

Retirement Investment Advisory Committee Meeting
 Meeting Minutes
 LAUSD Headquarters
 January 16, 2014 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. | 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 Admins |
| 2. Jamaar Everett | (Alt) |
| 3. Alan Warhaftig | Board Appointee |
| 4. Steve Schullo | Member-at-Large |
| 5. Brad Rumble | AALA (Alt) |
| 6. | |
| 7. Sandy Keaton | UTLA |
| 8. | |
| 9. Chris Hannon | Building Trades Council |
| 10. | |
| 11. | |

Participants Present

- | | | | |
|-------------------|-------------|------------------|-----------------------|
| Barbara Healy | SST | Stephen Banks | TSA Consulting Group |
| Bill Tugaw | SST | April Young | TSA Consulting Group |
| Eric O’Leary | PARS | David Estrada | Board Appointee (Alt) |
| Rachael Sanders | PARS | Sandy Blair | CalSTRS |
| Kevin Kirkpatrick | CalSTRS | Scott Dauenhauer | CalSTRS Consultant |
| David Raffin | TIAA-CREF | Ellen Gross | TIAA-CREF |
| Art Wexler | TIAA-CREF | Jose Santome | LASPD |
| Mariam Hironimus | LAUSD (Alt) | Karen Woods | LAUSD |
| Mallorie Evans | UTLA (Alt) | | |

----- The meeting convened at 3:08 PM -----
 Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum was reached at 3:08 p.m.

(2) Moment of Silence in honor of Jack Moscovitz

Moment of silence was taken to honor Jack Moscovitz.

(3) Approval of November 21, 2013 Minutes

Alan Warhaftig requested the following changes: Item (9) change from “was” to “might be” and “basis” to “bases”. Sandy Keaton motioned, Steve Schullo seconded to approve the November meeting minutes. The committee voted 6 yes, 0 no, 0 abstentions and one member not present at time of vote. The motion was approved as amended.

(4) 403(b) Quarterly Report

- Stephen Banks announced that not a lot had changed since the previous report.
- The committee has asked for certain reports to be accessible by the members. Mariam Hironimus and Stephen will start figuring out what is necessary and how the reports can be distributed. Stephen will further discuss with Alan Warhaftig the types of reports that he needs.

- Stephen wants to further discuss the effective opportunity to enroll by setting up a conference call with the ad hoc subcommittee. It was suggested that this ad hoc committee also discuss the Roth plans and the variety of reports desired by the Committee.

(5) 457(b) Report

- Sandy Blair introduced herself as the new Director of Defined Contribution Solutions at CalSTRS.
- Kevin Kirkpatrick distributed a report and presented it to the committee.
- Janice Sawyer mentioned she was pursuing posting investment classes online for employees.
- Brad Rumble suggested that the 457(b) Representatives attend the EPO (Elementary Principles Organization) meetings to provide 457(b) education.

(6) 457(b) Marketing Campaign

The marketing campaign was not shared as Sandy Blair has only had 30 day tenure with the LAUSD account. Janice Sawyer looks forward to working with Sandy Blair on the communication and education plan in the near future. Alan Warhaftig would like to see emails that market to different constituencies within the District.

(7) 457(b) Vendor Contract Review/Evaluation

Janice Sawyer wants to share the concerns and CalSTRS contract performance guarantees with Sandy Blair. Janice mentioned that per the District's COO, the Procurement team is to be engaged when addressing the performance guarantees. Janice invited Sandy Blair to discuss those concerns and the marketing and education plans on February 20, 2014 at 1 pm. Sandy Keaton and Alan Warhaftig would like to have an ad hoc CalSTRS Relationship Committee. Sandy Keaton, Steve Schullo, Alan Warhaftig, Mallorie Evans, Janice Sawyer, and Mariam Hironimus will participate.

(8) Investment Policy Statement Update

Mariam Hironimus announced that John Walsh signed the revised Investment Policy Statement on behalf of Megan Reilly.

(9) NAGDCA Membership Renewal & Conference

- Sandy Keaton motioned, Alan Warhaftig seconded to continue the membership to NAGDCA. The committee voted 6 yes, 0 no, 0 abstentions, and one member not present at time of vote. The motion was approved.
- The next NAGDCA conference will be held in San Antonio Texas in September 2014. It was asked if all or any of the RIAC members could attend the conference and be reimbursed for their expenses. Megan Reilly explained that she doesn't want to approve individual people going to the conferences but would like to see an overall training policy for all.

(10) Proposed Motions

- a) Frontline link added to Email Blast - Sandy Keaton motioned, Brad Rumble seconded to have the Frontline link "The Retirement Gamble", added to future Email Blasts. The committee voted 4 yes, 2 no, 0 abstentions, and one member left the meeting at time of vote. The motion was approved. Janice agreed to post the link on the Benefit's website.

- b) Request the Board to recognize Crystal Mendez & Brad Rumble - Motion has been postponed. Brad Rumble mentioned that he would like to retract his name due to now being a Committee member. It was suggested that such a proposal should be presented to the Budget & Finance Committee.
- c) Informal training for new Committee Members - Bill Tugaw informed the committee that he will be conducting training in Foster City and encouraged anyone interested to attend.
- d) Request TIAA-CREF to present their Model Advisory Program - will be postponed until the next meeting.

(11) Standing items:

- a) 457(b) – No standing item.
- b) 403(b) – No standing item.
- c) PARS – Eric O’Leary stated there were no unusual developments in the report. Megan Reilly mentioned that she and PARS have met, additional discussions are needed and that she will then come back to the Committee with a PARS recommendation.
- d) District Property Access Updates –
 - Jose Santome, Deputy Chief of School Police, attended the RIAC meeting and Alan Warhaftig presented him with an overview of the District’s 403(b) access issues. Deputy Chief Santome is aware of these issues, however, he emphasized that the children’s safety comes first and need for the school principals to step in more on behalf of their own school. He suggested that a letter be sent to the companies of any agents who violate the policy. School police can ask violators to leave the school property. Stephen Banks added that if there are reoccurring incidences that the company can be removed from the District’s 403(b) available vendor list. Megan Reilly suggested a policy be written to that effect.

(12) TIAA-CREF Institute Report

Art Wexler announced that the report has been pulled. The institute that was involved has been reprimanded by TIAA-CREF and its chief executive officer Roger Ferguson. Alan Warhaftig wanted to know who was accountable for having approved the report within TIAA-CREF. Art will ask about that and will come back with an answer.

(13) Set Agenda for next meeting

- The next meeting is scheduled for February 20, 2014 in the Blue Room.
- Roth
- Research Project Discussion
- What is a Fiduciary by SST
- Bonds by SST
- Policy for Committee attendance at Trainings
- Policy for action in event Reps continually disregard new bulletin

(14) Public Comments

Megan Reilly, CFO, thanked the Committee for all its hard work and spoke of Jack Moscowitz’ passing and his dedication to the Committee and to LAUSD.

(15) Adjournment

Alan Warhaftig motioned, and Chris Hannon seconded to adjourn the meeting. Meeting adjourned at 5:16 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

February 20, 2014 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. Bradley Rumble	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 Admins
2.	
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Alan O'Hara	(Alt)
6. Linda Perez	(Alt)
7. Sandy Keaton	UTLA
8.	
9. Chris Hannon	Building Trades Council
10.	
11.	

Participants Present

Barbara Healy	SST	Stephen Banks	TSA Consulting Group (Via Phone)
Eric O'Leary	PARS	April Young	TSA Consulting Group (Via Phone)
Kevin Kirkpatrick	CalSTRS	Sandy Blair	CalSTRS
Brian Gould	CalSTRS (Via Phone)	Scott Dauenhauer	CalSTRS Consultant
Ed Derman	CalSTRS	Jan Spano	CalSTRS
Art Wexler	TIAA-CREF	Karen Woods	LAUSD
Mariam Hironimus	LAUSD (Alt)	Brian Wong	LAUSD
Mallorie Evans	UTLA (Alt)		

----- The meeting convened at 3:16 PM -----
Meeting called to order by Janice Sawyer.

(1) Roll Call

- Quorum was reached at 3:16 p.m.
- Janice mentioned the need to have a Committee Co-Chair. Steve Schullo nominated Alan Warhaftig. Alan accepted and is the Committee's new Co-Chair.

(2) Approval of January 16, 2014 Minutes

Stephen Banks asked that April Young's participant organization be changed to TSA Consulting Group. Sandy Keaton motioned, and Chris Hannon seconded to approve the January meeting minutes with the aforementioned correction. The committee voted 7 yes, 0 no, and 0 abstentions. The motion was approved.

(3) 457(b) Quarterly Report

- Barbara Healy reviewed the Quarterly Report with the committee. The overall fourth quarter performance was 7.66%, 26% in one year, 13.08% in three years, and 17.28% in five years. The total plan assets increased from \$55.1 million at the end of the second quarter 2013 to \$61.1 million at the end of the fourth quarter 2013, an increase of 10.8%. Mutual Fund assets were at \$42.1 million, Fixed Account assets were at \$17.7 million, and Self Directed Brokerage Account (SDBA) assets were at \$1.1 million. Barbara stated that out of the assets, 69.06% were in equity, and out of that 69.06%, 68% were in index funds. Barbara stated that the bond market has had a very bad year; she predicted it will be more troubling in the near future.
- Sandy Keaton moved, and Alan Warhaftig seconded, to place American Century Heritage on the watch list. The committee voted 7 yes, 0 no, and 0 abstentions. The motion was passed.

- Sandy Keaton moved, and Chris Hannon seconded, to remove American Funds EuroPacific Growth from the watch list. The committee voted 7 yes, 0 no, and 0 abstentions. The motion was passed.

(4) SST Training

- Barbara Healy explained the different types of representatives that are potentially working in the District. Barbara spoke about the different levels of representatives. The lowest level begins from insurance agent, registered representative, investment advisor representative, to registered investment advisor. Insurance agents are regulated by the California Department of Insurance and do not have as much oversight as other representatives. Registered representatives and above are regulated through FINRA (Financial Investment National Regulatory Authority). There is also the enroller. The enroller's primary responsibility is to enroll people into a plan or provide education.
- Barbara explained designations. These designations usually require a professional test. Some of the most popular designations are the Certified Financial Planner (CFP), Chartered Financial Analyst (CFA), Chartered Financial Consultant (CHFC), and Certified Retirement Counselor (CRC).

(5) 457(b) Marketing Campaign

Janice Sawyer announced that the ad-hoc subcommittee met with representatives from CalSTRS to have a collaborative discussion. They will continue those discussions in the near future.

(6) 457(b) Vendor Contract Review/Evaluation

Janice Sawyer announced that the ad-hoc subcommittee met with representatives from CalSTRS to discuss contract provisions and the District's expectations.

(7) Standing items:

- a) 457(b) – Alan Warhaftig announced that the subcommittee considered adding a Roth option to the 457(b) plan. Janice Sawyer announced that it will need to be discussed at the March RIAC meeting.
- b) 403(b) – No notable changes
- c) PARS – Handouts distributed and no notable changes
- d) District Property Access Updates – Alan brought up the issue of how Reps are mass emailing LAUSD employees and that is specifically prohibited by the bulletin. He asked that an ad hoc committee be formed and work on protocols to address these issues. It was suggested that this be addressed at the April RIAC meeting.

(8) TIAA-CREF Institute Report

Art Wexler reiterated that TIAA-CREF's leadership has previously reached out to some committee members (Alan Warhaftig, Jack Moscowitz and Sandy Keaton). Art stated that TIAA-CREF is a strong supporter of Defined Benefit plans and will continue to work to regain the District's trust.

(9) Set Agenda for next meeting

- 457(b) Roth option plan.
- Clarification from TIAA-CREF in regards to the TIAA-CREF Institute report.
- Finance Department wanted the committee to look at supporting legislation to make the 529 plan pre-tax.

(10) Public Comments

No public comment.

(11) Adjournment

Sandy Keaton motioned, and Steve Schullo seconded to adjourn the meeting. Meeting adjourned at 5:30 p.m.

Retirement Investment Advisory Committee Meeting
 Meeting Minutes
 LAUSD Headquarters
 March 20, 2014 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. Bradley Rumble | AALA |
| 6. Linda Perez | 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 Admins |
| 2. John Walsh | Director, Finance & Policy |
| 3. Alan Warhaftig | Board Appointee |
| 4. Steve Schullo | Member-at-Large |
| 5. Bradley Rumble | AALA |
| 6. | |
| 7. Sandy Keaton | UTLA |
| 8. | |
| 9. | |
| 10. | |
| 11. | |

Participants Present

- | | | | |
|-------------------|-------------|------------------|----------------------|
| Barbara Healy | SST | Stephen Banks | TSA Consulting Group |
| Bill Tugaw | SST | April Young | TSA Consulting Group |
| Kevin Kirkpatrick | CalSTRS | Sandy Blair | CalSTRS |
| Rachael Sanders | PARS | Scott Dauenhauer | CalSTRS Consultant |
| Art Wexler | TIAA-CREF | Karen Woods | LAUSD |
| Mariam Hironimus | LAUSD (Alt) | Brian Wong | LAUSD |
| Timothy Rosnick | LAUSD (Alt) | | |

----- The meeting convened at 3:15 PM -----
 Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum was reached at 3:15 p.m.

(2) Approval of February 20, 2014 Minutes

Sandy Keaton motioned, and Alan Warhaftig seconded, to approve the February meeting minutes. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) Pre-tax 529 Plan

John Walsh discussed the 529 Plan with the committee. He asked for the Committee’s support on Bonilla’s upcoming bill. John will return to present a more detailed summary at a later meeting along with a motion and possibly a request for the Committee to monitor the plan. John will send an email to the ad-hoc sub-committee.

(4) 457(b) Report

- Kevin Kirkpatrick presented a year-to-date summary of the fiscal year 2013-2014 transactions and achievements. The team had an 11.6% increase in enrollments and 17.5% increase in contributions.
- Kevin’s team attempted to reach out to 1,003 participants who were contributing less than \$100 per month. Of those participants reached 56 agreed to increase their contributions of which 28 actually did.

- Kevin passed out 3 sample enrollment form options for the Committee to review.
- Sandy Blair passed out and discussed a sample survey for the Committee to review.
- Bradley Rumble motioned, and Sandy Keaton seconded, to accept the proposed survey and along with adding an educational question. Then, it is to be emailed out to the 457(b) participants during the 2014 spring break. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.
- Sandy Blair asked for a full day meeting or morning of an upcoming RIAC meeting to meet with the Committee to discuss marketing materials which CalSTRS would be presenting.
- LAUSD to send out letters to all participants affected by the Vanguard Fund consolidation merger.

(5) 457(b) Roth Motion

Scott Dauenhauer provided education on Roth plans to the Committee. Alan Warhaftig motioned, and Bradley Rumble seconded, the idea of creating a District Roth 457(b) plan be brought to the Chief Financial Officer's (CFO) attention. The committee voted 5 yes, 0 no, 1 abstain, and the motion was passed.

(6) SST Research Project

Sandy Keaton motioned, and Steve Schullo seconded, to acknowledging receipt of the SST research report. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved. Barbara Healy suggested presenting and discussing the research project in an ad-hoc subcommittee. The ad hoc volunteers will be Alan Warhaftig, Steve Schullo, Sandy Keaton and Janice or Mariam or Karen. Barbara will send out an email to coordinate the time and the meeting place.

(7) TIAA-CREF Institute Report

Alan Warhaftig reported that the Arnold Foundation still has the TIAA-CREF Institute report on their website with some minor changes. The changes included a note on the piece that stated the TIAA-CREF Institute author was subtracted from the report. Alan deferred his motion until the next meeting.

(8) Standing items:

- a) 457(b) – See # 4 above
- b) 403(b) – No notable changes
- c) PARS – No notable changes
- d) District Property Access Updates – No notable changes

(9) Set Agenda for next meeting

The next meeting will be April 24, 2014.

(10) Public Comments

Sandy Keaton announced that the Investment Workshop will be April 26, 2014 at UTLA headquarters. Registration is at 7:00 am. It will start at 8:00 am and the cost will be \$5. Anyone is welcome to attend.

(11) Adjournment

Bradley Rumble motioned, and Sandy Keaton seconded to adjourn the meeting. Meeting adjourned at 5:20 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

April 24, 2014 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. Bradley Rumble | AALA |
| 6. Linda Perez | 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 Admins |
| 2. Saman Bravo-karimi | LAUSD (Alt) |
| 3. Alan Warhaftig | Board Appointee |
| 4. Steve Schullo | Member-at-Large |
| 5. Bradley Rumble | AALA |
| 6. | |
| 7. Sandy Keaton | UTLA |
| 8. | |
| 9. | |
| 10. | |
| 11. | |

Participants Present

- | | | | |
|-------------------|-----------------------|------------------|----------------------------------|
| Barbara Healy | SST | April Young | TSA Consulting Group (Via Phone) |
| Kevin Kirkpatrick | CalSTRS | Brian Gould | CalSTRS (Via Phone) |
| Faith Hermann | PARS | Sandy Blair | CalSTRS |
| Jennifer Meza | PARS | Scott Dauenhauer | CalSTRS Consultant |
| Art Wexler | TIAA-CREF | David Raffin | TIAA-CREF (Via Phone) |
| Mariam Hironimus | LAUSD (Alt) | Brian Wong | LAUSD |
| David Estrada | Board Appointee (Alt) | Karen Woods | LAUSD |
| Mallorie Evans | UTLA (Alt) | | |

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

Meeting called to order by Alan Warhaftig.

(1) Roll Call

Quorum was reached at 3:00 p.m.

(2) Approval of March 20, 2014 Minutes

Alan Warhaftig wanted the wording changed from “next” to “upcoming” meeting (June) in regards to CalSTRS presenting their marketing materials - Section (4) 457(b) Report – the fourth bullet point. Bradley Rumble motioned, and Mariam Hironimus seconded, to approve the March meeting minutes as amended. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) SST Research Project

Barbara Healy recommended that it would be best to re-meet and schedule another ad-hoc subcommittee meeting.

(4) CalSTRS Transition to ING/Voya

- Sandy Blair summarized CalSTRS’ decision process in choosing Voya during their Request for Proposal (RFP) process. The three respondents were Voya, TIAA-CREF, and JEM. The finalists were Voya and TIAA-CREF. The CalSTRS team conducted site visits, tallied up points, and chose Voya. The expected go-live date is October 13, 2014. Sandy Keaton asked Mariam Hironimus how the transition will affect the open enrollment date. Mariam replied that CalSTRS will be required to provide LAUSD with printed materials by end of August to meet LAUSD’s publication deadlines.

- Alan Warhaftig asked Scott Dauenhauer about the transition black-out period. Scott explained that since they have not yet met with the transition manager, he could not give specific dates. Scott said he will have the dates by the next meeting.
- Sandy Keaton asked Scott Dauenhauer to explain the difference between the Voya General Account and the TIAA-CREF Traditional. Scott explained the difference was in the crediting method. TIAA-CREF uses the “vintage” model where your interest rate varies, depending on the time it was deposited. Voya uses the “portfolio” model where the interest rate will be the same for the entire calendar year. Scott stated that Voya’s guarantee minimum rates over the first 5 years would be 3.75%, 3.5%, 3.25%, 3% and 2.75% - although they could be higher based on the environment.
- Scott said he would provide annuitization rates and would also provide a comparison of the TIAA-CREF vs. the ING/Voya account from 2007 to current.
- Scott Dauenhauer explained what an equity wash was to the committee. He explained that an investor’s money had to be moved to a non-competing fixed income investment for at least 90 days in order to be placed back into a similar investment. Currently in the 457(b) fund lineup, there are no funds that would trigger an equity wash other than the brokerage account.
- Sandy Keaton expressed her concern about the potential constant changes that could be experienced by LAUSD employees. The recent request for proposal by CalSTRS and LAUSD’s upcoming request for proposal will make the 457(b) plan look very unstable.
- Barbara Healy requested the contract information for the Voya Fixed Account.
- Barbara Healy requested a copy of the Voya Contract.

(5) Government Relations Presentation

David Estrada from Board Member Kaiser’s Office announced to the committee that CalSTRS pension contributions might increase in the near future. There will be new contribution rates coming out in the next two years for the District. The District will have to contribute more to the CalSTRS pension program. CalSTRS currently has a budget shortfall. Proposition 30 might be used as a last resort to fill in the gap. The Board’s opinion is they do not want to use Proposition 30 dollars.

(6) NAGDCA Membership

- Sandy Keaton announced that she and Scott Dauenhauer were asked to speak at the upcoming NAGDCA conference.
- Mariam Hironimus renewed the NAGDCA membership. Mariam Hironimus, Alan Warhaftig, Steve Schullo, Sandy Keaton, and Bradley Rumble are members.

(7) Standing items:

- a) 457(b) – Sandy Blair announced the 457(b) survey was sent today to participants via email. Kevin Kirkpatrick distributed a handout to the committee. Mariam Hironimus requested the new application enrollment form format changes be placed on hold for now.
- b) 403(b) – April Young announced that the reports will be ready shortly and would like to schedule an ad hoc subcommittee meeting in the upcoming week. TSACG has a new website which will be released on May 1, 2014.
- c) PARS – No notable changes.
- d) District Property Access Updates –No notable changes.

(8) Set Agenda for next meeting

- Continuation of CalSTRS Transition to ING/Voya
- Steve Schullo would like to discuss establishing a 403(b) preferred provider status list.
- Alan Warhaftig would like to talk about auto enrollment.

(9) Public Comments

No public comments.

(10) Adjournment

Janice Sawyer motioned, and Sandy Keaton seconded to adjourn the meeting at 4:55 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters
May 15, 2014 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. Bradley Rumble | AALA |
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Present Members or Alternates

- | | |
|-----------------------|----------------------------|
| 1. Janice Sawyer | Director of Benefits Admin |
| 2. Saman Bravo-karimi | LAUSD (Alt) |
| 3. Alan Warhaftig | Board Appointee |
| 4. Crystal Mendez | Member-at-Large (Alt) |
| 5. Bradley Rumble | AALA |
| 6. | |
| 7. Sandy Keaton | UTLA |
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Participants Present

- | | | | |
|-------------------|-------------|------------------|----------------------------------|
| Barbara Healy | SST | April Young | TSA Consulting Group (Via Phone) |
| Kevin Kirkpatrick | CalSTRS | Brian Gould | CalSTRS (Via Phone) |
| Eric O’Leary | PARS | Sandy Blair | CalSTRS |
| Rachael Sanders | PARS | Scott Dauenhauer | CalSTRS Consultant |
| Art Wexler | TIAA-CREF | David Raffin | TIAA-CREF (Via Phone) |
| Mariam Hironimus | LAUSD (Alt) | Brian Wong | LAUSD |
| Mallorie Evans | UTLA (Alt) | Karen Woods | LAUSD |

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

(1) Roll Call

Quorum was reached at 3:15 p.m.

(2) Approval of April 24, 2014 Minutes

Alan Warhaftig wanted to change the word from “government relations” to “Board Member Bennett Kayser’s Office” in Section (5) Government Relations Presentation. Barbara Healy wanted to change in Section (4) bullet point five the following: remove “placed in a dis-similar,” insert “moved to a non-competing fixed income.” Alan Warhaftig wanted to add, “Currently in the 457(b) fund lineup, there are no funds that would trigger an equity wash other than the brokerage account.” Sandy Keaton motioned, and Alan Warhaftig seconded, to approve the March meeting minutes as amended. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) SST Research Project

Barbara Healy distributed a handout to the Committee members and then recommended that another ad-hoc subcommittee meeting be held in June. Barbara will schedule it.

(4) 457(b) Quarterly Reports

- Barbara Healy discussed the quarterly report with the committee. Barbara reported that overall, the plan is doing very stellar. The first quarter return was at 1.87%, the one year return was at 18.51%, the three year return was at 11.73%, and the five year return was at 19.89%.

- Bradley Rumble expressed his concern about the bond market to the committee. He wants to know if there are alternate options for the bond market. Barbara Healy will bring some alternative funds options.
- Barbara Healy pointed out that there were some errors in the report under Tab 7 Plan Expenses. She will work to correct them for future reports.
- Sandy Keaton motioned, and Bradley Rumble seconded, to have American Century Heritage remain on the watch list. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(5) CalSTRS Transition to ING/VOYA

- a) Creation of CalSTRS Transitional Ad Hoc Subcommittee.
 - Sandy Blair reported the progress of the transitional meetings with VOYA. She also stated that the weekly meetings with CalSTRS, VOYA and LAUSD would begin tomorrow.
- b) Fixed Account Details Update.
 - Scott Dauenhauer reported on the meeting with TIAA-CREF mostly in regards to the fixed account and stated that there would be on-going meetings. He also explained that there are various ways to move the fixed fund money which are via the District's request over an 84 month period or the individual employee could move their money as the money has complete liquidity.
 - It was asked what other stable value options could the fixed fund money could go into instead of the VOYA General Fund. SST will bring some fund options.
 - Scott Dauenhauer explained the vintage rate breakdown to the committee. He distributed a handout detailing the interest rate and the number of participants involved.
- c) Discuss lower basis points vs. increased services.
 - Alan Warhaftig asked CalSTRS if it was possible to increase staff members for the 457(b) plan. The Committee requested CalSTRS to provide some options for the Committee to review.

(6) Auto Enrollment discussion

Alan Warhaftig motioned, and Sandy Keaton seconded, The Committee directs Janice Sawyer to investigate and develop models, in conjunction with the RIAC Ad Hoc Subcommittee on Auto-Enrollment, for ultimate presentation to the bargaining units, for auto-enrollment in the LAUSD 457(b) plan. Determinations should be made as to whether this must be implemented for all LAUSD employees or only for bargaining units that are in favor, and whether units could choose different percentages of salary for deferral. The models should include opt-out procedures. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved. SST said they would provide some Auto Enrollment models to the Committee.

(7) Standing items:

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

(8) Set Agenda for next meeting

The next meeting will be June 19, 2014.

(9) Public Comments

Sandy Keaton stated that the Investment Workshop went well.

(10) Adjournment

Janice Sawyer motioned, and Sandy Keaton seconded to adjourn the meeting. Meeting adjourned at 5:15 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

June 19, 2014 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. Bradley Rumble | AALA |
| 6. Linda Perez | 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. Tim Rosnick | LAUSD (Alt) |
| 3. Alan Warhaftig | Board Appointee |
| 4. Steve Schullo | Member-at-Large (Alt) |
| 5. Bradley Rumble | AALA |
| 6. | |
| 7. Sandy Keaton | UTLA |
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| 10. | |
| 11. | |

Participants Present

- | | | | |
|-------------------|-------------|-------------------|----------------------------------|
| Barbara Healy | SST | April Young | TSA Consulting Group (Via Phone) |
| Bill Tugaw | SST | Stephen Banks | TSA Consulting Group (Via Phone) |
| Kevin Kirkpatrick | CalSTRS | Sandy Blair | CalSTRS |
| Rachael Sanders | PARS | Scott Dauenhauer | CalSTRS Consultant |
| David Raffin | TIAA-CREF | Jan Spano | CalSTRS |
| Mariam Hironimus | LAUSD (Alt) | Alicia Dobbins | CalSTRS (Via Phone) |
| Karen Woods | LAUSD | Michael Whitehead | CalSTRS (Via Phone) |
| Brian Wong | LAUSD | Brian Gould | CalSTRS (Via Phone) |
| Gavin Gruenberg | VOYA | Shelley Fredrick | VOYA |

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

Meeting called to order by Janice Sawyer.

(1) Roll Call

Quorum was reached at 3:18 p.m.

(2) Approval of May 15, 2014 Minutes

Sandy Keaton motioned, and Bradley Rumble seconded, to approve the May meeting minutes. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) SST Research Project Update

Barbara Healy recommended scheduling another ad-hoc subcommittee in the near future.

(4) Fund Changes and other Stable Value Options

- Bill Tugaw presented the results of the Mid Cap Growth Fund research. Bill does not recommend replacing the America Century Heritage fund.
- Steve Schullo suggested looking into an international fund. Alan Warhaftig suggested thinking about if for a couple months due to the impending transition. Bradley Rumble agreed.
- Bill Tugaw mentioned that the Committee submitted a document for a NAGDCA award consideration for Plan Design.

- Bill Tugaw suggested replacing the TIAA-CREF Traditional account with an approved stable value fund. ING/VOYA offered an ING fixed account. Bill Tugaw discussed market value adjustment vs. book value. Alan Warhaftig asked Bill Tugaw about adverse market value adjustment. Bill will research it.
- Sandy Keaton asked CalSTRS if participants can stay in the TIAA-CREF Traditional. Scott Dauenhauer replied CalSTRS will not renew any contract with TIAA-CREF moving forward.
- Mariam Hironimus mentioned that the fund lineup for the Voya transition is due on June 26.

(5) 457(b) Report

- Kevin Kirkpatrick presented to the committee. Enrollment increased by 14% and contributions increased by 23% since the beginning of this fiscal year. Kevin announced that the new enrollments were not particularly strong over the past four months. He and CalSTRS representatives met with the ad-hoc subcommittee to discuss strategies to increase enrollment.
- Jan Spano presented the survey results to the committee. The survey was sent out via email to 2,500 employees and received a response from 16% or 400 employees. Statistically this was a high response rate. The survey revealed that 53% of participants were highly satisfied with the 457(b) plan. About 49% to 57% would likely attend a retirement workshop to better understand the 457(b) plan. Jan's analysis revealed that participant education should be a priority.

(6) CalSTRS Marketing Update

To be discussed at a future date.

(7) CalSTRS Transition to ING/VOYA

- Fixed Account Details Update.
 - Sandy motioned, and Bradley Rumble seconded, to table the brokerage account fees discussion. The committee voted 5 yes, 1 abstain, 0 no, and the motion was passed.
 - Scott Dauenhauer explained "collateral loan" to the committee.
 - The ad-hoc investment subcommittee will meet on Tuesday 6/24/14 at 3:00 pm.
- Lower basis points vs. increased service options.
 - To be discussed at a future date.

(8) Auto Enrollment Models

Barbara Healy gave an example of auto enrollment material from Multnomah County Oregon for the committee to review. Bill Tugaw briefly explained the material to the committee.

(9) New Motions (To be discussed at a future date)

- Preferred Provider List.
- Open Enrollment Material.

(10) Follow Up Previous Meeting (to be discussed at a future date)

- Frontline Retirement Gamble motion.
- Nomination of Crystal Mendez.
- Legal Update agents representing CalSTRS.

(11) Standing Items:

- 457(b) – See above
- 403(b)
- PARS – The monthly status report was distributed.

d) District Property Access Updates

(12) **Set Agenda for next meeting**

The next meeting date will be announced at a future date.

(13) **Public Comments**

No public comment.

(14) **Adjournment**

Sandy Keaton motioned, and Alan Warhaftig seconded to adjourn the meeting. Meeting adjourned at 5:35 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

August 21, 2014 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. Bradley Rumble	AALA
6. Linda Perez	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. Saman Bravo-karimi	LAUSD (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large (Via Phone)
5. Bradley Rumble	AALA
6.	
7. Sandy Keaton	UTLA (Via Phone)
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Participants Present

Barbara Healy	SST	April Young	TSA Consulting Group
Bill Tugaw	SST	Kevin Hensley	TSA Consulting Group
Eric O ‘ Leary	PARS	Sandy Blair	CalSTRS (Via Phone)
Rachael Sanders	PARS	Scott Dauenhauer	CalSTRS Consultant (Via Phone)
Mariam Hironimus	LAUSD (Alt)	Brian Gould	CalSTRS (Via Phone)
Karen Woods	LAUSD	David Raffin	TIAA-CREF (Via Phone)
Brian Wong	LAUSD	Mallorie Evans	UTLA

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

(1) Roll Call

Quorum was reached at 3:10 p.m.

(2) Approval of June 19, 2014 Minutes

Alan Warhaftig requested an edit to the minutes. Sandy Keaton motioned, and Bradley Rumble seconded, to approve the June meeting minutes with Alan’s request included. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) 403(b) Report

Kevin Hensley presented the 403(b) and 457(b) participant demographic reports to the committee. The reports were broken out by age, by District zones and by city. Janice Sawyer requested that the reports be broken out by school levels (elementary, middle, etc.).

(4) 457(b) Quarterly Report

- Barbara Healy presented the 457(b) quarterly report to the committee. She said that the 457(b) plan has an excellent portfolio. The quarterly performance of the portfolio is 4.19%. Barbara mentioned that the Index Funds have performed substantially well against Actively Managed Funds.

- The Mutual Funds assets are at \$48,116,193, the Fixed Account is at \$20,371,566, and the Self Directed Brokerage Account (SDBA) is at \$1,343,776. The total assets for the 457(b) is \$69.8 million.
- Barbara recommended placing American Funds Fundamental Investors onto the watch list and having American Century Heritage remain on the watch list.
- Bradley Rumble motioned, and Alan Warhaftig seconded, to approve Barbara Healy's recommendation. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.
- Bill Tugaw publicly thanked Karen Woods for her pivotal role in submitting LAUSD's entry to NAGDCA. LAUSD won a 2014 NAGDCA Leadership Plan Design Award due to all the hard work done by this Committee. Mariam Hironimus will be accepting the award in September at the NAGDCA Annual Conference.

(5) SST Research Project Update

- Barbara Healy announced there was a Research Project ad hoc committee meeting with excellent representation.
- Alan Warhaftig discussed the research study on auto enrollment. Research indicated that a percentage contribution vs. a set dollar amount contribution would be most effective for employees. The committee discussed and decided that each Committee member should reach out to their union in hopes of obtaining union support for auto enrollment. Janice Sawyer wants to ensure that auto enrollment is something the bargaining units want before discussing its planning and implementation.
- Barbara discussed the Qualified Non-Elective Contribution (QNEC) as an "opt out" option for employees who want their contributions returned, subject to loss and gains.

(6) IPS Amendment

- Barbara Healy reviewed the investment policy statement, the official adoption agreement, and the plan document for the 457(b) plan. She concluded that all three governing documents are silent on the issue of a default account. She does not recommend making any document changes. Barbara suggested an amendment could be submitted to Megan Reilly for approval regarding a default account.
- Barbara mentioned that the Department of Labor (DOL) has for ERISA plans, "safe harbor" guidelines as to what a "Qualified Default Investment Account" should be. It needs to be a balanced account such as Vanguard Wellington and Wellesley, or a target date lifestyle fund such as the BlackRock Lifepath series. She reminded the committee that LAUSD's 457(b) is not an ERISA plan, but that LAUSD follows ERISA guidelines. The DOL specifically stated that the default investment account should not be a "guaranteed fixed account."
- Mariam Hironimus mentioned that Open Enrollment is coming up so the committee needs to decide soon if it wants to recommend changes to a default account.
- Art Wexler passed out the draft 457(b) enrollment form for the committee to review and finalize.
- Bradley Rumble motioned, and Alan Warhaftig seconded, that the default account be changed from the TIAA-CREF Traditional to the age appropriate BlackRock Lifepath Index fund. The committee voted 6 yes, 0 abstain, 0 no, and the motion was passed. Now, it will be forwarded to the CFO, Megan Reilly, for consideration.

(7) National Save for Retirement Week

- Alan Warhaftig said he would refine last year's National Save for Retirement Week's Board resolution. Janice Sawyer suggested that the NAGDCA award be mentioned in it. Due to time constraints and because Board Meetings are held only once a month now, Janice offered to

communicate with the Board members in hopes of getting the resolution on the Board's September agenda.

- Mariam Hironimus has presentation materials she can submit for the Board meeting.

(8) CalSTRS Transition to ING/VOYA Update

Janice Sawyer, Barbara Healy, and the attorneys for: TIAA-CREF and LAUSD will discuss the assigning of the District's contract with CalSTRS over to TIAA-CREF.

(9) Standing Items:

- a) 457(b) - Art Wexler passed a draft Open Enrollment flyer for the committee to review and edit.
- b) 403(b) - Kevin Hensley passed out the meaningful notice document.
- c) PARS - Eric O'Leary distributed the monthly PARS report. Saman Bravo-karimi will readdress with the CFO, Megan Reilly, the PARS fund options.
- d) District Property Access Updates - Janice Sawyer commended Bradley Rumble on his recent news article for ALAA's publication.

(10) Set Agenda for next meeting

- The next meeting will be on September 18, 2014.
- Self-Directed Brokerage Funds fees
- New fiscal year 457(b) enrollment goals
- Steve Schullo's motions

(11) Public Comments

No public comment.

(12) Adjournment

Janice Sawyer motioned, and Mallorie Evans seconded to adjourn the meeting. The Meeting adjourned at 5:15 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

September 18, 2014 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. Bradley Rumble	AALA
6. Linda Perez	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. Saman Bravo-karimi	LAUSD (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large (Via Phone)
5. Bradley Rumble	AALA
6.	
7. Sandy Keaton	UTLA (Via Phone)
8.	
9.	
10.	
11.	

Participants Present

Barbara Healy	SST	Mallorie Evans	UTLA (Alt)
Eric O'Leary	PARS	Bruce Corcoran	TIAA-CREF
Rachael Sanders	PARS	Art Wexler	TIAA-CREF
Mariam Hironimus	LAUSD (Alt Via Phone)	Ellen Gross	TIAA-CREF
Karen Woods	LAUSD	David Estrada	Board Appointee (Alt)
Brian Wong	LAUSD		

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

(1) Roll Call

Quorum was reached at 3:10 p.m.

(2) Approval of August 21, 2014 Minutes

Alan Warhaftig requested an edit to the minutes. Bradley Rumble motioned, and Alan Warhaftig seconded, to approve the August meeting minutes with Alan's request included. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) 457(b) Report

To be discussed at a future date.

(4) SST Research Project Update

- The same auto-enrollment document that was handed out at the August meeting created by Alan Warhaftig was passed out again. The Committee discussed various ideas and as had been done in the previous ad hoc sub-committee meeting.
- Alan Warhaftig was seeking more input from the Committee on the auto enrollment options. He suggested that Committee members talk to the leaders of the bargaining units to discuss how to proceed. The options include: Option 1 - is to leave things the way they are now (voluntary plan

enrollment), Option 2 – is to focus auto-enrollment on all new hires, and Option 3 – is to make auto-enrollment available to everybody.

- Bruce Corcoran discussed case studies of successful auto enrollment campaigns, statistics and retention.
- Steve Schullo suggested that the handout should include emphasis on the fact that the 457(b) plan is overseen monthly by representatives from different bargaining units, District staff, and an independent financial consultant.

(5) IPS Amendment

- Barbara Healy announced that all the governing plan documents were silent on the topic of default accounts. She provided Mariam Hironimus with material to submit to Megan Reilly for review. The suggestion was to switch the default account from TIAA-CREF Traditional to the BlackRock Lifepath series of indexes. Janice Sawyer announced that Megan Reilly, CFO, has approved this recommendation.
- Mariam Hironimus announced that the approval was given to TIAA-CREF to print the 457(b) enrollment form and the flyer in order for the documents to be included in the open enrollment materials. Mariam thanked everyone for their assistance.

(6) National Save for Retirement Week

- Janice Sawyer announced National Save For Retirement Week is being sponsored by Dr. Richard Vladovic and Mr. Bennett Kayser. It will go to Board for action on October 14, 2014.
- Janice would like to acknowledge the NAGDCA award to the Board.
- David Estrada replied to Steve Schullo's suggestion of the Board recognizing Crystal Mendez as a model employee for National Save For Retirement Week that the suggestion has been approved by Bennett Kayser and will move forward for voting with Dr. Vladovic.
- Sandy Keaton and Bradley Rumble said they will try to promote National Save for Retirement Week in their respective union newsletter.

(7) CalSTRS Transition to ING/VOYA Update

- Janice Sawyer said this section should be titled: CalSTRS Contract Assignment to TIAA-CREF.
- Janice Sawyer is working on a three party agreement to transfer and assign the CalSTRS contract to TIAA-CREF. Janice is in the final stages with LAUSD's legal counsel. Bruce Corcoran, from TIAA-CREF, stated that the contract assignment should go smoothly.

(8) Self-Directed Brokerage Funds fees

- Barbara Healy explained the recordkeeping process for self-directed participants.
- Alan Warhaftig mentioned that these participants need to pay their fair share of administration costs. Mariam Hironimus asked Bruce Corcoran if there was a fee charging mechanism in place to charge these participants. Bruce Corcoran replied that there is such a mechanism.
- Other considerations of collecting administrative fees were to 1) leave these participants alone (there are less than 30 participants), 2) charge a flat fee of \$40, 3) assess the 37 basis points, and/or 4) charge a flat fee plus transaction fees.
- Art Wexler asked for an ad-hoc subcommittee to be formed to cover plan economics and self-directed brokerage fund fees. The new Plan Economic Ad Hoc Committee shall include Alan Warhaftig,

Bradley Rumble, Sandy Keaton, Steve Schullo and District representation. Art Wexler requested that an ad hoc meeting be held prior to the next meeting and that TIAA-CREF and SST Consulting be included.

(9) New Motions:

- a. Preferred Provider List - Steve Schullo will submit a set of criteria to Barbara Healy for review.
- b. Open Enrollment Material - Steve Schullo withdrew his request.

(10) Follow Up from Prior Meeting:

- a. Frontline Retirement Gamble motion - Steve Schullo will follow up with Mariam Hironimus.
- b. Nomination of Crystal Mendez - Please refer to section (6) above.
- c. Legal Update agents representing CalSTRS - Sandy Keaton will try to find out more information on the 2 agents who were impersonating CalSTRS Reps and then will reach out to CalSTRS in hopes of some recourse.

(11) Standing Items:

- a. 457(b) -
 - Establish New Fiscal Year Enrollment Goals/OE - Janice asked the committee to assist in setting some new 457(b) goals for TIAA-CREF. The new annual goals are to include:
 - 20% increase in participants
 - 20% increase in assets (net of market)
 - 20% increase on contributions
 - The topic of Registered Investment Advisors (RIAs) roles and fees was briefly discussed. Alan has a variety of concerns. Bruce said a plan could be customized for LAUSD. It was suggested that this topic be included in the Plan Economic ad hoc committee meeting.
- b. 403(b) – The reports were handed out in the meeting packet for the Committee’s review.
- c. PARS - Eric O’Leary distributed the monthly PARS report. A meeting is schedule with the CFO’s office, PARS and U.S. Bank to address various recommendations.
- d. District Property Access Updates - Janice Sawyer will try to contact Earl Perkins regarding this issue.

(12) Set Agenda for next meeting

- The next meeting is set for October 16, 2014.
- Preferred Provider List
- Plan Economics Ad Hoc Committee update
- NAGDCA Report

(13) Public Comments

No public comment.

(14) Adjournment

Malorie Evans motioned, and David Estrada seconded to adjourn the meeting. The Meeting adjourned at 5:10 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters

October 16, 2014 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. Bradley Rumble	AALA
6. Linda Perez	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. Saman Bravo-karimi	LAUSD (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large (Via Phone)
5. Alan O'hara	AALA (Alt)
6. Linda Perez	CSEA-LA Chapter 500
7. Sandy Keaton	UTLA (Via Phone)
8.	
9.	
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11.	

Participants Present

Barbara Healy	SST	Crystal Mendez	Member-at-Large (Alt)
Eric O'Leary	PARS	Stephen Banks	TSA Consulting Group
Rachael Sanders	PARS	April Young	TSA Consulting Group
Mariam Hironimus	LAUSD (Alt)	Art Wexler	TIAA-CREF
Karen Woods	LAUSD		

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

(1) Roll Call

Quorum was reached at 3:08 p.m.

(2) Approval of September 18, 2014 Minutes

Alan Warhaftig requested an edit to the minutes. Sandy Keaton motioned, and Linda Perez seconded, to approve the September meeting minutes with Alan's request included. The committee voted 7 yes, 0 no, and 0 abstentions. The motion was approved.

(3) 403(b) Report

- Stephen Banks, TSA Consulting Group, provided some 2013/2014 statistical trends for both the 403(b) and 457(b) retirement plans. Stephen announced that the reports that the Committee had been requesting are now ready and are available online to the Committee members and SST Benefits Consulting. To obtain access to the reports, please send a written request to Mariam Hironimus.
- The 403bcompare website was discussed as to why some available vendors were not listed and why some unavailable vendors were listed. Also, it was asked if a 403bcompare link could be added to the 403b.lausd.net website – Steve Banks said it could be done.

(4) National Save for Retirement Week

- Janice Sawyer announced that the Board agenda item “National Save for Retirement Week” went on consent at the October 14th Board meeting.

- Janice spoke with David Estrada and he is going to try to get the “National Save for Retirement Week” item on the agenda for the next Budget, Facilities, and Audit Committee meeting.
- TIAA-CREF Representatives will be in the Beaudry cafeteria October 20th – 24th from 11:30 – 2:00 pm promoting the 457(b) plan.

(5) CalSTRS Contract Assignment to TIAA-CREF Update

Janice Sawyer said the contract assignment is on its homestretch with LAUSD, CalSTRS and TIAA-CREF all having the final draft and just needs the final approvals and signatures. The anticipated effective start date is November 1, 2014. Once the contract is signed, it will go to the LAUSD Board for ratification.

(6) PARS Update

- Saman Bravo-karimi reported that he had a meeting with PARS, Union Bank, and John Walsh. They discussed changing the PARS fund lineup to 25% equity, 70% fixed income and 5% cash. He also stated that 90% of the PARS members are in SEIU. It is expected that the expected returns on this new portfolio will outweigh its current costs.
- Saman said that the CFO, Payroll and PARS will be notifying employees and the Labor Partners that the fund lineup will be changing.

(7) Plan Economics Ad Hoc Committee Update

- Barbara Healy, SST Benefits Consulting, gave a high level overview on PIMCO due to Bill Gross leaving the company. Based on Barbara’s recommendation, Alan Warhaftig motioned, Linda Perez seconded, to have the PIMCO Total Return fund put on the watch list. The committee voted 7 yes, 0 no, and 0 abstentions. The motion was approved.
- Since BlackRock Target Date Funds will be the new 457(b) default fund and they are not applicable for participants born prior to 1954, it was suggested that the default for these participants be the BlackRock Retirement Portfolio (which would need to be added to the fund lineup) or to have contributions go directly into the Vanguard Wellesley fund. Sandy Keaton motioned, Alan Warhaftig seconded, that the default investment for those born before 1954 be the Vanguard Wellesley fund. The committee voted 7 yes, 0 no, and 0 abstentions. The motion was approved.
- Currently, participants in the 457(b) self-directed brokerage funds are not paying any administration fees. The ad hoc committee discussed two options - leaving the participants alone now and implementing a fee structure when the 457(b) goes out for RFP or having TIAA-CREF turn on the \$40.00 annual fee to the participants. Alan Warhaftig had concerns that the \$40 fee may be too much for some participants with a low balance and not enough for those with a high balance. Alan suggested applying a percentage to the account balance. Sandy Keaton motioned, Saman Bravo-karimi seconded, to leave the self-directed brokerage fee alone until the next 457(b) RFP. The committee voted 6 yes, 1 no, and 0 abstentions. The motion was approved.

(8) Preferred Provider Criteria

Due to time constraints, this item will be discussed at the next meeting.

(9) Follow Up from Prior Meeting

- a. Nomination of Crystal Mendez – The Committee honored Crystal Mendez as the model employee for National Save for Retirement Week at the meeting since the Board put the item on consent.
- b. Legal Update on agents representing CalSTRS - Sandy Keaton received another email and will forward it to CalSTRS. CalSTRS will give it to their internal legal department. However, Sandy has not received any information as to CalSTRS' recourse.

(10) Standing Items:

- a. 457(b) - Janice Sawyer is eliminating the “20% increase in assets (net of market)” goal due to the inability of tracking such a goal. This goal established at the September 2014 RIAC meeting.
- b. 403(b) – Covered in section 3 above.
- c. PARS - Eric O’Leary distributed the monthly PARS report.
- d. District Property Access Updates – no new updates.

(11) Set Agenda for next meeting

- The next meeting is set for November 20, 2014.
- PARS Update
- Plan Economics Ad Hoc Committee update (RIA Models)
- Preferred Provider Criteria
- NAGDCA Report

(12) Public Comments

No public comment.

(13) Adjournment

Linda Perez motioned, and Saman Bravo-karimi seconded to adjourn the meeting. The Meeting adjourned at 5:00 p.m.

Retirement Investment Advisory Committee Meeting
Meeting Minutes
LAUSD Headquarters
November 20, 2014 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. Bradley Rumble	AALA
6. Linda Perez	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. Saman Bravo-Karimi	LAUSD (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large (Via Phone)
5. Bradley Rumble	AALA
6.	
7. Sandy Keaton	UTLA (Via Phone)
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Participants Present

Barbara Healy	SST	Crystal Mendez	Member-at-Large (Alt)
Bill Tugaw	SST	Kevin Hensley	TSA Consulting Group (Via Phone)
Eric O’Leary	PARS	April Young	TSA Consulting Group (Via Phone)
Mariam Hironimus	LAUSD (Alt)	Art Wexler	TIAA-CREF
Karen Woods	LAUSD	Mallorie Evens	UTLA (Alt)
Brian Wong	LAUSD		

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

(1) Roll Call

Quorum was reached at 3:15 p.m.

(2) Approval of November 20, 2014 Minutes

Sandy Keaton motioned, and Alan Warhaftig seconded, to approve the November meeting minutes. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

(3) 457(b) Quarterly Report

- Barbara Healy presented the 457(b) Quarterly Report to the committee. Overall, the third quarter has been relatively flat. Barbara reported that domestic and international issues have made the market more volatile than she’s seen in the last eighteen months. Smaller capitalized stocks such as the Russell 2,000, emerging markets, international, and global type markets, have been negative. The Dow, Standard & Poor’s, Russell 1,000, and ten year treasury were relatively flat. Barbara theorized that the Federal Reserve would act conservatively with interest rates moving forward.
- Alan Warhaftig motioned, and Sandy Keaton seconded, to accept SST’s recommendation of removing American Funds Fundamental Investors (RFNGX) from the Watch List. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.
- Alan Warhaftig motioned, and Sandy Keaton seconded, to accept SST’s recommendation to keep American Century Heritage (ATHIX) on the Watch List. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.

- The committee requested that SST come back with a possible replacement funds for American Century Heritage.
- Alan Warhaftig motioned, and Sandy Keaton seconded, to accept SST's recommendation to place Pimco Total Return (PTTRX) on the Watch List. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.
- Sandy Keaton asked Barbara Healy to research socially responsible funds. Barbara said SST would present recommendations to the Investment Ad Hoc committee, however also she mentioned that the Investment Policy Statement would need to be amended if the socially responsible funds were added to the fund line up.
- The IRS has posted the new limits for 2015 which are \$18,000 for those under age 50 and up to \$24,000 for those over the age of 50. These limits also apply to the 403(b) plan.

(4) CalSTRS Contract Assignment to TIAA-CREF Update

Janice Sawyer announced that the assignment to TIAA-CREF was effective November 1, 2014. Ratification of the assignment will be on the Board agenda for December 9, 2014.

(5) PARS Update

- Saman Bravo-Karimi announced that his team sent out notifications of fund lineup changes to the unions and AALA responded with some questions. They asked why anyone from AALA would be in PARS. It turned out there was data mismatch. Megan Reilly wanted to ask the committee if notification letters should be sent out to all PARS members. The cost was estimated to be \$30,000 to \$40,000 and the fee could be charged to the plan itself. Sandy Keaton recommended not sending out the notifications due to the cost.
- It was suggested that the PARS Investment Policy Statement be posted on the District's website.

(6) Plan Economics Ad Hoc Committee Update

- Barbara Healy announced that the Ad Hoc Committee reviewed the TIAA-CREF plan economics. She commended TIAA-CREF for having a very transparent plan. Barbara recommended TIAA-CREF to present their 403(b) and 457(b) expenses to the committee.
- The Ad-Hoc Subcommittee is scheduled to meet with TIAA-CREF registered investment advisors on December 4, 2014 to discuss their work practice. Barbara and Bill Tugaw do not believe LAUSD has any liability for registered advisors.

(7) RIA Model

- To be discussed at a future date.

(8) Preferred Provider Criteria

Steve Schullo suggested the following criteria to assist the committee with selecting a few 403(b) preferred provider investment companies:

1. Stock and bond market investments.
2. Total costs to LAUSD employees per investment be less than 1.0%, custodial fees maximum \$15 each year. These costs include:
 - No up-front or deferred sales charges (commissions); no 12b(1) fees; initiation; contract revenue sharing; management/wrap and/or advisory fees and other fees which exceed the total costs of 1.0% each year.

3. All products must be liquid and free of surrender charges.

(9) NAGDCA Report

- Sandy Keaton reported the NAGDCA conference activities to the committee.
- Mariam Hironimus was surprised to learn that studies have shown that education does not increase participation nor does it affect or change behavior.
- Barbara Healy suggested focusing on plan design.
- Bill Tugaw recommended that the committee pursue an “active choice” piece during Open Enrollment to increase plan participation. Participants would have to check a box that showed they do or do not want to enroll in the investment plan.

(10) Standing Items:

- a. 457(b) – No new updates.
- b. 403(b) – Alan Warhaftig mentioned that he and Karen Woods are working with TSACG on a system glitch affecting the salary reduction agreement (SRA) webpage. It appears only to be affecting random employees. When some employees attempt to update or go to select “VOYA Financial, Recordkeeper for CalSTRS Pension 2” they don’t see it listed as an option on the online SRA.
- c. PARS - Eric O’Leary distributed the monthly PARS report.
- d. District Property Access Updates – No new updates.

(11) Set Agenda for next meeting

- Bradly Rumble motioned, and Alan Warhaftig seconded to cancel the December 18, 2014 meeting. The committee voted 6 yes, 0 no, and 0 abstentions. The motion was approved.
- The next meeting is set for January 15, 2015.

(12) Public Comments

No public comment.

(13) Adjournment

Sandy Keaton motioned, and Steve Schullo seconded to adjourn the meeting. The Meeting adjourned at 5:10 p.m.