

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD MEETING

May 17, 2016
10:00 AM–12:00 PM

I. CALL TO ORDER

1. Meeting was called to order at 10:09 AM by Brian Fahnestock, Interim Vice Chancellor, Finance & Facilities.

II. ROLL CALL

1. All RB members were present except Dale Craig, Joe Boyle and Jim Phillips. Guests Fred Williams and Rodrigo Garcia were absent.
2. All District Investment Trust Coordinators/Consultants were in attendance, except Chuck Thompson of RPM Consultant Group.

III. PUBLIC COMMENTS

1. There were no public comments.
2. This is information only.

IV. APPROVAL OF AGENDA

1. Jacqueline Rodarte Motioned to accept the Agenda as presented; Motion was seconded by Bea Bates. The remaining RB members voted “Yes” to accept the Agenda as presented.

V. APPROVAL OF MINUTES

1. Bea Bates Motioned to accept the Minutes from the previous RB meeting as presented; Motion was seconded by Carol Brown. The remaining RB members voted “Yes” to accept the Minutes as presented.

VI. INVESTMENTS

1. Market Overview

- a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the Investment Trust’s portfolio account as of April 30, 2016. This is not the official record. The pie chart shows the asset mix. Red is domestic equities, green is international. You are in a 50/50 fixed income equities split. We also included all of the major indexes...we use S&P as an index.
- b. The Total Cost column includes any dividends or capital gains which are put back into the fund. This is from a tax perspective.
- c. Dividends = 2.3%
- d. The portfolio value as of April 30, 2016 was \$3,528,573.15.

Time weighted return net of fees:

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized latest 3 Year	Annualized latest 5 Year	Annualized Inception to Date
0.82	0.82	-	-	-	-	0.82

- e. Cary Allison explained that global risk markets were highly volatile in the first quarter of 2016. The worst January in global stock market history gave way to a retracement in February and March, leaving US stockowners about even, and international positions down about 3% to 5% in US dollar terms. Investors grappled with fears of a global recession, ineffective central bank policy, a China-driven currency war and declining oil prices. For the quarter, gold, emerging market equities and REITs posted the strongest returns.
- f. The Department of Commerce estimated that Gross Domestic Product increased at an annual rate of 1.4% in the fourth quarter of 2015, in comparison to a 2.0% increase in the third quarter of 2015. Morgan Stanley & Co. economists forecast U.S. Real GDP will be 1.7% in 2016 and 1.6% in 2017.
- g. Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index was flat in January and decreased 0.2% in February. Morgan Stanley & Co. economists forecast a 1.2% inflation rate for 2016 and 1.9% for 2017. Morgan Stanley does not feel the country will go into a recession. They just feel as if we are in a slow growth economy.
- h. This item is information only.

VII. ADMINISTRATION

1. Retirement Board (RB) Bylaws

- a. Carol Brown Motioned to accept the RB Bylaws as presented in template format; Motion was seconded by Irma Ramos. The remaining RB members voted “Yes” to accept the RB Bylaws.

2. Annual Reporting on the Status of the Trust

- a. The Annual Report was presented.
- b. The District will put an additional \$3.5M into the trust before June 30, 2016. They have an additional \$70M that is being discussed with the unions now to complete an MOU and transfer by next year.
- c. This is information only.

3. The Comprehensive Compliance Plan Including the “Substantive Plan”

- a. Roslyn Washington discussed the Comprehensive Compliance Plan including the “Substantive Plan”.
- b. This is information only.

4. Actuarial Valuation Study Update

- a. Gail Beal reminded Brian Fahnestock that he should give Jeff the TRR information to use as the D/R.
- b. The actuarial valuation study will update in the fall around October.
- c. This is information only.

VIII. INFORMATION

1. NOCCCD Retirement Board Comments

- a. Tina Johannsen said Thursdays don't work for her.
- 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

1. September 21, 2016: 1:00 PM-3:00 PM.
2. Add D&O Insurance to agenda.
3. This item is information only.

X. ADJOURNMENT

1. Meeting was adjourned at 11:16 AM by Brian Fahnestock.