Education) to do a comparative analysis with other large retirement systems. They will develop a questionnaire, conduct interviews, and will have a report ready by July 2013.
- Bill has also been in contact with Dr. Schlomo Benartzi from UCLA. Dr. Benartzi and Dr. Richard Thaler, from the University of Chicago, are doing behavioral research.
- Bill estimated that the final deliverable to the Committee will be available in August 2013.

(7) Replacement Funds Update

- The replacement funds are scheduled to be mapped to the new funds on May 1, 2013; at which time the new funds will be available online and via the new enrollment form.

(8) 403(b) Plan Document Loan Amendment

- Mariam Hironimus announced that Megan Reilly has approved the amendment for the increased 403(b) loan amount.

(9) Vendor Review/Evaluation Schedule

- Mariam Hironimus announced that Janice proposed a schedule for the vendor review. The dates are subject to change based on volunteer availability. Subcommittee volunteers include Alan Warhaftig, Mallorie Evans, Steve Schullo, Sandy Keaton, Mariam Hironimus, and Janice Sawyer. The suggested dates are May to June 2013 for CalSTRS, August to September 2013 for TSA Consulting Group, and October to November 2013 for SST Benefits Consulting. However, it was decided by the majority of the Subcommittee that the CalSTRS review be slated for June to July 2013.

(10) Standing Items

- a) 457(b) – Please refer to section (4).
- b) 403(b) – Please refer to section (3).

c) PARS

- Eric O’Leary announced that he, Rod Skidmore, and Rick Rosenthal joined the Subcommittee meeting comprised of Steve Schullo, Ed Burke, Jamaar Everett, Janice Sawyer, Karen Woods, Alan Warhaftig, and Barbara Healy on April 4, 2013. PARS and U.S. Bank presented two proposed approaches to the investment plan. The first proposal is a “Balanced Approach” plan, which would invest 15% in equities, 5% in cash, and 80% in fixed income. The second approach would be in “All Fixed Income,” which would have 2% in cash and 98% fixed income. Most of the 98% would be invested in BlackRock iShares that are replicating Barclay indexes.
- The Subcommittee agreed that both approaches were appealing and are in compliance with RIAC’s investment philosophy.
- Alan Warhaftig motioned, and Mariam Hironimus seconded that the committee recommend the two proposals to the Chief Financial Officer. Ed Burke further amended the motion by suggesting that the Committee recommend the “Balanced Approach” as its preference, and Sandy Keaton seconded. The committee voted 7 yes and 0 no and the motion was passed. The Committee voted on the motion as amended, thus it reads “The Subcommittee to send to Megan both recommendations but prefers the Balanced Approach,” with 7 yes votes and 0 no votes, the motion was passed.

d) District Property Access Updates

- Alan Warhaftig provided a historical summary of access issues of 403(b) Representatives to Nancy Ramirez, the Deputy Chief of Police. Then, Deputy Chief Ramirez and the Committee discussed possible enforcement strategies (Representatives being removed from sites, warnings, citations, criminal reports, etc.) of bulletin #5474.0. Deputy Chief Ramirez will communicate with Earl Perkins to discuss safety concerns and will send out internal memorandums.
- Mariam Hironimus will be the point of contact for the committee.

(11) Use of Administrative Funds

- Mariam Hironimus passed out specific pages of the VALIC contract that referred to the funds for the Committee to review.

(12) Market Value Adjustment

- Mariam Hironimus announced that there was a positive Market Value Adjustment (MVA). The Committee feels the best option is to have the MVA be distributed on a “pro rata” basis to the appropriate participants who were invested in the VALIC Stable Value Fund at the time of the transition.

(13) Set Agenda for Next Meeting

The next meeting is scheduled for May 16, 2013.

(14) Public Comments

Sandy Keaton asked for volunteers to participate in upcoming retirement investment workshops. Mariam Hironimus will distribute the breakout of job duties being requested once provided by Sandy to various union representatives.

(15) Adjournment

Meeting Adjourned at 4:50 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

May 16, 2013 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. Christian Valtierra	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8.	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates

1. Janice Sawyer	LAUSD
2. Jamaar Everett	LAUSD (Alt)
3. Ed Burke	Board Appointee (Via Phone)
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council
10.	
11.	

Participants Present

Bill Tugaw	SST	Art Wexler	TIAA-CREF
Barbara Healy	SST	Brian Wong	LAUSD
Eric O’Leary	PARS	Karen Woods	LAUSD
Rachael Sanders	PARS	Kevin Kirkpatrick	CalSTRS (Via Phone)
Mallorie Evans	UTLA	Brian Gould	CalSTRS (Via Phone)
April Young	TSACG (Via phone)	Alan Warhaftig	AALA (Alt)
Steve Banks	TSACG (Via Phone)		

----- The meeting convened at 3:05 PM -----
Meeting called to order by Jack Moscovitz.

(1) Roll Call

Quorum reached at 3:05 p.m.

(2) Approval of Minutes

- The following changes were requested on the April 18, 2013 Meeting Minutes: 1) on page 3, Item 10c should read: Most of the 98% would be invested in Black Rock iShares that are replicating Barclay’s Indexes. 2) On page 3, Item 12 referring to the Market Value Adjustment the language should read: The Committee feels the best option is to have the MVA be distributed on a “pro rata” basis to the appropriate participants who were invested in the VALIC Stable Value Fund at the time of the transition.
- Sandy Keaton moved and Steve Schullo seconded to approve the April 18, 2013 meeting minutes with the aforementioned changes. The committee voted 7 yes, 0 no and the minutes were approved.

(3) 457(b) Quarterly Report

- Bill Tugaw presented the quarterly report and reported that the 457(b) plan has performed solidly over the past five years. Total assets increased 11.3% from \$42.6 million at the end of fourth quarter 2012 to \$47.4 million at the end of first quarter 2013.
- The TIAA Traditional Account increased from a net rate of 2.03% to 2.23% after the administration fee of 0.37%.

- The average dollar weighted expense ratio decreased from the prior quarter at 0.45% (45 basis points) to 0.44% (44 basis points). Heavy usage of index funds continues to make this portfolio very competitive. Alan Warhaftig asked what should be the expected basis change in a year with the new funds in place. Bill expects that there should be a 6 to 7 basis point decrease next year.
- The Sharpe ratio improved from 0.72 to 0.79 indicating greater returns for the relative risks taken by participants.
- The Standard Deviation reduced slightly from 14.37 the prior three months to 14.17, indicating it was a little less aggressive compared to the previous benchmark of 15.01.
- The alpha decreased slightly from -0.29 to -0.86, which was an anomaly because 52.6% of the portfolio has passively managed index funds.
- Fund # 2 American Funds Fundamental Investors R4 (RFNEX) transitioned to American Funds Fundamental Investors R6 (RFNGX) as of May 1, 2013 reducing the expense ratio from 0.66% to 0.31%.
- Fund # 5 American Century Heritage Fund (TWHIX) transitioned to American Century Heritage Institutional (ATHIX) as of May 1, 2013 reducing the expense ratio from 1.01% to 0.81%.
- Fund # 7 Vanguard Mid Cap Value Index is recommended to remain on the watch list due to its investment performance.
- Fund # 8 American Funds EuroPacific Growth R4 (REREX) transitioned to American Funds EuroPacific Growth R6 (RERGX) as of May 1, 2013 reducing the expense ratio from 0.85% to 0.50%.
- Fund # 10 PIMCO total Return (PTRAX) transitioned to PIMCO Total Return Institutional (PTTRX) as of May 1, 2013 reducing the expense ratio from 0.71% to 0.46%.
- Fund # 12 T. Rowe Price Retirement Inc, T. Rowe Price 2012, 2020, 2030, 2040 Fund # 13, 14, 15, 16 will be replaced by the BlackRock LifePath Index Series effective May 1, 2013. The transition will have significant reductions in each series' expense ratio.
- Ed Burke motioned and Sandy Keaton seconded to accept the recommendation to keep the Vanguard Mid Cap Value Index on the watch list and to look for alternatives of the peer group of Mid Cap Value. The committee voted 7 yes, 0 no and the motion was passed.
- Bill Tugaw mentioned that the Department of Labor and Security Exchange Commission have concerns and 6 recommendations regarding Target-Date-Funds. However, the District has met the first 5 of the 6 recommendations which include:
 1. Due diligence before selection Target-Date-Funds;
 2. Establish a review process;
 3. Understand the glide paths;
 4. Review the Target-Date-Funds' fees and expenses;
 5. Consider custom and proprietary funds;
 6. Develop effective employee communications – glide paths, fund characteristics, etc.
 SST is trying to develop such a communication for the District's use.

(4) 457(b) Education (Investment Policy Statement Review)

- Barbara Healy discussed the Investment Policy Statement (IPS) and the need to revise it to reflect current benchmarks of fiduciary responsibilities.
- Sandy Keaton asked Barbara if a subcommittee should be formed to make suggested revisions to the IPS and bring them back to the Committee for review. Jack Moscowitz recommended the formation of a subcommittee and that it report back by the end of August. Sandy Keaton motioned and Chris Hannon seconded, that a subcommittee be formed to review the Investment Policy Statement and report back at the August meeting. The committee voted 7 yes, 0 no, and the motion was passed. Sandy Keaton, Steve Schullo, Mallorie Evans, Janice Sawyer, Barbara Healy, and Bill Tugaw will be the subcommittee members.

(5) 457(b) Marketing

- Art Wexler passed out the proposed marketing flyer for the committee's approval. The Committee approved it. Now, it will go to the Chief Operating Officer for approval. If approved it will be sent to all active employees via an email blast.
- Sandy Keaton wants to discuss the website and its user friendliness. It was decided that this would be discussed with the Subcommittee who is doing the CalSTRS contract review.
- Mariam announced there were 40 new 457(b) accounts opened in April.

(6) SST Update & Research Project Update

- Bill Tugaw announced that SST Benefits Consulting is currently working with the International Foundation for Retirement Education (InFRE), Dr. Schlomo Benartzi and staff from UCLA to compile the data and write the research report.
- The estimated completion date from InFRE is by July 1, 2013. The estimated completion date of the entire report is mid-August 2013.

(7) CalSTRS Vendor Review

- Janice Sawyer will send out the CalSTRS contract for the subcommittee to review.

(8) Standing Items

- a) 457(b) – Please refer to sections: 3, 4 and 5 above.
- b) 403(b)
- c) PARS
- d) District Property Access Updates
 - Alan Warhaftig announced recently that there was a first incident of trespassing by a 403(b) vendor at his school location. The incident occurred at 10:00 a.m. and it was reported to School Police.
 - Jack Moscowitz announced that he has continued educating adult principles, elementary assistance principals, and elementary principles.
 - Janice Sawyer announced that the bulletin is under review by the Office of Labor Relations. They are also working with the email issues that LAUSD is having with vendor advertising.

(9) Market Value Adjustment

- Mariam received confirmation that Megan Reilly approved option 1 which is to distribute the funds pro rata to participants who were enrolled at the time of the vendor transition. Barbara Healy suggested that SST will work with CalSTRS and Mariam to come up with some language to describe why these funds are being distributed.
- The committee thanked Megan Reilly for her quick follow through with the decision.

(10) Investment Workshops

- Sandy Keaton passed out a partial list of tasks that are required at the investment workshops in hopes of getting other unions to volunteer to assist UTLA with upcoming seminars. Sandy will bring a complete list after Marguerite gives Sandy Keaton all of her list of duties. A date for the next workshop has not yet been set.

(11) Set Agenda for Next Meeting

- The next meeting is scheduled for June 20, 2013.
- Steve Schullo motioned, and Chris Hannon seconded to move that A) Benefits Administration include a link to the PBS Frontline special “Retirement Gamble” on the CalSTRS 457(b) marketing email blast to all eligible employees. The second motion is to move that B) Benefits Administration email to CalSTRS 457(b) marketing email blast to all eligible employees every quarter, for a total of four times a year. The committee voted 7 yes, 0 no and the motions were passed.
- Alan Warhaftig handed a drafted motion about Plan Member Service’s fees and expenses and requested that it be on the June agenda. Sandy Keaton motioned and Steve Schullo seconded that his proposed motion be an item on the June agenda.

(12) Public Comments

No comments

(13) Adjournment

Meeting Adjourned at 4:50 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

June 20, 2013 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. Christian Valtierra	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA
8.	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Thomas Beatty	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates

1. Janice Sawyer	LAUSD
2.	
3. Alan Warhaftig	Board Appointee (Alt)
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Art Wexler	TIAA-CREF
Eric O’Leary	PARS	Brian Wong	LAUSD
Rachael Sanders	PARS	Karen Woods	LAUSD
April Young	TSACG (Via phone)	Kevin Kirkpatrick	CalSTRS
Steve Banks	TSACG (Via phone)	Brian Gould	CalSTRS
David Raffin	TIAA-CREF		
Brian McAdams	TIAA-CREF		

----- The meeting convened at 3:05 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum reached at 3:05 p.m.

(2) Approval of Minutes

- The following changes were requested on the May 16, 2013 Meeting Minutes: 1) on page 3, Item 10 should read: Sandy will bring a more complete list after Margaret gives Sandy all of her list of duties. 2) On page 1, Item 2, second bullet, the language should read: Sandy Keaton moved and Steve Schullo seconded to approve the April 18, 2013 meeting minutes with the aforementioned changes.
- Sandy Keaton moved and Jack Moscovitz seconded to approve the May 16, 2013 meeting minutes with the aforementioned changes. The committee voted 6 yes, 0 no, 0 abstentions and the minutes were approved.
- Steve Schullo moved and Sandy Keaton seconded to cancel the July 18, 2013 Committee meeting. The committee voted 6 yes, 0 no, 0 abstentions and the motion was approved.

(3) 457(b) Report

- David Raffin presented the report to the committee. As of May 2013, the 457(b) investment plan has over \$50,000,000 in it. Active contributing participants are at 2,329 while the number of non-contributing participants (non-active) has remained constant at about 1,055 participants. The average participant contribution was \$407.60, thus the total contribution for May was \$949,308. The average

age of participants is 44. The majority of enrollments were completed online versus paper. The average loan amount for May was around \$30,000. A one year comparison since CalSTRS took over, showed that the total number of participants increased 26.6%, number of active at 18.3%, and non-active at 49.8%. The total assets increased 46.3% and the total contributions increased by 63.8%.

- Sandy Keaton asked Brian Gould if CalSTRS has a plan for LAUSD. Brian Gould replied yes, the goal is to get the younger educators to contribute sooner and CalSTRS is exploring various marketing tools to determine which are best suitable to obtain this goal. He also mentioned that LAUSD is the only account CalSTRS has that does not use their plan (Pension 2). David Raffin added that TIAA-CREF also has a percentage increase goal for LAUSD.

(4) 457(b) Marketing

- Janice Sawyer reported that the flyer was approved by the Chief Operating Officer and the Deputy Senior Superintendent and it will be sent out today.

(5) SST Update & Research Project Update

- Barbara Healy announced that the project is estimated to be completed by August, 2013. The presentation is estimated to be ready by September, 2013.

(6) Vendor Contract Review

- Janice Sawyer announced that the sub-committee had a phone conference and is in the middle of the evaluation process of the CalSTRS contract.

(7) Proposed Motions

a) Frontline link added to Email Blast

- Steve Schullo moved and Sandy Keaton seconded, to have Benefits Administration include a link to the PBS Frontline special “The Retirement Gamble”, on the CalSTRS 457(b) marketing email blast to all eligible employees. No vote taken. Jack Moscovitz moved, and Janice Sawyer seconded to table the motion until the August 15, 2013 meeting.

b) Quarterly educational emails to all eligible employees

- Steve Schullo moved and Alan Warhaftig seconded, to have Benefits Administration email the CalSTRS 457(b) marketing email blast to all eligible employees every quarter for a total of four times a year. The committee voted 6 yes, 0 no, 0 abstentions and the motion was passed.

c) PlanMember Services Compliance Issue

- Alan Warhaftig moved and Jack Moscovitz seconded to direct Janice Sawyer to write to CalSTRS to make the five points listed in the substitute motion handout. The committee voted 6 yes, 0 no, 0 abstentions and the motion was passed.
- Alan asked Steve Banks (TSA Consulting) for the number of employees in each of the PlanMember Services’ funds (Elite, Select, Preference and Direct).
- Alan Warhaftig asked Brian Gould of CalSTRS if any actions could be taken if vendors do not provide full disclosure. Brian Gould said he would check into this question.

(8) Standing Items

- a) 457(b)
- b) 403(b)
 - Steve Banks mention that Kevin Hinsley from TSA Consulting Group will be attending the next meeting.
- c) PARS
 - Eric O’Leary distributed the PARS report to the committee members.
- d) District Property Access Updates
 - Alan Warhaftig announced there were no more trespassing incidences since the previous month.
 - Janice mentioned that Chris Ortiz from the Office of the Superintendent suggested that a separate bulletin be created and go out under the School Operations department.

(9) Market Value Adjustment Distribution Update

- David Raffin announced that TIAA-CREF has completed an analysis and will be able to make a distribution as soon as their legal department makes the approval. CalSTRS will prepare draft letters for active, non-active, deceased, and on-leave participants, and will submit them to Mariam Hironimus for review.

(10) Investment Workshops

- Sandy Keaton announced that they have tentatively asked for the UTLA auditorium and breakout rooms for December 7, 2013 and April 26, 2014 for the investment workshops. The pre-retirement conferences are scheduled for October 19, 2013 and March 15, 2014.

(11) Set Agenda for Next Meeting

- The next meeting is scheduled for August 15, 2013.
- Sandy Keaton requested Janice to ask John Walsh if he could do a presentation about the new Bagley-Keene Act and how it relates to the Brown Act.
- Investment Policy Subcommittee to report back Committee in August.
- Steve Schullo’s Frontline motion was tabled until the next meeting.
- TSA Consulting is to provide various report data.
- Brian Gould is to provide an update on PlanMember Services.

(12) Public Comments

No comments

(13) Adjournment

Meeting Adjourned at 4:45 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

August 15, 2013 3:00 PM – 5:00 PM

Committee Members:

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

Present Members or Alternates

1. Janice Sawyer	LAUSD
2.	
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Art Wexler	TIAA-CREF
Bill Tugaw	SST	Brian Wong	LAUSD
Eric O’Leary	PARS	Karen Woods	LAUSD
Rachael Sanders	PARS	Mariam Hironimus	LAUSD
April Young	TSACG	Brian Gould	CalSTRS (Via Phone)
Kevin Hensley	TSACG	Kevin Kirkpatrick	CalSTRS
David Raffin	TIAA-CREF (Via Phone)		

----- The meeting convened at 3:05 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

- Quorum reached at 3:05 p.m.
- Janice welcomed and congratulated Alan Warhaftig as the new Board Appointee.

(2) Approval of Minutes

Two minor corrections were caught and noted. Jack Moscovitz moved and Sandy Keaton seconded to accept the June 20, 2013 Meeting Minutes with the two corrections. The committee voted 6 yes, 0 no, 0 abstentions, and the motion was approved.

(3) 457(b) Quarterly Report

- Bill Tugaw presented the report to the committee. Bill announced that since the restructuring of the mutual fund investment options in May 2013, the dollar weighted net expense ratio has reduced from 0.44% to 0.23% basis points.
- Since the Vanguard Wellesley (Fund # 12) and Fund # 13 Vanguard Wellington were added to the portfolio and the BlackRock LifePath Index (Fund # 14 to 17) replaced the T. Rowe Price Retirement series of actively managed funds, the portfolio has had the following changes:
 - The plan increased by 6.4% from \$47.4 million to \$50.4 million by the end of the first quarter 2013.
 - The fixed account assets increased by 10% from \$14.4 million to \$15.8 million.

- The assets in the Self Directed Brokerage Account (SDBA) increased from \$714.2 thousand to \$751.4 thousand with 31 total participants.
- The TIAA Traditional Account has increased from 3.00% to 3.20%, which is very competitive.
- SST recommended placing American Century Heritage (Fund # 5) on the Watch List due to its one (1) and five (5) year performance.
- SST recommended removing Vanguard Mid Cap Value Index (Fund # 7) from the Watch List due to its improved investment performance.
- Sandy Keaton moved, and Jack Moscowitz seconded, to accept the above two recommendations. The Committee voted 6 yes, 0 no, 0 abstentions, and the motion was approved.
- Jack Moscowitz moved, and Sandy Keaton seconded, to inform Megan Reilly of the committee's intent to submit to NAGDCA the District's plan design for a potential 2014 award. The committee voted 6 yes, 0 no, 0 abstentions, and the motion was approved.
- Bill mentioned that the Research Project will be completed in about 6 weeks.

(4) PlanMember Services Compliance Update

- Brian Gould (CalSTRS) reported that PlanMember Services is in compliance with 403bcompare.com as of June 6, 2013. CalSTRS also sent out 60-day notices to six other vendors to have them update their fund information.

(5) 403(b) Report

- April Young presented the reports to the committee. The total employee contributions for July 2013 were \$8,288,722.58. The total 403(b) plan assets were \$2,007,083,757.45. She also informed the committee that the demographic information is available to the Benefits Administration staff.
- TSA Consulting Group reported that they conducted a survey of which 135 representatives responded. The survey revealed that almost all were licensed to sell mutual funds and annuities. The vast majority have been in business for over 10 years and over 75% of their business is in the 403(b) market. Most reported that they conduct annual reviews with their clients.
- Kevin Hensley of TSA Consulting Group discussed the strengths and weaknesses of the 403(b) program as it pertains to IRS rules, regulations and audits regarding the need for the annual "meaningful notice." Every plan sponsor is required to notify their staff annually of the 403(b) plan, show them how to enroll, when to enroll, and share who the available vendors are. It is also a recommendation by the IRS to increase participation.

(6) Investment Policy Statement Update

- Barbara Healy reported that the subcommittee met and they have a draft ready for review. The subcommittee will review it and then it will be presented to the Committee.

(7) Proposed Motions

a) Frontline link added to Email Blast

- The committee discussed the fact that the actual link to the PBS Frontline Special "The Retirement Gamble" could *not* be included but that the webcast may be referenced in the email blast. Steve Schullo offered to verify this statement.
- Steve Schullo's motion was tabled.

b) Save For Retirement Week

- Steve Schullo wants to use Crystal Mendez as a great example of a female teacher who started saving at 22 years old and is now 32 years old and suggests that she be recognized by the Board. The Committee discussed the idea of her recognition and having her acknowledged at the Board level. The Committee further discussed where this recognition should be placed – in the yet to be developed long term marketing/educational plan vs. as part of the National Save for Retirement Week board resolution. It was decided that employee recognitions would be used in the future and ask the Board for future support.
- The committee agreed that Alan would review and edit the National Save for Retirement Week resolution. The resolution would then be presented to the Board.

(8) Standing Items

a) 457(b)

b) 403(b)

c) PARS

- Eric O’Leary distributed the PARS fiscal year-end report to the committee members.
- Eric, U.S. Bank representatives, and Megan Reilly, met to discuss the U.S. Bank Proposal. Ms. Reilly was interested in obtaining a third model/option. PARS and US Bank are putting one together.

d) District Property Access Updates

(9) Market Value Adjustment Distribution Update

- Art Wexler announced that the 457(b) market value adjustment has been disbursed and is complete.
- Alan Warhaftig commented that the letter should have acknowledged the committee in playing a central role in the distribution of market value adjustment.

(10) Email Marketing Campaign

- Art Wexler asked the committee to review the drafts and email their comments to him or Mariam Hironimus.

(11) Set Agenda for Next Meeting

The next meeting is scheduled for September 19, 2013.

(12) Public Comments

Sandy Keaton requested to have another 457(b) University presentation.

(13) Adjournment

Meeting Adjourned at 5:13 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

September 19, 2013 3:00 PM – 5:00 PM

Committee Members:

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

Present Members or Alternates

1. Janice Sawyer	LAUSD
2. John Walsh	LAUSD
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9.	
10.	
11.	

Participants Present

Brian Wong	LAUSD	Crystal Mendez	LAUSD
Karen Woods	LAUSD	Brad Rumble	LAUSD
Mariam Hironimus	LAUSD	Jamaar Everett	LAUSD
Art Wexler	TIAA-CREF		
Rachael Sanders	PARS		
April Young	TSACG (Via Phone)		
Kevin Kirkpatrick	CalSTRS		
Brian Gould	CalSTRS (Via Phone)		

----- The meeting convened at 3:05 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum was reached at 3:05 p.m.

(2) Approval of Minutes

Sandy Keaton motioned, Jack Moscovitz seconded to approve the August meeting minutes. The committee voted 6 yes, 0 no, 0 abstentions, and the motion was approved.

(3) Brown Act

John Walsh provided an overview of the Brown Act. The RIAC is a Brown Act Committee. The following are the highlights from the overview:

- ~ Materials/documents may be emailed however online and offline conversation about them must be stopped and the materials are then to be discussed at the next meeting.
- ~ Ad hoc meetings are permitted and must consist of less than the majority of committee members.
- ~ Agendas must be posted 72 hours prior to a meeting.

(4) 457(b) Report

- Kevin Kirkpatrick presented the 457(b) Touch Report to the committee members. The report includes the number of contacts at school sites, phone conversations, presentations, walk-ins, and other types of

appointments. Other services also included one-on-one sessions, group sessions, workshops, and front counter appointments.

- Art Wexler announced that his TIAA-CREF group was recently restructured. There are now six financial counselors based in Pasadena who are available to LAUSD employees.
- Art discussed the marketing campaign for open enrollment and the quarterly back to school email.
- Kevin announced that there are CalSTRS financial counselors based in Glendale who are also available to LAUSD employees.

(5) SST Updates

Mariam Hironimus will follow up with Barbara Healy about a tentative date for the 457(b) University.

(6) Vendor Contract Review/ Evaluation

Sandy Keaton has requested a second meeting date for the ad-hoc subcommittee review for CalSTRS. Janice Sawyer will set up the ad-hoc meeting for the CalSTRS contract and education review.

(7) Investment Policy Update

The ad hoc committee met and reviewed the Investment Policy Statement (IPS). SST Consulting made the changes, the ad hoc committee needs to reconvene and finalize the document. Sandy will set up the meeting. Once finalized, the IPS will be presented to the Committee.

(8) Standing Items

- a) 457(b)
 - Art Wexler announced that TIAA-Traditional interest rate increased to 3.35%.
- b) 403(b)
 - April Young mentioned that there are links to the previous common remitter vendor on the District website. April to provide the links and LAUSD will follow up.
- c) PARS
- d) District Property Access Updates
 - Janice Sawyer announced that both the Labor Compliance and the Employee Performance Accountability Departments are attempting to update the bulletin and determine who will issue it.
 - Alan Warhaftig mentioned a second incident of someone trespassing at a school location and the incident is to be reported to school police.

(9) Market Campaign Update

Please see "457(b) Report" above.

(10) Set Agenda for next meeting

- The next meeting is scheduled for October 17, 2013.
- Steve Schullo submitted four motions for the upcoming meeting.
- Alan to draft an email letter from the Union Committee Members announcing the 457(b) documents that will be included in the Open Enrollment packets.
- Sandy Keaton will present a report about the NAGDCA Conference.

(11) **Public Comments**

- The committee met with Brad Rumble and Crystal Mendez.
- Brad mentioned that the Gates Foundation is interested in 403(b) education. He also suggested possibly putting some type of “personal finance” information on the District’s Learning Zone.

(12) **Adjournment**

Meeting Adjourned at 5:00 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

October 17, 2013 3:00 PM – 5:00 PM

Committee Members:

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

Present Members or Alternates

1. Mariam Hironimus	(Alt)
2. Jamaar Everett	(Alt)
3. Alan Warhaftig	Board Appointee
4. Crystal Mendez	(Alt)
5. Jack Moscovitz	AALA
6.	
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Eric O’Leary	PARS
Rachael Sanders	PARS	Brian Gould	CalSTRS
Kevin Kirkpatrick	CalSTRS	David Raffin	TIAA-CREF
Stephen Banks	TSACG	April Young	TSACG (Via Phone)
Dorie Banks	TSACG	Brian Wong	LAUSD
Karen Woods	LAUSD	Aaron Knode	TIAA-CREF
Gifty Beets	LAUSD	David Estrada	Board Appointee (Alt)

----- The meeting convened at 3:05 PM -----

Meeting called to order by Jack Moscovitz.

(1) Roll Call

Quorum was reached at 3:15 p.m.

(2) Approval of Minutes

Alan Warhaftig motioned, Sandy Keaton seconded to approve the September meeting minutes. The committee voted 7 yes, 0 no, 0 abstentions, and the motion was approved.

(3) 403(b) Report

Stephen Banks presented the history of 403(b) and 457(b) plans as an educational review for the committee. Stephen presented the participation map of LAUSD employees. Alan Warhaftig asked when access to the database will be available. Stephen replied it will depend on LAUSD approval. Stephen also presented the Transaction Year-to-Date Report (entitled the Transaction Quarterly Report) to the committee.

(4) SST Update and Research Project Presentation

Barbara Healy discussed the progress of the Research Project. Barbara suggested formatting the research paper in a way that would appeal to non-academic audiences. Barbara suggested the presentation of the findings should coincide with the 457(b) University.

(5) Vendor Contract Review/Evaluation

Mariam Hironimus announced that the ad hoc committee for the review of the CalSTRS contract is to be scheduled for early November.

(6) Investment Policy Statement Update

Sandy Keaton announced the ad hoc committee meeting for the IPS review will be postponed until the following month.

(7) NAGDCA Summary Report

Barbara Healy announced the meeting was in Louisville, Kentucky. The review of the conference is available at SST's website as well as the NAGDCA Conference website. One of the main themes discussed there was the "Effective Opportunity to Enroll." Another presentation discussed stable value and education, particularly in regards to "Generation Y."

(8) Standing Items

a) 457(b)

- Kevin Kirkpatrick announced they will be hosting a table at the Health Benefit provider fairs at LAUSD headquarters in November. Kevin also announced that they are progressing with school campus access. Kevin will attend the upcoming UTLA pre-retirement presentation on Saturday, November 19, 2013.

b) 403(b) – See Section 3.

c) PARS

- Eric O'Leary presented the PARS' report to the committee.

d) District Property Access Updates

- Gifty Beets announced that the Office of Labor Relations has updated the bulletin. It will be out on Monday. The brief will be sent to all administrators.
- Alan asked if anything from the last property access issue had been reported to School Police to which Mariam responded nothing had been reported to them. Mariam is to invite the Deputy Chief to our next meeting.

(9) Marketing Campaign

- Mariam Hironimus announced that the email blast will go out soon pending approval from the Office of the Deputy Superintendent. The flyer will also be included in the open enrollment packets. Alan Warhaftig was concerned with the marketing campaign and did not want the email blast or the flyer to be sent out. Sandy Keaton also wanted them to be canceled. Mariam suggested creating an email ad-hoc committee meeting to discuss the marketing campaign. Sandy Keaton, Alan Warhaftig, Janice Sawyer and Mariam formed an email ad hoc committee and will plan to meet before the next committee meeting.
- Aaron Knode spoke to the committee about current and future marketing campaigns.
- Sandy mentioned UTLA will be hosting a Retirement Conference on December 7th and is requesting volunteers to assist with various duties. Sandy to send list of duties.

(10) Set Agenda for next meeting

The next meeting is scheduled for November 21, 2013.

(11) Public Comments

Jack Moscovitz personally thanks the members of the committee as well as participants for their hard work.

(12) Adjournment

Sandy Keaton motioned, and Mariam Hironimus seconded to adjourn the meeting. Meeting adjourned at 4:40 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

November 21, 2013 3:00 PM – 5:00 PM

Committee Members:

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

Present Members or Alternates

- | | |
|-------------------|----------------------------|
| 1. Janice Sawyer | Director of Benefits Admin |
| 2. | |
| 3. Alan Warhaftig | Board Appointee |
| 4. Steve Schullo | Member-at-Large |
| 5. Jack Moscovitz | AALA |
| 6. | |
| 7. Sandy Keaton | UTLA |
| 8. | |
| 9. Chris Hannon | Building Trades Council |
| 10. | |
| 11. | |

Participants Present

- | | | | |
|-------------------|---------------------|----------------|-----------------------|
| Barbara Healy | SST | Eric O’Leary | PARS |
| Bill Tugaw | SST | Brian Gould | CalSTRS (Via Phone) |
| Kevin Kirkpatrick | CalSTRS | David Raffin | TIAA-CREF (Via Phone) |
| Stephen Banks | TSACG (Via Phone) | April Young | TSACG (Via Phone) |
| Scott Dauenhauer | CalSTRS (Via Phone) | Brian Wong | LAUSD |
| Karen Woods | LAUSD | Mallorie Evans | UTLA |
| Flor Anaya | LAUSD | Art Wexler | TIAA-CREF |

----- The meeting convened at 3:15 PM -----

Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum was reached at 3:21 p.m.

(2) Approval of Minutes

Jack Moscovitz motioned, Sandy Keaton seconded to approve the October meeting minutes. The committee voted 6 yes, 0 no, 0 abstentions, and the motion was approved.

(3) 457(b) Quarterly Report

- Bill Tugaw presented the 457(b) third quarter report to the committee. Bill announced that the total assets increased from \$50.4 million to \$55.1 million, an increase of 9.3% over the previous quarter.
- Bill announced that the CREF Money Market fund dropped from over 2 million dollars to \$0. Effective August 1, 2013, the interest rate in the TIAA Traditional Account has increased to 3.35%.
- Heavy usage of index funds has made this portfolio extremely competitive, with 67.3% represented in mutual fund investments.
- Vanguard will discontinue their Signal share class of index funds and will transition it into Admiral Share class, which will further reduce expenses.
- Sandy Keaton motioned, and Jack Moscovitz seconded to have American Century Heritage remain on the watch and American Funds Europacific Growth be placed on the watch list. The committee voted 6 yes, 0 no, 0 abstain, and the motion was passed.

(4) Vendor Contract Review/Evaluation

- Janice Sawyer will review the CalSTRS contract, craft a letter to CalSTRS and will share it and work with the ad hoc committee for finalization.
- Alan Warhaftig asked about the status of the letter to CalSTRS regarding the incident with Plan Member Services. Janice will follow up on that request.

(5) Investment Policy Statement Update

- The committee discussed the language of the Investment Policy Statement (IPS). The committee concluded that certain language in the policy statement was necessary to conform to ERISA and SEC regulations.
- Alan Warhaftig motioned, and Sandy Keaton seconded, to approve the IPS with the following 2 changes – 1) to change the word “committee” to “the plan shall operate” and 2) to include “sector” funds as part of the investment class. The committee voted 6 yes, 0 no, 0 abstain, and the motion was passed.

(6) NAGDCA Summary Report

Sandy Keaton presented the highlights of the NAGDCA conference to the committee. The websites www.investor.gov and www.saveandinvest.org are good resources for investors. Sandy reported that the committee is actively doing what was being discussed during the conference, including transparency. Sandy would like to put NAGDCA on the agenda for the next meeting to discuss who could attend their next annual conference.

(7) Proposed Motions

The proposed motions have been postponed for the next meeting.

(8) Standing Items

a) 457(b)

- Kevin Kirkpatrick announced that CalSTRS has hired a new Director of Defined Contributions.
- Art Wexler stated that TIAA-CREF has hired Ellen Gross who will be a new District Rep.

b) 403(b)

- Steven Banks announced that he has been working with his IT people to generate the reports that were requested by the committee. The operation is progressing steadily and Mariam Hironimus should have access to them soon.

c) PARS

- Eric O’Leary announced that the PARS investment policy is still pending with the CFO.

d) District Property Access Updates

- Alan Warhaftig suggested bringing back Deputy Chief Hector Rodriguez to discuss safety concerns at school sites and request concerns be conveyed to the District Officers.
- Steve Banks mentioned that he is concerned about IRS compliance for the 403(b) and has offered to come out and work with an ad hoc Committee if needed. Steve Banks stated that he has seen with past client audits that the IRS Compliance piece is looking at the ‘effective opportunity to enroll’. Steve understands the need to adhere to District policy (safety) but suggests the need to strike a balance with the opportunity to enroll. Alan

Warhaftig asked if including the 403(b) flyer (meaningful notice) in the Benefits Open Enrollment packets and referring employees to TSA website is sufficient to meet IRS Compliance. Steve Banks doesn't feel that these are sufficient.

- Jack Moscowitz motioned, and Alan Warhaftig seconded, to establish an ad hoc committee for the 'effective opportunity to enroll'. The Committee voted 6 yes, 0 no, 0 abstain, and the motion was passed. Alan Warhaftig, Jack Moscowitz, Barbara Healy, Steve Schullo, Steve Banks, and Janice Sawyer volunteered to be on this ad hoc committee. It was suggested that Deputy Chief Nancy Ramirez be asked to also join the ad hoc committee.

(9) TIAA-CREF Institute Report

- Alan Warhaftig reported that in October 2013, the TIAA-CREF Institute published a report titled, "Equivalent Cost for Equivalent Benefits: Primary DC Plans in the Public Sector." It attacked pension plans and argued that defined contribution plans be used as replacements for defined benefit pensions. Alan, Jack Moscowitz, Bruce Corcoran, and Art Wexler met to discuss the publication. Art will bring the issue up internally with TIAA-CREF.
- Alan brought up various key points to consider/discuss regarding TIAA-CREF and the report:
 - 1) Might be this a failure of controls at TIAA-CREF - as Alan's impression has been that TIAA-CREF has always been a tightly run organization? Or Was this a strategic choice of TIAA-CREF – as TIAA-CREF appeals to the fear of public agencies about the sustainability of defined benefit pensions? Alan found on TIAA-CREF's website the latter was to be the case.
 - 2) Are the TIAA-CREF folks that we deal with in the know of everything that is going on in the company or is it that there is a larger strategic decision to cover TIAA-CREF's bases no matter what happens?
 - 3) Sandy Keaton pointed out her concern that the report did not state anywhere in it that TIAA-CREF supports defined benefit pension plans and after she met with some TIAA-CREF folks again there were not any such supporting statements mentioned from the higher ups.

(10) Set Agenda for next meeting

- Jack Moscowitz motioned, and Chris Hannon seconded, to cancel the December 19, 2013 meeting. The committee voted 6 yes, 0 no, 0 abstain, and the motion was passed.
- The next meeting is scheduled for January 16, 2014.

(11) Public Comments

No public comment

(12) Adjournment

Chris Hannon motioned, and Jack Moscowitz seconded to adjourn the meeting. Meeting adjourned at 5:02 p.m.