

SCHOOL TRUST INVESTMENT TASK FORCE

Minutes

June 6, 2013

Attending: Jennifer Johnson, Elizabeth Tashjian, Sterling Jenson, Kent Misener, Rich Cunningham, and David Damschen, Task Force Members. Bruce Williams, Margaret Bird, Tim Donaldson, Paula Plant, USOE. Betsy Ross, Allen Rollo, Treasurer's Office. Kristina Kindl, Attorney General's Office. Karen Peterson, Utah PTA. Jill Flygare, Tenielle Young, GOMB.

Excused: David Hemingway

Future Task Force Meetings

June 21, 12-2 PM

June 28, 12-2 PM

July 8, 12-2 PM

July 16, 12-2 PM

Discussion of Possibility of Creating an Investment Board over the Treasurer's Office

Kent Misener and Sterling Jenson said that they met and discussed a new idea, where the investment management would remain within the Treasurer's Office, but high-level governance policy would reside with a professional board. Perhaps the Investment Advisory Committee could be strengthened to be a policy board, to set spending policy, asset allocation, and so on. The Task Force discussed the pros and cons of such a structure. Rep. Cunningham expressed concerns about a lack of a strategy to prevent losses in a down market. Tim voiced concerns that there may be insurmountable legal hurdles regarding a structure that tried to merge responsibility with both an elected official and a board. Those issues will be researched and reported back to the Task Force at the June 21st meeting.

Discussion of Possible Reforms to a State Treasurer Based Model

The Task Force discussed extensively the details on what reforms could be made to try to address the "cons" attached to a model based on State Treasurer investment. David Damschen suggested that Investment Advisory Committees could be required to vote on and record their advice, and perhaps, even in the absence of any governing authority to such votes, that would have an impact. Kent Misener stated that it is a truism that "there is no responsibility without authority." The Treasurer's Office has certain cost efficiencies, consolidation benefits, and existing infrastructures and processes.

Adjourned 10:00 a.m.