

**Finance Committee Conference Call Meeting
Tuesday, June 3, 2014
9:00 a.m.**

MINUTES

MEMBERS PRESENT: William Merck, Taylor Pancake, Joseph Sarnovsky and Mark Wylie

MEMBERS ABSENT: Melanie Cornell and Chuck Todd

STAFF PRESENT: Pam Nabors, Kevin Neal, Leo Alvarez, Ann Beecham, Kameel Abdurrahman, Nilda Blanco, Joyce Hinton and Kaz Kasal

GUESTS PRESENT: Jason Johnson/UBS Financial Services, Inc.

WELCOME & CHAIR'S REMARKS

Call To Order

Mr. Merck called the meeting to order at 9:00 am and welcomed those in attendance.

Roll Call/Establishment of Quorum

Ms. Kasal commenced with roll call and reported that there was a quorum present.

Public Comment

None offered.

APPROVAL OF MINUTES FROM PREVIOUS MEETING (4/22/14)

Mr. Pancake made a motion to approve the minutes from the 4/22/14 Finance Committee Meeting. Dr. Sarnovsky seconded, motion passed.

INFORMATION/DISCUSSION ITEMS:

1. **403(b) Annual Plan Performance Update**

Mr. Johnson greeted the committee and provided an overview of CareerSource Central Florida's 403(b) plan. Mr. Johnson referred to the handout entitled "CareerSource Central Florida 403(b) Plan, 2014 – Investment Policy Statement" – the purpose of this document is to set forth the manner (as determined by the Finance Committee) in which Plan investment options will be selected and monitored, consistent with fiduciary standards of ERISA (Employee Retirement Income Security Act). "Named Fiduciary (ies)", "Criteria for Investment Operation Selection" and "Performance Monitoring and Replacement of Investment Options" are areas to define in this document. Mr. Johnson stated that UBS provided a guideline with preselected criteria on the Investment Policy Statement; however, the Finance Committee can make any changes - there is a lot of flexibility. UBS will review and advise if any of the changes would not be recommended. Mr. Johnson advised that it is a best practice to have an Investment Policy Statement in place.

Mr. Johnson provided booklets to the committee of the "Plan Review of CareerSource Central Florida as of 4/30/14" and reviewed the plan level investment portfolio, rate of return by investment, contributions

by source, fees and participant loan activity, which is higher than average. Mr. Johnson stated that the expense ratio of 1.15% is average for this size plan. Mr. Johnson stated that each year both UBS and the provider (One-America) go through a re-evaluation of their pricing to help determine if an additional money can go back into the plan. With regard to UBS, there will be a reduction in fee from .75% to .6%, which is lower than the industry average. Mr. Merck asked if there is a change in providers how would this affect the change with investment options. Mr. Johnson replied that the whole plan would move over to the new provider – there may be some changes, but this would be minimal. Mr. Merck stated that at the next meeting the committee will review recommendation for changes in loan policy.

Mr. Johnson referred to the “UBS DC Report” and reviewed the Plan’s summary, performance and UBS fund scoring.

Mr. Merck stated that he attended an educational meeting and commented that information was informative and interesting.

The committee discussed and concurred on the following:

- Review the Investment Policy Statement and bring forward policy/fiduciary recommendations at their next meeting. Ms. Nabors added that policy can be reviewed with ERISA attorney.
- Verify with broker that their cost is reasonable compared to other peers.
- UBS to validate current plan and provide their recommendation on whether to go forward with RFQ process or not.

2. Budget to Actual through April 2014

Mr. Alvarez referred to the “Budget vs. Actual Report – as of April 2014” and reviewed the following highlights: tweaked carry-over funds from 11.2M to 12.9M (additional dollars to training assistance line item); expenses have picked up significantly in training assistance line; work experience line on target; other major line items on target; exceeding ITA requirement of 50% - now 64.5%; Admin Cost remains under the 10% minimum.

Ms. Elliott-Moore provided a presentation of success stories on individuals who participated in the various CareerSource Central Florida programs.

Action Item

1. Approval of Fiscal Year 14-15 Draft Budget

Mr. Wylie made a motion to approve moving forward the FY 14-15 Budget for Board and Consortium approval. Dr. Sarnovsky seconded, motion passed.

OTHER BUSINESS

Ms. Elliott-Moore provided a presentation of the new office in Seminole County. The design of the new office is more open and flexible to allow more opportunities for collaboration and most effectively utilize the space. There will be an open house this Thursday, 6/5/14 – all board members are invited to attend.

CHAIR'S CLOSING REMARKS

Mr. Merck thanked the committee for attending today's meeting.

There being no other business, the meeting was adjourned at 9:40 a.m.

Respectfully submitted,

Kaz Kasal
Sr. Administrative Assistant