

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

February 20, 2025

4:00 PM– 5:30 PM

I. CALL TO ORDER

1. Meeting was called to order at 4:03 PM by RB Chair, Fred Williams.

II. ROLL CALL

1. All Retirement Board members were present:

Fred Williams, Vice Chancellor, Finance & Facilities

Irma Ramos, Vice Chancellor, Human Resources

Archie Delshad, Full-time Faculty Representative

Jeremy Peters, Full-time Faculty Representative

Gloria Ortega, Classified Representative

Gail Smead, Classified Representative

Mark Lopez, Board of Trustee Representative

Jim Phillips, Retiree Representative

Joe Boyle, Retiree Representative

2. All Program Coordinators/Consultants were present:

Roslyn Washington, Assistant Vice President, Keenan Financial Services

Scott Rankin, Senior Vice President, Benefit Trust Company (BTC)

Mark Payne, Morgan Stanley (MS), Investment Consultant to BTC

Dan Tichenor, Morgan Stanley (MS), Investment Consultant to BTC.

3. Guests:

Dan Keenan, Senior Vice President, Keenan Financial Services

III. PUBLIC COMMENTS

1. There were no public comments.

IV. APPROVAL OF AGENDA

1. A motion was made by Archie Delshad and seconded by Jim Phillips to approve the agenda as presented; motion unanimously carried.

VI. APPROVAL OF MINUTES

1. A motion was made by Joe Boyle and seconded by Jim Phillips to approve the minutes with a correction to Jim Phillips last name in section IV.

VII. INVESTMENTS

1. Portfolio Performance Review

- a. Scott Rankin, Benefit Trust Company reviewed the performance of the Investment Trust's portfolio account as of **January 31, 2025**.

- b. The portfolio value in the long-term account as of January 31, 2025, was \$132,446,915.47. Today's value in the long-term account is **\$134,208,220.71**.
- c. The portfolio value in the short-term account as of January 31, 2025, was \$18,628,296.43. Today's value in the short-term account is **\$18,775,838.08**.

Time weighted return net of fees (Long-Term Account):

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized latest 3 Year	Annualized latest 5 Year	Annualized Inception to Date
2.14	2.14	2.14	12.35	2.82	5.41	6.48

Time weighted return net of fees (Short-Term Account):

Month to Date	Quarter to Date	Year to Date	Annualized Inception to Date
1.41	1.41	1.41	0.39

2. Market Overview

Economy:

- Despite the Federal Reserve cutting interest rates in late 2024, yields moved higher as expectations lowered on the pace of rate cutting in 2025.
- The market is pricing at 1-2 rate cuts for 2025.
- Higher than expected inflation readings also caused the Federal Reserve to reconsider their rate cutting pace.

Capital Markets:

- International Equities and Emerging Market valuations are inexpensive both historically and relative to US Equities.
- After a strong two-year run, the Magnificent 7 look poised to revert and track more closely with broader US Equities.
- Morgan Stanley Global Investment Office is still pricing at 10-15% in earnings growth for 2025.
- Fixed Income remains attractive compared to Equities with the equity risk premium sitting one standard deviation below historical averages.
- Despite Fixed Income's inferior performance in the final quarter of 2024, yields sit at attractive levels.

3. Investment Policy Statement Review (IPS)

- a. Scott Rankin presented the Investment Policy Statement to the Board of Authority. Benefit Trust Company does not have any recommended changes currently.
- b. Jim Phillips Moved to reaffirm the IPS, Motion seconded by Irma Ramos and unanimously approved by all Retirement Board members present.

VII. ADMINISTRATION

1. Designation of new Retirement Board (RB) Member

- a. The Retirement Board recognizes new RB member Trustee, Mark Lopez.
- b. This item is information only.

2. Election of Retirement Board (RB) Chairperson

- a. Gloria Ortega nominated Fred Williams to continue as RB Chairperson, Motion was seconded by Joe Boyle, motion carried by RB members, Archie Delshad Abstained.
- b. This item will be brought back to the February 2026 meeting after Fred Williams retires in December 2025.

3. Election of Retirement Board (RB) Vice-Chairperson

- c. Archie Delshad nominated Jeremy Peters to continue as RB Vice-Chairperson, Motion was seconded by Gloria Ortega, motion carried by all RB members present.
- d. This item will be brought back to the February 2026 meeting after Fred Williams retires in December 2025.

4. Actuarial Valuation Study

- a. The most current roll forward report dated August 19, 2024, was reviewed.
- b. Fred Williams that a full Actuarial Valuation Study will be completed this summer.
- c. This item is information only.

5. Status of District's OPEB Plan Independent Auditors Report

- a. The district's June 30, 2024¹ Independent Auditors Report for the OPEB Trust account was completed by the auditing firm Nigro & Nigro
- b. There are no negative factors to report. This is a clean audit.
- c. Jeremy Peters moved to approve the audit report; Motion was seconded by Irma Ramos and unanimously approved by all RB members present.

6. Reimbursement to the District for OPEB Related Expenses

- a. The District submitted an invoice for \$8,500 submitted by Nigro & Nigro for the completion of the June 30, 2024, Independent OPEB Audit Report.
- b. Archie Delshad moved to approve the payment of the invoice from the Short-Term Trust account; Motion was seconded by Jeremy Peters, and unanimously approved by all RB members present.
- c. Irma Ramos moved to approve the reimbursement of the Retiree Health Premium amount for fiscal year 2024/2025; Motion seconded by Joe Boyle and unanimously approved by all RB members present. Final amount to be determined at the close of fiscal year but should be approximately \$6 million dollars.

VIII. INFORMATION

1. NOCCCD Retirement Board Comments

- a. There were no NOCCCD Retirement Board comments.
- b. This item is information only.

2. Program Coordinator/Consultant Comments

- a. There were no Program Coordinator/Consultant comments.
- b. This item is information only.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. Bring the IPS back only when it is consistent with fiduciary duties.
- b. Bring back the Independent Audit so that a decision can be made weather or not to continue with Nigro & Nigro. Currently the district only has a two-year agreement.
- c. This item is information only.

X. ADJOURNMENT

1. The meeting was adjourned by Fred Williams at 4:59 p.m. Motion to adjourn made by Archie Delshad; Seconded by Irma Ramos and unanimously approved by all Retirement Board members present.