Lazard U.S. Mid Cap Equity Income	Remain on Watch
Oppenheimer Main Street Small-Mid Cap	Remain on Watch
Mutual Global Discovery	Remain on Watch
Munder Mid Cap Growth Fund	Remain on Watch
Keeley Small Cap Value Fund	Remain on Watch

Motion made by Vice Chair Barnes to approve the Committee Fund Watch List as submitted or amended, seconded by Chair Reed. Motion passed unanimously.

IV. ADMINISTRATION

A. Discussion and Possible Decision on adding a Loan Provision (Audio: 01:52)

Staff presented information on the loan provision. (Please see Exhibit A-8)

Chair Reed asked Staff who sets the interest rate. Staff stated that the Committee through its loan policy sets the interest rate which is generally the prime lending rate plus 1.00%. He asked Staff if there is a maximum loan amount. Staff noted the maximum loan is half of the account value up to $50,000.

Chair Reed asked who handles the loan defaults. Staff noted NDC staff would be responsible for managing, researching and defaulting loans when necessary. Staff indicated the increase in Staff communications to participants coupled with the addition of a loan provision would necessitate the need to increase the current part-time position to a full-time position.

Mr. MacKay questioned the required loan terms, including payment maximums. Staff noted if the loan is classified as a 'miscellaneous loan', it must be repaid within five (5) years. Staff also noted if the loan is for the purchase of a principal residence, the repayment terms can be up to 20 years.

Mr. Davie asked Staff what the national statistic rate is for loan defaults. Staff noted it will obtain information regarding defaults and report back to the Committee.

Motion made by Vice Chair Barnes to direct Staff to begin drafting a loan policy, including action items and a timeline, which will be incorporated in the service provider request for proposal and become effective in January 2013, seconded by Mr. MacKay. Motion passed unanimously.

Mr. Davie stated he was conflicted on this issue and in the past would not have voted in favor of a loan provision. Mr. Davie noted a loan provision is philosophically contrary to the goals and intent of the Plan. He stated he is also concerned about adding another employee but believes this will be a need for the Plan even if the loan provision isn't added. He noted concern with continually adding features to the Plan which increase the costs to all participants. He noted the evidence provided by Staff was compelling, particularly the ability to draft the provision in a way which helps reduce the negative impact to participant's wealth accumulation. He requested to amend the motion if the maker of the motion agreed to include the items noted by Staff in the final loan provision which will help reduce the negative impact of wealth accumulation on participants. He noted he will vote in favor of the motion today due to the increased need amongst participants, particularly in these economic times and due to the evidence provided by Staff which will help reduce the loan provisions impact on negative wealth accumulation for participants. (Audio: 02:11)

Vice Chair Barnes requested that the amended motion to include provision recommended by Mr. Davie.

Staff stated a loan policy will be drafted and put forth to the Committee for final approval at a meeting in 2012. Vice Chair Barnes indicated that the motion does not need to be amended at this time.