

Retirement Investment Advisory Committee Meeting
Meeting Minutes
Via a Zoom Meeting
February 16, 2023 3:00 PM – 5:00 PM

Committee Members:

1. Dawn Watkins	Chief Risk Officer
2. David Hart	Chief Business Officer
3.	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Leonard Goldberg	UTLA
8.	SEIU Local 99
9. Chris Hannan	Building Trades Council
10. Adriana Salazar	Teamsters/Local 572
11. Max Gonzalez	LASPA

Present Members or Alternates

1. Priti Kapoor	Chief Risk Officer (Alt)
2.	
3.	
4. Steve Schullo	Member-at-Large
5.	
6. Joan Richardson	CSEA-LA Chapter 500 (Alt)
7. Leonard Goldberg	UTLA
8.	
9. Chad Boggio	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	NFP Consulting	Sandy Keaton	Member-at-Large (Alt)
Kevin Hensley	TSACG	David Lim	LAUSD
Eric Miller	TSACG	Jenny Ku	LAUSD
Dan Garcia	Voya	Bani Oberoi	LAUSD
Angela O'Donnell	Voya	Karen Woods	LAUSD
Chip Burciaga	Voya	Brian Wong	LAUSD
Josie Alejo	Public	Michele Montano	LAUSD
Joy Mayor	Public	Janet Meskin	Public

----- The meeting convened at 3:00 PM -----
Meeting called to order by David Lim.

(1) Roll Call

Quorum was reached at 3:30 p.m.

(2) Approval of November 17, 2022 Meeting Minutes

Joan Richardson motioned, and Steve Schullo seconded to approve the meeting minutes. The Committee voted 5 yes, 0 no, 0 abstentions. The motion was approved.

(3) 457(b) Quarterly Report

- Barbara Healy reported that the U.S. equity market (Russell 3000) rose by 7.2%, international by 14.3%, and U.S. fixed income by 1.9%.
- The best performing U.S. equity index for the quarter was the Russell 1000 Value at 12.4%, while the worst performing was the Russell 1000 Growth at 2.2%
- Unemployment was at 3.5%.
- The Federal Reserve raised interest rates by 1.25%. Further rate hikes are expected to combat inflation.
- Barbara explained the inverted yield curve to the Committee which was an indicator of a possible recession.
- The total assets for the plan decreased from \$326.3 to \$359.1 million.
- The following funds are on the Watch List: American Funds Fundamental Invs R6 (RFNGX), and American Funds Europacific Growth R6 (RERGX).

- Barbara restated that the weighted total average cost of the LAUSD 457(b) plan was 0.19%, which was incredibly low compared to any other major plans that she’s worked with.

(4) 457(b) Report

- Chip Burciaga presented the fourth quarter participant engagement results to the Committee.
- 49% of the participant population has engaged via calls, mobile, web. 65% opted for e-delivery and 57% registered for the web.
- 3,062 participants logged into the Voya website and used myOrangeMoney, Loan Calculator, and Personalized Video.
- For predictive messaging, Voya reached out to 6,179 participants and 54% engaged with the personalized financial wellness emails. Engagement included Quarterly Education, Save More & Restart Savings, Beneficiary (designation), and Diversification.

(5) 403(b) Report

- Kevin announced that April Young has retired and introduced Eric Miller as her replacement.
- Eric presented the SECURE Act 2.0 provisions and how it will impact the 403(b)/457(b) plans.
- Total authorized plan assets trailing three months was \$2.70 billion with 41,404 participants.
- Total plan assets trailing three months was \$3.15 billion with 52,816 participants.
- Total contributions trailing three months was \$8.06 million with 16,973 participants.

(6) 457(b) University and Fund Line Up

- Barbara Healy asked the Committee for their availability to attend the education and training session.
- Barbara thanked the Committee for their hard work in bringing down the dollar weighted expense from 1.01% in 2012 to 0.19% in 2022.
- The ad hoc Subcommittee discussed the differences between active and passive management styles.
- Ad hoc Subcommittee recommended a plan re-design to the Committee.
- Leonard Goldberg motioned, and Steve Schullo seconded to explore the possibility of changing the fund line-up. The Committee voted 5 yes, 0 no, 0 abstentions. The motion was approved.

(7) Auto Enrollment/VANGUARD

- Steve Schullo motioned, and Leonard Goldberg seconded to the following: “The Committee moves to advise the CFO to add Vanguard Group to the 403(b) plan”. The Committee voted 4 yes, 0 no, 1 abstention. The motion was approved.

(8) Standing items

- a. 457(b) – No new item.
- b. 403(b) – No new item.
- c. PARS – No new item.
- d. District Property Access Updates – No new item.

(9) Set Agenda for next meeting

- Time Allocation
- Auto Enrollment
- Fund Line Up

(10) Public Comments

- No Public Comment.

(11) **Adjournment**

The Meeting adjourned at 5:03 p.m.