Minutes of Employee Money Purchase Pension Plan (401a) and Deferred Compensation Plan (457b) Committee-Regular Meeting - April 18, 2013, 7:00 pm

Attendees: Howard Haber, Jeffrey Sarnocinski, Gregory Reiff, Meg Swiggard, Shannon Drosnock, Thomas Schatzman, Ann Shade

Unable to Attend: Edward Davies, Lawrence Gregan, Maryann Hermann, James Kelly, Thomas Kowalski, Supervisor Liaison Jeffrey McDonnell, Mark Webster

The meeting was called to Order at 7:14 p.m.

Motion to approve the minutes from January 17, 2013 was approved. (Sarnocinski/Reiff).

A review of performance and service from Benefit Consultant Group (BCG):
Mr. Schatzman reported that our American Funds have a decent platform; the mutual funds share classes are provided a revenue to offset the administration costs; the funds pay for the bill. When we open it up, there are no-loads and they don't kick back; you are already paying .5% coming out of pocket, but it is invisible. Now, with the new laws, everyone is going to see their itemized list of what they are paying.

When BCG sends the notices out with regard to the new laws, 90%+ of the people throw the information away; about 10% read it and 1% act on it. In our funds, everyone pays about the same. If we go to an open-fund selection (no loads), then people get a charge to administer their plan. Most places with a match, don't pay; the participants pay.

We may want to review other fund companies and not stay with one family. We may want to consider putting it out to bid. If we want to explore these things, there is only one way to do it. There is a soft bid/RFP, through an electronics system that would bid out to 33 vendors and see what comes back. We are in the small plan group.

Mr. Schatzman suggested that we send out a soft bid (not an actual RFP) to determine interest. The committee was in consensus to do this.

Investment Portfolio report from Mr. Schatzman:

- We are probably due for a pull back. We are not in a recession.
- S&P 500 Intra-year Declines vs. Calendar Year Returns
- Review of companies with least to most stable and those with most to least leverage
- Net speculation in S&P 500, mostly hedge funds
- Companies have reached a 4%+ weighting of the S&P 1990 to date
- Cannot lay off any more people, cannot cut costs any more
- Political gridlock everywhere; other countries have it too; central banks with massive monetary easing
- People are pouring money into bond funds; our members are not doing anything. Nobody does anything with their dollars, which is good. Outside, others are buying bonds. 2/3 of surveyed participants do not think that they can lose money in US bonds
- Review of Manager vs Benchmark through March 2013
- Japan is the # one in the market right now; haven't seen that in 30 years

- At re-enrollment, we are really going to emphasize enrollment in the target funds; people who sit in cash shouldn't be letting it in cash. We see better outcomes in target funds. We should consider having an education session or re-enrollment
- We want to put out a soft bid or an exploratory bid; under the radar.

We discussed if we could do a stable fund plan; Tom said he'd be happy to look at them. He said they are safe money. It's a guarantee to buy an insurance company. We favor New York.

Mr. Schatzman mentioned again that he will obtain a signature form and informal bid.

Under Old Business, the October 2013 meeting date was discussed to change to November 21; we will send an email out to committee to tentatively change and discuss and confirm at July 2013 meeting.

There being no other business; motion to adjourn by Jeff Sarnocinski and seconded by Howard Haber.

Meeting adjourned at 7:52 p.m.