

Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

**January 19, 2017** 3:00 PM – 5:00 PM

**Committee Members:**

- |                    |                                |
|--------------------|--------------------------------|
| 1. Janice Sawyer   | Chief Risk Officer             |
| 2. John Walsh      | Deputy Chief Financial Officer |
| 3. Alan Warhaftig  | Board Appointee                |
| 4. Steve Schullo   | Member-at-Large                |
| 5. Bradley Rumble  | AALA                           |
| 6. Letetsia A. Fox | CSEA-LA Chapter 500            |
| 7. Eric Young      | 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   | Chief Risk Officer      |
| 2.                 |                         |
| 3. Alan Warhaftig  | Board Appointee         |
| 4. Steve Schullo   | Member-at-Large         |
| 5. Bradley Rumble  | AALA                    |
| 6. Letetsia A. Fox | CSEA-LA Chapter 500     |
| 7. Eric young      | UTLA                    |
| 8.                 |                         |
| 9. Chris Hannan    | Building Trades Council |
| 10.                |                         |
| 11.                |                         |

**Participants Present**

- |                   |                            |                |                       |
|-------------------|----------------------------|----------------|-----------------------|
| Barbara Healy     | SST Consulting (Via Phone) | Kathy Thomas   | LAUSD                 |
| April Young       | TSA Consulting (Via Phone) | Brian Wong     | LAUSD                 |
| Michelle Williams | Voya                       | Karen Woods    | LAUSD                 |
| Gavin Gruenberg   | Voya                       | Ruby Chavez    | LAUSD                 |
| Joe Marini        | Voya                       | My Huynh       | LAUSD                 |
| Eric O’Leary      | PARS                       | Sandy Keaton   | Member-at-Large (Alt) |
| Rachael Sanders   | PARS                       | Rick Rosenthal | US Bank               |

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

**(1) Roll Call**

Quorum was reached at 3:05 p.m.

**(2) Approval of November 17, 2016 Minutes**

Letetsia Fox motioned, and Alan Warhaftig seconded, to approve the meeting minutes. The Committee voted 6 yes, 0 no, 0 abstentions. The motion was approved. Bradley Rumble was not present during the vote.

**(3) 403(b) Quarterly Report**

- April Young presented to the Committee the monthly reports and shared some transaction comparisons between 2015 vs. 2016 in the number of transaction that occurred.
- Alan Warhaftig motioned, and Letetsia Fox seconded, to switch over to TSA Consulting Group’s version of the plan document with the proviso that the Committee receives quarterly notification of any changes to the plan document to be compliant with regulations. April will work on the plan document to have Barbara Healy to review. The Committee did not vote on this motion.
- The Committee agreed on moving forward with the plan document excluding the post separation rollovers provision.
- April mentioned that Steve Banks has spoken with Sandy Blair from CalSTRS, and will be speaking with someone at the state level regarding IPX. The Committee had several IPX questions. They would like April to relay the questions to Steve Banks. Mr. Banks will report back in February.

**(4) PARS/ US Bank Presentation**

- Rick Rosenthal, from US Bank, distributed a booklet and reviewed the PARS fund performance with the Committee.
- Rick made a few different recommendations for the PARS portfolio.

**(5) Auto Enrollment Update**

- Janice Sawyer announced that Saman Bravo-Karimi and Mariam Hironimus have been meeting with the BASE team regarding auto enrollment. They have been doing more testing for fixed amount and percentage calculation requirements.
- The estimated completion time period is July 2017.
- Bradley Rumble announced that AALA is interested in auto enrollment.

**(6) Voya Transition Update**

- Michelle Williams announced that files have been exchanged, and payroll funds have been received and posted successfully.
- Alan Warhaftig discussed his experience with the self-directed portal and the self-directed brokerage account. He is concerned about fees improperly deducted by TIAA, particularly a \$50 ACATS for transferring the funds to Voya. He asked whether this fee was assessed to all participants in the self-directed portal and why this would be levied on individual participants in a group plan.

**(7) RIAC Meetings**

- Janice Sawyer discussed the possibility of holding the meetings quarterly.
- Bradley Rumble motioned, and Steve Schullo seconded, to have the RIAC meetings become quarterly effective 2017-18 fiscal year. The Committee decided to table this for the next meeting.
- It was suggested that a 457(b) university presentation be done again.

**(8) Standing items:**

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

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

- The next meeting will be on February 16, 2017.
- RIAC meeting schedule.

**(10) Public Comments**

No comment.

**(11) Adjournment**

The Meeting adjourned at 5:05 p.m.

Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

**February 16, 2017** 3:00 PM – 5:00 PM

**Committee Members:**

- |                    |                                |
|--------------------|--------------------------------|
| 1. Janice Sawyer   | Chief Risk Officer             |
| 2. John Walsh      | Deputy Chief Financial Officer |
| 3. Alan Warhaftig  | Board Appointee                |
| 4. Steve Schullo   | Member-at-Large                |
| 5. Bradley Rumble  | AALA                           |
| 6. Letetsia A. Fox | CSEA-LA Chapter 500            |
| 7. Eric Young      | 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      | Chief Risk Officer                   |
| 2. Saman Bravo-Karimi | Deputy Chief Financial Officer (Alt) |
| 3. Alan Warhaftig     | Board Appointee                      |
| 4. Steve Schullo      | Member-at-Large                      |
| 5. Bradley Rumble     | AALA                                 |
| 6. Letetsia A. Fox    | CSEA-LA Chapter 500                  |
| 7. Eric Young         | UTLA (Via Phone)                     |
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**Participants Present**

- |                   |                            |                 |                       |
|-------------------|----------------------------|-----------------|-----------------------|
| Barbara Healy     | SST Consulting             | Kathy Thomas    | LAUSD                 |
| Bill Tugaw        | SST Consulting             | Brian Wong      | LAUSD                 |
| Michelle Williams | Voya                       | Karen Woods     | LAUSD                 |
| Gavin Gruenberg   | Voya                       | Ruby Chavez     | LAUSD                 |
| Joe Marini        | Voya                       | Janet Meskin    | LAUSD (Retired)       |
| Violeta Mendez    | Voya                       | Sandy Keaton    | Member-at-Large (Alt) |
| April Young       | TSA Consulting (Via Phone) | Rachael Sanders | PARS                  |

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

**(1) Roll Call**

Quorum was reached at 3:00 p.m.

**(2) Approval of January 19, 2017 Minutes**

The Committee requested corrections to the January meeting minutes. Section (6) bullet point two will be updated to include, “Alan Warhaftig discussed his experience with the self-directed portal and the self-directed brokerage account. He is concerned about fees improperly deducted by TIAA, particularly a \$50 ACATS for transferring the funds to Voya. He asked whether this fee was assessed to all participants in the self-directed portal and why this would be levied on individual participants in a group plan.” Letetsia Fox motioned, and Steve Schullo seconded, to approve the meeting minutes. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Quarterly Report**

- Barbara Healy presented the 457(b) quarterly report to the Committee. Barbara recommended placing PIMCO Total Return on the Watch List due to underperformance to peers for the one (1) year and three (3) year periods. Bradley Rumble motioned, and Alan Warhaftig seconded, to place PIMCO Total Return on the Watch List. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

- Steve Schullo conveyed his concerns about PIMCO Total Return. Alan Warhaftig asked if there was an actively managed bond fund that was competitive in price, but wasn't heavily reliant on a hedging strategy. Barbara replied she could bring a short list of five alternative bond funds if the Committee wanted to pursue it.
- It was asked how many basis points are charged on the TIAA Traditional fund, and Barbara and Karen Woods replied that TIAA agreed to continue charging 22 basis points as it was discussed during one of the transition meetings.

**(4) 403(b) Plan Document & Adoption Agreement**

- Barbara Healy reiterated SST Benefits Consulting's recommendation to accept TSA Consulting Group's prototype documents as they stand without any change in wording.
- One advantage is TSA Consulting Group will be responsible for getting the documents updated. A second advantage to using TSA Consulting Group's prototype documents is it includes post-severance rollovers.
- April Young explained the details of post-severance rollovers to the Committee.
- Bradley Rumble motioned, and Alan Warhaftig seconded, to recommend that the Chief Financial Officer execute the TSA Consulting Group prototype documents for the 403(b) plan. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(5) Auto Enrollment Update**

- Janice Sawyer announced that the auto enrollment project is on the list of things to get done by July 2017. Janice has been very diligent about keeping the auto enrollment project on the Business Advisory Committee's project list and timeline.
- The auto enrollment is in the labor agreement in Chris Hannan's union, the Building Trades Council. Janice believes it has been signed and will be ratified in April 2017.
- Letetsia A. Fox asked Saman Bravo-Karimi for a mockup paycheck of auto enrollment to show to her union CSEA.

**(6) RIAC Meetings**

- Janice Sawyer opened a discussion on the possibility of having quarterly RIAC meetings.
- Sandy Keaton would like the Committee to not make so many changes until the auto enrollment project really gets going.
- Alan Warhaftig asked if it was possible to have an Ad-hoc Subcommittee that was empowered by the Main Committee, to make recommendations to the Chief Financial Officer without having to wait for the general meeting.
- Bradley Rumble suggested alternative months such as September, November, February, May, and June
- Steve Schullo would like the Committee to be relieved of PARS. Barbara Healy recommended PARS to report annually instead of bi-annually.

**(7) Standing items:**

- a. 457(b) – Michelle Williams presented the 457(b) monthly statistical reports to the Committee. Michelle also stated that she, Jermaine, and Violetta will be going over advisor strategies soon.
- b. 403(b) – Sandy Keaton wanted to discuss the preferred vendor list in the next meeting.
- c. PARS – No new updates.
- d. District Property Access Updates – Bradley Rumble suggested communicating enforcement of the bulletin through Central Operations.

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

- The next meeting will be on March 16, 2017.

**(9) Public Comments**

Janet Meskin expressed her concern that District employees don't even know they were vulnerable to expensive 403(b) plans. She gave examples such as hidden fees and employees not receiving statements. She asked if there was some way to skirt these 403(b) vendors.

**(10) Adjournment**

The Meeting adjourned at 5:31 p.m.

Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

**March 16, 2017** 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
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**Participants Present**

Barbara Healy	SST Consulting	Saman Bravo-Karimi	Dir of Treasury/Capital Fund Comp (Alt)
April Young	TSA Consulting	Brian Wong	LAUSD
Michelle Williams	Voya	Karen Woods	LAUSD
Joe Marini	Voya	My Huynh	LAUSD
Sandy Keaton	Member-at-Large (Alt)	Mariam Hironimus	LAUSD
Eric O' Leary	PARS		

----- 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 February 16, 2017 Minutes**

Steve Schullo motioned, and Letetsia Fox seconded, to approve the meeting minutes. The Committee voted 6 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Report**

- Michelle Williams presented the 457(b) report to the Committee. There were 3,958 active participants for the month of February.
- Joe Marini mentioned that doing plan reviews with participants is critical to increasing participation.
- Alan Warhaftig asked how much money came into VOYA from the TIAA Traditional. The Committee discussed and agreed it was about \$10 million.
- Michelle mentioned that they saw better numbers with digital enrollments.
- Barbara Healy asked Michelle if VOYA could report on the half of the loans that did not move from TIAA. Mariam Hironimus replied semi-annually, TIAA would do a sweep and the money will be sent to VOYA. Michelle will report back once that takes place.
- Sandy Keaton would like to see the number of participants who transferred in and out from the "Transfer activity by investment" section of the VOYA report.
- Michelle discussed the VOYA Unsung Heroes Awards Program and asked the District to participate.

- Alan asked what the traditional practice of an ACATS transfer with a self-directed brokerage account includes. Michelle will follow up on Alan's situation.

**(4) 457(b) Alternate Bond Fund List**

- Barbara Healy distributed the performance report and the Returns Analysis / Scorecard alternate bond fund list for the Committee to review. Barbara further discussed the alternate bond fund list with the Committee and she recommended to continue to monitor PIMCO Total Return for at least two more quarters.
- Barbara briefly explained the investment policy statement and wanted the Committee to understand the parameters for replacing a fund. Barbara also reminded the Committee that the Investment Policy Statement should be reviewed annually by the Committee.

**(5) Preferred Vendor List**

- Sandy Keaton asked if there was any way the Committee could do some research on a 403(b) preferred vendor list. Alan warned about this list leading to vendors wanting campus access and the problem with California Insurance Code 770.3.
- Steve Schullo mentioned there was a State Legislature in Connecticut that introduced a bill specifically for 403(b) that would disclose conflicts of interest. Barbara Healy interpreted the Connecticut Legislation as something more about disclosure instead of about dealing with conflict of interest.
- Alan conveyed that the preferred provider should stay as something the Committee could aspire to, but until there was a way to actually limit vendors on the request for proposal, it was not something practical to pursue.

**(6) Auto Enrollment Update**

- Saman Bravo-Karimi distributed a mockup of a paycheck which shows the effects of auto enrollment for the Committee to review.
- Mariam Hironimus announced that the Board has approved the Building Trades Council union (Unit E) for auto enrollment into a 457(b) account. The union has about 1,500 - 1,600 employees and has agreed to a contribution amount of 4% of one's salary.
- Mariam met with the I.T.D. representatives to make sure the project was on track. Communication letters will go out to union members during the first week of July.
- Bradley Rumble announced that AALA will look at this as a model. The Executive Board will meet toward the end of this school year. Alan Warhaftig announced that all that was left was the approval of the Executive Board and Representative Assembly.
- Saman Bravo-Karimi announced that this was going to be his last meeting with the Committee. He has accepted a job offer outside of the District and thanked everyone for their hard work and contribution. The Committee thanked him and wished him well.
- Mariam Hironimus announced that Megan Reilly also thanked the Committee for their hard work and support during her tenure as Chief Financial Officer. Mrs. Reilly, too, has accepted a job offer outside of the District.

**(7) Standing items:**

- a. 457(b) – No comment.
- b. 403(b) – No comment.
- c. PARS – Eric O' Leary would like to continue to have PARS included as a standing item and he would like to attend every meeting even if only reporting annually.

d. District Property Access Updates –Sandy Keaton announced two teachers told her that AXA has been coming onto school campuses. Bradley Rumble announced he will include a link to the bulletin in his AALA news article.

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

- The next meeting will be on April 20, 2017.

**(9) Public Comments**

Kathy Thomas and Janet Meskin shared their efforts in trying to prevent vendors from unauthorized access to school campuses.

**(10) Adjournment**

The Meeting adjourned at 5:14 p.m.



Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

April 20, 2017 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2.	
3. Alan Warhaftig	Board Appointee (Via Phone)
4. Sandy Keaton	Member-at-Large (Alt)
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	UTLA
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**Participants Present**

Barbara Healy	SST Consulting	Karen Woods	LAUSD
Stephen Banks	TSA Consulting	Brian Wong	LAUSD
Rachael Sanders	PARS		
Joe Marini	Voya		

----- 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.
- Janice Sawyer mentioned that the RIAC meetings follow the Brown Act, and explained the rules and procedures for the RIAC meetings to the Committee as well as new visitors.

**(2) Approval of March 16, 2017 Minutes**

The Committee requested corrections to the March meeting minutes. Section (3) bullet point three will be updated to read, "Alan Warhaftig asked how much money came into VOYA from the TIAA Traditional. The Committee discussed and agreed it was about \$10 million." Section (4) title will be updated to read, "457(b) Alternate Bond Fund List." Letetsia Fox motioned, and Sandy Keaton seconded, to approve the meeting minutes. The Committee voted 6 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 403(b) Report**

- Stephen Banks discussed the Investment Provider Exchange (IPX) platform and a couple of reasons to consider implementing it. For example, the IPX platform can control who is registered as a representative as well as observe (not restrict) all available products being sold by each 403(b) provider.
- Stephen discussed the California Insurance Code 770.3 and whether or not the IPX will run afoul of the Code.
- Stephen inquired with a governmental affairs law firm, Greenberg Traurig LLP, and they were of the opinion that the IPX platform will not run afoul of 770.3. Bill Gausewitz from Greenberg Traurig,

was of the opinion, that if LAUSD or the Committee asked the Insurance Commissioner to write the legal opinion regarding 770.3, he can assist in getting that accomplished.

- Sandy Keaton asked about the cost of getting such a legal opinion. Stephen will provide an update as soon as he gets a written proposal. His organization is willing to assist with some of the amount, depending on what the final cost totals.
- Barbara Healy mentioned that CalSTRS Pension 2 did not want to be on the IPX platform. Barbara was unsure how many vendors wanted to be on the IPX platform. Barbara also wondered how a plan sponsor could unwind from being on the IPX platform.
- Barbara discussed the issue of liability and vetting with the Committee and agreed with pursuing a legal opinion from the Insurance Commissioner.
- Alan Warhaftig asked if TSA Consulting Group would adopt IPX as an upgrade to its current software.
- The Committee decided to table the IPX platform for a future discussion.

**(4) Standing items:**

- a. 457(b) – 1. Sandy Keaton notified the Committee that her 457(b) account was automatically rebalanced via fund rebalancing instead of percentage rebalancing, thus new fund expenses. She asked Joe Marini how many people were affected by the change of funds. Joe Marini will get the Voya rebalancing policy and numbers for the Committee.
  2. The Committee discussed financial literacy education and asked that it be placed on next month's agenda. Joe Marini will work with Michelle Williams of Voya to see what others are doing for their Voya clients.
- b. 403(b) – Stephen Banks reminded the Committee that TSA Consulting Group's demographic reports could be used to identify areas that should be focused on for more retirement investment education.
- c. PARS – No comment.
- d. District Property Access Updates –No comment.

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

- Financial literacy education
- The next meeting will be on May 18, 2017.

**(6) Public Comments**

No Comment.

**(7) Adjournment**

The Meeting adjourned at 4:45 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

May 18, 2017 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2. Timothy Rosnick	Deputy Chief Financial Officer (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	UTLA
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**Participants Present**

Barbara Healy	SST Consulting	Mariam Hironimus	LAUSD
April Young	TSA Consulting (Via Phone)	Brian Wong	LAUSD
Sandy Keaton	Member-at-Large (Alt)	Karen Woods	LAUSD
Joe Marini	Voya	Ruby Chavez	LAUSD
Michelle Williams	Voya (Via Phone)	Eric O' Leary	PARS
Jermaine Johnson	Voya (Via Phone)	Violeta Mendes	Voya (Via Phone)

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

**(1) Roll Call**

- Quorum was reached at 3:12 p.m.

**(2) Approval of April 20, 2017 Minutes**

The Committee requested corrections to the March meeting minutes. Section (3) bullet point seven will be updated to read, "Alan Warhaftig asked if TSA Consulting Group would adopt IPX as an upgrade to its current software." Bradley Rumble motioned, and Letetsia Fox seconded, to approve the meeting minutes. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Report**

- Barbara Healy presented the 457(b) Quarterly report to the Committee.
- Barbara announced that the plan's first quarter performance return was 5.55%, one year return was 14.63%, three year 7.38%, and five year 10.48%. The portfolio was doing well and it's very well diversified.
- The Federal government is expected to increase the interest rate by a quarter point for four times in 2017. They are also expected to unwind their bond purchases as part of their quantitative easing program.
- Eric Young motioned, and Letetsia Fox seconded, to place American Century Heritage on the watch list. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.
- Eric Young motioned, and Letetsia Fox seconded, to remove Pimco Total Return from the watch list. The Committee voted 6 yes, 1 no, 0 abstentions. The motion was approved.
- Alan Warhaftig motioned, and Bradley Rumble seconded to reactivate the Ad-hoc Investment Subcommittee for the purpose of possible replacement or removal of American Century Heritage.

The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved. The participants for the Ad-hoc Investment Subcommittee will be Alan Warhaftig, Bradley Rumble, Sandy Keaton, Steve Schullo, and Letetsia Fox.

**(4) Financial Literacy Education**

- Sandy Keaton discussed offering professional development as part of financial literacy education and wellness for high school students. Barbara Healy mentioned that the Certified Financial Planner Board of Standards (CFP Board) may have a curriculum for teaching high school students financial literacy.

**(5) Investment Policy Statement**

- Mariam Hironimus announced that it is time for the annual review of the Investment Policy Statement to determine if it needs to be updated. Mariam will send out the investment policy statement to the Committee members to review.

**(6) Standing items:**

- a. 457(b) – 1) Joe Marini presented the 457(b) reports to the Committee. Alan Warhaftig asked Joe to research the discrepancy in the Year-To-Date Contribution Summary.  
2) Jermaine Johnson and Violeta Mendes discussed their activities with District employees.  
3) Janice Sawyer mentioned that the District’s Chief Labor Negotiator will offer auto enrollment as part of each union’s contract re-opener.
- b. 403(b) – 1) Sandy Keaton brought up her concern about Midland participants increasing.  
2) Alan Warhaftig mentioned that he noticed TIAA was listed as unavailable on the website [www.403bcompare.com](http://www.403bcompare.com). April Young replied that the website has been updated and corrected. Barbara Healy asked April to look through the Los Angeles Unified piece of the [www.403bcompare.com](http://www.403bcompare.com) website to validate the information posted, especially AXA Equitable. April will contact AXA to have them review and update their product information. She will review the website for discrepancies. Steve Schullo thanked April for getting NEA’s low fund 403(b) on the website, [www.403bcompare.com](http://www.403bcompare.com).
- c. PARS – Eric O’Leary asked the Committee if they wanted Rick Rosenthal from US Bank to come in to present at the June meeting. The Committee replied they would like to see him.
- d. District Property Access Updates – The Committee discussed several incidents regarding people coming onto campus. Janice Sawyer discussed auto enrollment as the most practical solution to discouraging people from coming onto campus.

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

- The next meeting will be on June 15, 2017.
- Investment Policy Statement.
- Auto Enrollment.
- Financial Literacy.

**(8) Public Comments**

Melanie Panush Lindert shared her story with the Committee about an investment advisor she worked with.

**(9) Adjournment**

The Meeting adjourned at 5:10 p.m.

Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

June 15, 2017 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2. Timothy Rosnick	Deputy Chief Financial Officer (Alt)
3. Alan Warhaftig	Board Appointee
4. Sandy Keaton	Member-at-Large (Alt)
5. Bradley Rumble	AALA (Via Phone)
6. Letetsia A. Fox	CSEA-LA Chapter 500
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**Participants Present**

Bill Tugaw	SST Consulting	Mariam Hironimus	LAUSD
April Young	TSA Consulting (Via Phone)	Brian Wong	LAUSD
Gavin Gruenberg	Voya (Via Phone)	Karen Woods	LAUSD
Joe Marini	Voya	Eric O' Leary	PARS
Michelle Williams	Voya (Via Phone)	Rick Rosenthal	US Bank
Jermaine Johnson	Voya (Via Phone)	Carolyn Cox	US Bank
Jason Polonsky	Voya (Via Phone)		

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

**(1) Roll Call**

- Quorum was reached at 3:08 p.m.

**(2) Approval of May 18, 2017 Minutes**

The Committee requested corrections to the May 18, 2017 meeting minutes. Section (3) bullet point three will be updated to read, "The Federal government is expected to increase the interest rate by a quarter point for four times in 2017. They are also expected to unwind their bond purchases as part of their quantitative easing program." Bradley Rumble motioned, and Sandy Keaton seconded, to approve the meeting minutes. The Committee voted 6 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Report**

- Joe Marini presented the 457(b) reports to the Committee.
- Alan Warhaftig asked Joe for clarification about the data discrepancy from the April 20, 2017 457(b) report. Mariam Hironimus will ask Carol Cann from Voya to provide a written response.
- Alan asked if Voya could report the TIAA Traditional account balance on a quarterly basis. Bill Tugaw replied that SST Benefits will provide that report as part of the quarterly review.
- Joe Marini discussed the Voya Representatives' activities. Since May 15, 2017, they have had 132 phone calls and 37 face to face meetings. Jermaine Johnson, a Voya Rep, shared some of his recent experiences with District participants. Jermaine stated that employee plan reviews have increased

since the beginning of summer. Lastly, Jermaine reported that employees felt happy to learn of the Committee and that its representatives look out for their best retirement investment interests.

- Joe and his Representatives will participate in the New Teacher Summer Institute to be held on June 21, 2017 and August 2, 2017.
- Sandy Keaton gave Joe information about the upcoming UTLA leadership conference held at the Westin Bonaventure Hotel in July 2017.
- Michelle Williams presented the Voya Plan Review to the Committee. The Committee requested Voya to report, if possible, where cash out monies are going and to provide Orange Money statistics.
- Bill Tugaw suggested roll outs statistics be added to the quarterly report.
- Timothy Rosnick did not think the investment earnings report was correct. Michelle believed it was based on when the assets came into Voya during the conversion. She will follow up with some research. In addition, Michelle will include the fee balance in the report as requested by Alan Warhaftig.

#### **(4) PARS/US Bank Report**

- Rick Rosenthal of US Bank presented the PARS report to the Committee. The portfolio was valued at \$122,331,012 as of the end of May 31, 2017. It is projected to generate \$2,704,814 in annual income.
- The allocation of 70% in fixed income, 25% in equity, and 5% in cash is in line with the District's Investment Policy Statement.
- The fixed income allocations were 76% in investment grade, 14% inflation protected securities, 6% hedged fixed income, and 4% high yield.
- The equity asset allocations were 44% large cap, 24% developed foreign, 16% mid cap, and 15% small cap. There are 4,131 securities within the fund so diversification is very good. Year-to-date and 52 week returns were all positive.
- Rick did not make any recommendations for the portfolio.

#### **(5) Financial Literacy Education**

- Sandy Keaton announced that Barbara Healy will be looking for educational curriculum through the Certified Financial Planner (CFP) Board.
- Sandy mentioned that there will be an investment workshop at Sepulveda Middle School on October 7, 2017.

#### **(6) Investment Policy Statement**

- Mariam Hironimus announced that the Investment Policy Statement has been sent via email for the Committee to review. She requested any comments be sent by the end of June 2017.
- Alan Warhaftig submitted his comments for Mariam to review.
- Bill Tugaw suggested imbedding the scorecard into the Investment Policy Statement. However, Bill suggested to hold off on the imbedding of the scorecard until the new consultant firm has been decided upon.

#### **(7) Auto Enrollment Update**

- Jason Polonsky reported Voya's auto enrollment communication campaign with the Committee. Unit E Skilled Crafts members will receive a District sent pre-notification letter, three letters from Voya, as well as pop-up messages, e-book updates, and enrollments from the participant website.

- Jason stated that an email will be sent in August 2017 from Voya to highlight the capability to enter a percentage or dollar deduction amounts for the 457(b) plan.
- Jason stated that Voya will send out an email in August 2017 announcing the new option of making contributions either via a percentage or specific dollar amount for the 457(b) plan.
- Mariam Hironimus distributed the sample communication materials for the Committee to review.
- Alan Warhaftig asked when the District will reach out to other bargaining units to answer questions that they might have regarding auto enrollment.

**(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**

- Alan Warhaftig motioned, and Bradley Rumble seconded, to cancel the July 20, 2017 meeting. The Committee voted 6 yes, 0 no, 0 abstentions. The motion was approved.
- TSA Consulting Group will report at the August 17, 2017 meeting.

**(10) Public Comments**

No Comment.

**(11) Adjournment**

The Meeting adjourned at 4:59 p.m.

Retirement Investment Advisory Committee Meeting

Meeting Minutes

LAUSD Headquarters

August 17, 2017 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2. Timothy Rosnick	Deputy Chief Financial Officer (Alt)
3. Alan Warhaftig	Board Appointee
4. Sandy Keaton	Member-at-Large (Alt)
5. Bradley Rumble	AALA (Via Phone)
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	UTLA
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9.	
10.	
11.	

**Participants Present**

Barbara Healy	SST Consulting	Jermaine Johnson	Voya (Via Phone)
April Young	TSA Consulting	Mariam Hironimus	LAUSD
Violetta Mendoza	Voya (Via Phone)	Karen Woods	LAUSD
Joe Marini	Voya	Rafael Rubalcava	UTLA (Alt)
Michelle Williams	Voya	Rachael Sanders	PARS (Via Phone)

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

**(1) Roll Call**

Quorum was reached at 3:12 p.m.

**(2) Approval of June 15, 2017 Minutes**

The Committee requested a correction to the June 15, 2017 meeting minutes. They requested that the last bullet point be removed in Section (3). Alan Warhaftig motioned, and Sandy Keaton seconded, to approve the meeting minutes with the aforementioned change. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Quarterly Report**

- Barbara Healy presented the 457(b) 2<sup>nd</sup> quarter review. She stated there was a lot of volatility during the quarter. Some of the plan's highlights include: assets are at \$130 million, the average dollar weighted mutual fund expense is 0.16% (16 basis points) which makes this an extremely competitive portfolio, and as of 6/30/17 the Voya administrative plan cost was reduced from 25 to 24 basis points due to the size of the plan's assets. The total weighted fee including the third party administrator is 0.37 basis points.
- Barbara went over all the funds and SST suggests that the American Century Heritage fund remain on the watch list as there has recently been a fund manager change and it is the most expensive fund in the portfolio. The Committee decided to table the discussion until the next meeting as to whether or not to remove the fund from the portfolio.



**(4) 403(b) Report**

- April Young, from TSA Consulting, announced to the Committee that TSA has seen an increase in audits to companies who offer 403(b) plans. Should the District be audited, April stated that TSA Consulting is willing to assist in the audit.
- The Committee asked for the criteria as to why companies are being audited. April stated there are various criteria some of which include: a) declining plan enrollments and/or stagnant growth; b) ensuring that companies are making a meaningful effort to educate their employees and c) verifying the common reasons for declining growth, such as, Reduction in Force (RIFs), school closings, retirees, and employees moving into the 457(b) plans.

**(5) Investment Policy Statement**

- Barbara Healy distributed a handout entitled “Fiduciary Investment Review”. It points out that an Investment Statement Policy (IPS) is not required, however, if there is one then it must be followed.
- Fiduciary Liability applies to SST Consulting and LAUSD’s Chief Financial Officer (CFO).
- Alan Warhaftig referred to a section on page 8 of the existing IPS that either needs to be fulfilled or deleted.
- Mariam Hironimus requested data from Voya.
- Alan Warhaftig motioned, Sandy Keaton seconded, that the new IPS be forwarded to the CFO and to the Office of General Counsel (OGC). The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(6) Auto Enrollment Update**

Mariam Hironimus provided an update on Auto Enrollment for the Unit E Skilled Crafts members stating that there were 1,362 of them who could be auto enrolled. To date, of these employees, 17% of them have opted-out of the program. Their first deduction will be on their October 23, 2017 paycheck.

**(7) Open Enrollment**

Mariam Hironimus asked the Committee to vote for one of the four Open Enrollment flyers. The majority of the Committee voted for the flyer illustrating the back of the bus. Mariam stated that the chosen flyer may be changed so that it ties in with the Open Enrollment theme.

**(8) Standing items:**

- a. 457(b) –
  - 1) Alan Warhaftig distributed a handout for the “National Retirement Security Week”.
  - 2) Alan Warhaftig congratulated SST Consulting on the contract award.
  - 3) Sandy Keaton announced there is a Retirement Seminar at Sepulveda Middle School on October 7, 2017.
  - 4) Jermaine Johnson, a Voya Representative, stated things were very positive at the New Teacher Orientation and that it seems as employees are getting a better understanding of the 457(b) plan and that momentum is continuing to build.
  - 5) 403(b) – No new item.
- b. PARS – No new item.
- c. District Property Access Updates – No new item.

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

- Letetsia motioned, and Sandy Keaton seconded, to cancel the December 21, 2017 RIAC meeting. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.
- Barbara offered to do a scorecard workshop at one of the upcoming meetings.
- Voya will report at the September 21, 2017 meeting.

(10) **Public Comments**

No Comment.

(11) **Adjournment**

The Meeting adjourned at 5:08 p.m.

Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

September 21, 2017 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2. Timothy Rosnick	Deputy Chief Financial Officer (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large (Via Phone)
5. Bradley Rumble	AALA (Via Phone)
6. Joan Richardson	CSEA-LA Chapter 500 (Alt)
7.	
8.	
9. Chris Hannon	Building Trades Council (Via Phone)
10.	
11.	

**Participants Present**

Barbara Healy	SST Consulting	Mariam Hironimus	LAUSD
April Young	TSA Consulting (Via Phone)	Brian Wong	LAUSD
Violeta Mendez	Voya (Via Phone)	Karen Woods	LAUSD
Joe Marini	Voya (Via Phone)	Jennifer Meza	PARS
Michelle Williams	Voya (Via Phone)	Rachel Sanders	PARS (Via Phone)
Jermaine Johnson	Voya (Via Phone)		

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

**(1) Roll Call**

Quorum was reached at 3:20 p.m.

**(2) Approval of August 17, 2017 Minutes**

The Committee requested corrections to the August 17, 2017 meeting minutes. Section (3) bullet point one will be updated to read, “Barbara Healy presented the 457(b) 2<sup>nd</sup> quarter review. She stated there was a lot of volatility during the quarter. Some of the plan’s highlights include: assets are at \$130 million, the average dollar weighted mutual fund expense is 0.16% (16 basis points) which makes this an extremely competitive portfolio, and as of 6/30/17 the Voya administrative plan cost was reduced from 25 to 24 basis points due to the size of the plan’s assets. The total weighted fee including the third party administrator is 0.37 basis points.” Alan Warhaftig motioned, and Timothy Rosnick seconded, to approve the meeting minutes as amended. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Report**

- Michelle Williams presented a 457(b) PowerPoint presentation to the Committee.
- Steve Schullo asked Michelle Williams if there were studies that compared investors with and without pension plans. Barbara Healy replied that the National Association of Government Defined Contribution Administrators (NAGDCA) has those types of studies.
- Timothy Rosnick was concerned that the December 2016 account balances under *Plan highlights*, were not accurate. Michelle will review the data and update it if necessary.

- The total outstanding loan balance was \$1,525,397 or 1.4% of the total plan assets of \$108,598,432. Total cash flowing in for the quarter was \$5,224,309 and total cash flowing out was \$1,337,458.
- Steve Schullo asked Michelle if the investment earnings under *Cash flow summary* included the fixed account. Michelle will research that inquiry and will get back to Steve.
- Mariam Hironimus requested some supplemental reports from *Balances by Investment* in order to get a demographic breakdown of the investing population. Voya will give Mariam seven individual reports upon completion. Alan mentioned that the seven reports were part of the requirement of the new investment policy statement.
- Under *Transfer activity by investment*, Alan Warhaftig asked Michelle how many of the transfers were due to employees retiring and deciding to move their money rather than it being an expression of their opinion about a particular fund. Timothy mentioned it would be interesting to see a breakdown of the transfers.
- Michelle highlighted that there were 302 internet deferral updates under *Plan activity: Participant access statistics*.
- Steve Schullo suggested Voya create tutorial videos for MyOrangeMoney.

**(4) Investment Policy Statement Update**

Mariam Hironimus announced that the Investment Statement Policy is still under review by the Office of the General Counsel.

**(5) Auto Enrollment Update**

- Mariam Hironimus announced that there were originally 1,362 Unit E members at the time the auto enrollment program began on July 2, 2017. Twenty two members took action and made a positive contribution. Four hundred and seventy six members declined to be auto enrolled. To date, there are a total of 864 members who will be auto enrolled. Notification letters have been mailed to the participants. The District will still accept declines until September 30, 2017. The first deduction will take place on the October 22, 2017 paychecks. Currently, this represents 64% of the Unit E members.
- Chris Hannon and Mariam Hironimus thanked everyone who was involved in making auto enrollment successful, especially the Voya team members.

**(6) RIAC Meeting Schedule**

- Janice Sawyer would like to have future meetings be held quarterly. The next meetings will be in November 2017, February 2018, May 2018 and August 2018.
- Alan Warhaftig asked Janice what is the Committee's 403(b) fiduciary responsibility if there's no more advice from S.S.T. Consulting. Janice replied T.S.A Consulting Group can provide 403(b) advice.
- Janice will invite Scott Price, the District's new Chief Financial Officer, to the November meeting. Janice will invite the Teacher's Pension and insurance group to the meeting, as well.

**(7) Standing items:**

- a. 457(b) – 1) Alan Warhaftig passed out a request for the Committee to review.
- 2) Barbara Healy announced that the Vanguard Growth Index will switch from the Admiral Share class to the Institutional Share class. This will drop the price by one basis point.
- 3) Barbara Healy would like to change the current portfolio benchmark of the Russell 3000 to a more appropriate benchmark. SST can create a custom benchmark.

4) Barbara announced that the Federal Reserve met but there was no interest rate change. They will start reducing their \$4.5 trillion bond fund starting October 1, 2017. The market has been very resilient and has broken new records.

5) The Department of Labor's Fiduciary rule has been postponed and will not go into effect until January 2019. The California Insurance Commissioner passed a bill that prohibited the delay of a lump sum payout on an annuity plan.

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

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

- Alan Warhaftig motioned, and Joan Richardson seconded, to cancel the October 19, 2017 meeting. The Committee voted 6 yes, 0 no, 0 abstentions (Chris Hannon had left). The motion was approved.
- Michelle Williams requested a training session to demonstrate MyOrangeMoney for the next meeting.
- Barbara Healy will discuss the new lower share class availability and American Century Heritage.
- Janice Sawyer will discuss financial literacy.

**(9) Public Comments**

No Comment.

**(10) Adjournment**

The Meeting adjourned at 5:06 p.m.

Retirement Investment Advisory Committee Meeting  
Meeting Minutes  
LAUSD Headquarters

November 16, 2017 3:00 PM – 5:00 PM

**Committee Members:**

1. Janice Sawyer	Chief Risk Officer
2. John Walsh	Deputy Chief Financial Officer
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	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	Chief Risk Officer
2. Timothy Rosnick	Deputy Chief Financial Officer (Alt)
3. Alan Warhaftig	Board Appointee
4. Steve Schullo	Member-at-Large
5. Bradley Rumble	AALA
6. Letetsia A. Fox	CSEA-LA Chapter 500
7. Eric Young	UTLA
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**Participants Present**

Barbara Healy	SST Consulting	Mariam Hironimus	LAUSD
April Young	TSA Consulting	Brian Wong	LAUSD
Violeta Mendez	Voya (Via Phone)	Karen Woods	LAUSD
Joe Marini	Voya (Via Phone)	Jennifer Meza	PARS (Via Phone)
Michelle Williams	Voya (Via Phone)	Jermaine Johnson	Voya (Via Phone)

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

**(1) Roll Call**

- Quorum was reached at 3:05 p.m.

**(2) Approval of September 21, 2017 Minutes**

The Committee requested corrections to the September 21, 2017 meeting minutes. Section (7) item number five will be updated to read, “The Department of Labor’s Fiduciary rule has been postponed and will not go into effect until January 2019. The California Insurance Commissioner passed a bill that prohibited the delay of a lump sum payout on an annuity plan.” Letetsia A. Fox motioned, and Eric Young seconded, to approve the meeting minutes as amended. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.

**(3) 457(b) Quarterly Report**

- Barbara Healy presented the performance of the 457(b) plan to the Committee.
- Barbara summarized a recent Vanguard shareholder meeting which took place in Scottsdale Arizona.
- All U.S. equity styles were up in the last quarter. Growth outperformed value. Small growth was the best performing while large value was the worst performing.
- The best performing sectors were technology and energy. The worst performing were consumer staples and consumer discretionary.
- The best performing international style was small growth while the worst performing was large growth. The best performing region was emerging markets while the worst performing was Pacific ex Japan.

- Fixed income was slightly positive. The best performing sector was high yield while the worst performing was government.
- Barbara mentioned that the longer term maturity bonds are starting outperform the shorter term maturity bonds.
- Barbara mentioned that the Federal Reserve has been struggling with inflation because it was not over 2%. It's been hovering at slightly below 2% for the last five years. This made them hesitate to increase the interest rate because they used 2% as a threshold for increase.
- The LAUSD third quarter return was 4.19%, one year at 15.49%, three year at 8.91%, and five year at 11.56%.
- The expense has been reduced from 0.37% (37 basis points) to 0.24% (24 basis points) as a result of the competitive request for proposal (RFP) transfer from TIAA to Voya in late December 2016.
- Alan Warhaftig mentioned that TIAA continued to charge 0.22% (22 basis points) for the funds that were left in the traditional annuity.

**(4) 457(b) Report / My Orange Money**

- Michelle Williams asked if she could bring one of her technical experts to demonstrate My Orange Money for the Committee to see in the February 15, 2018 meeting.
- Michelle summarized the presentation that Voya representatives gave to District staff and Committee members in October 16, 2017. Joe Marini took their feedback and is refining their presentation for the upcoming year.
- Alan Warhaftig wanted to see the impact of auto enrollment participants in the upcoming report.
- Steve Schullo discussed his thoughts on the presentation with the Committee.
- Barbara Healy asked Michelle if there were ways to see where the distribution money goes. Michelle replied yes.

**(5) 403(b) Report**

- April Young discussed the last Internal Revenue Service (IRS) audit that she attended. April announced that the trend was they were focused on participation.
- April gave an example of an IRS representative auditing a district in California and assessing a \$90,000 penalty for low participation.
- Alan Warhaftig asked Mariam Hironimus if he could see the report that had a breakdown of the bargaining unit and age of District employees. Mariam and April replied they will work on it after open enrollment ends.

**(6) Investment Policy Statement Update**

- Janice Sawyer announced that she sent the investment policy statement to the general counsel and they are currently reviewing it.

**(7) Auto Enrollment Update**

- Mariam Hironimus announced that the first auto enrollment deduction took place on October 12, 2017 and it went very well. The final count out of 1,440 Building Trades Council members (Unit E), 250 were previously enrolled, and 904 were auto enrolled, 449 opted out, 38 made a positive election, and 49 people were new hires and will go through the auto enrollment process.

**(8) Open Enrollment**

- Mariam Hironimus announced that open enrollment starts from November 1, 2017 to November 19, 2017. The open enrollment packet that was mailed out included the Voya flyer, application, and 403(b) meaningful notice.
- The confirmation statement will be mailed out on December 19, 2017 and will include the application and flyer.

**(9) American Century Heritage**

- Barbara Healy announced that American Century Heritage has missed its one year, three year, and five year performance compared to its peer group.
- Timothy Rosnick expressed concern after the Committee discussed the possibility of transferring the Vanguard Mid Cap Value Index (VMVAX) into the Vanguard Extended Market Index (VEIX).
- Alan Warhaftig motioned, and Letetsia A. Fox seconded, to have American Century Heritage closed off and mapped to the Vanguard Extended Market Index (VEIX). Further discussions regarding Vanguard Mid Cap Value Index can be held at a later time. The Committee voted table this for a future discussion.
- Barbara Healy discussed the 5-4-3-2-1 Efficient Portfolio Option for the Committee to consider.

**(10) RIAC Meeting Schedule**

- Janice Sawyer announced that the meeting will be held on a quarterly basis.

**(11) NAGDCA Meeting & Educational Funds**

- To be discussed at a future meeting.

**(12) Investment Sub Committee Update**

- The Investment Sub-Committee recommended share class changes from the Vanguard Growth Index Admiral (VIGAX) to Vanguard Growth Index Institutional (VIGIX). It has reached the 5 million dollar breakpoint so the investment management fee can be reduced from .06% to .05%.
- The Investment Sub-Committee recommended share class changes from the Vanguard Developed Markets Admiral (VTMGX) to Vanguard Developed Markets Institutional (VTMNX). It is estimated to reach the breakpoint of 5 million dollars by January 1, 2018. The investment management fee can be reduced from .06% to .05%.
- Bradley Rumble motioned, and Steve Schullo seconded, that the share class for the Vanguard Growth Index Admiral Fund be changed to the Vanguard Growth Index Institutional Fund. That Barbara Healy also included language which will change the share class of the Vanguard Developed Markets Admiral Fund to the Vanguard Developed Markets Institutional Fund once that breakpoint of five million dollars has been reached. The Committee voted 7 yes, 0 no, 0 abstentions. The motion was approved.
- Barbara Healy announced that Vanguard Extended Market Index (VIEIX) has a new score card. It was previously being judged against a midcap blend. The index is now being judged against the correct benchmark which is called the SMCB-P (Small midcap passive).

**(13) 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.

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

- Michelle Williams requested to demonstrate MyOrangeMoney for the next meeting.
- Ad Hoc Investment Sub-Committee report.

**(15) Public Comments**

- Janet Meskin was appreciative that the number of funds were being reduced to help prevent confusion for participants.
- Kathy Thomas agreed with Janet Meskin’s comment. She expressed her concern about the difficulty with transferring funds between different vendors.

**(16) Adjournment**

The Meeting adjourned at 5:15 p.m.