

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

October 29, 2020

4:30PM–5:30 PM

This meeting was held via Zoom Teleconference.

Meeting ID: 973 3480 8525

Passcode: 540068

I. CALL TO ORDER

1. Meeting was called to order at 4:32 PM by Fred Williams.

II. ROLL CALL

1. **All Retirement Board members were present:**

Fred Williams, Vice Chancellor, Finance & Facilities

Irma Ramos, Vice Chancellor, Human Resources

Markus Burger, Faculty Representative

Fola Odebunmi, Faculty Representative

Gail Smead, Classified Representative

Theresa Johnston, Classified Representative

Jacqueline Rodarte, Board of Trustee Representative

Joe Boyle, Retiree Representative

Jim Phillips, 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)

Cary Allison, Executive Director, Morgan Stanley (MS)

III. PUBLIC COMMENTS

1. There were no public comments.

IV. APPROVAL OF AGENDA

1. Board member Jim Phillips moved to approve the Agenda with corrections; Motion was seconded by board member Jacqueline Rodarte and was unanimously carried by all members present.

V. APPROVAL OF MINUTES

1. Board member Joe Boyle moved to approve the Minutes from the **April 1, 2020** meeting as presented; Motion was seconded by board member Fola Odebunmi and was unanimously carried by all members present.

VI. INVESTMENTS

1. Portfolio Performance Review

- a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the Investment Trust's portfolio account as of **September 30, 2020**.
- b. The portfolio value as of 9/30/2020 was **\$117,510,769.77**.

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
-1.47	5.73	4.35	9.68	5.90	-	7.60

- c. We made a few changes to the portfolio eliminating an Oakmark Select fund, replacing it with a Clear Bridge fixed income fund.
- d. We also rebalanced the portfolio on the bond side.
- e. We moved 10% of your bonds into the Guggenheim Macro Opportunity fund, which is a brand-new fund, but one that we have used in the past.
- f. Board member Jim Phillips moved to approve the Portfolio Performance Report; Motion was seconded by board member Jacqueline Rodarte and was unanimously carried by all members present.

2. Market Overview

- a. Our global investment committee thinks that we are in a V-shaped recovery.
- b. Morgan Stanley (MS) initially thought that we would not return to a pre-covid environment until the end of 2021, or early 2022. Now we think we will actually be fully recovered by the 2nd quarter of 2021.
- c. Technology has boomed during the Covid correction period because of companies like Zoom & DocuSign are up 500% while other industries like airlines & travel related businesses like cruise lines are doing horribly.
- d. MS believes there is a fair amount of value in Corporate Bonds.
- e. We also think that long-term rates will stay low because there isn't much inflation or global growth at this time.
- f. Fed Chair Powell said they will not raise short term rates up from the current zero until 2023.
- g. There is a great anticipation that we will have a vaccine for the COVID-19 virus by the end of the year.
- h. This is an information item only.

3. Investment Policy Statement Review

- a. Scott Rankin discussed verbiage changes to the Investment Policy Statement.
- b. The IPS will have any references to GASB 43/45 removed and replace it with GASB 74/75. As the Discretionary Trustee, Benefit Trust Company also made recommendation to update language referencing "Target Rate of Return" and replaced with "Target Asset Allocation".
- c. Jacqueline Rodarte moved to reaffirm the Investment Policy Statement as presented; Motion was seconded by Irma Ramos and was unanimously approved by all members present.

VIII. ADMINISTRATION

1. Annual Reporting on the Status of the Trust

- a. Roslyn Washington presented the annual notice letter that is posted on the District website with the annual statement
- b. This item is information only.

2. Disbursement Report

- a. Roslyn Washington presented a Trust Disbursement Report reflecting fiduciary withdrawals and fees paid to Keenan, BTC & Morgan Stanley for their services for the period March 2020 – September 2020.
- b. Board member Jaqueline Rodarte moved to ratify the Disbursement Report as presented; Motion was second by board member Jim Phillips and was unanimously carried by all RB members present

3. Updates to the Comprehensive Compliance Plan, including the “Substantive Plan”

- a. Roslyn Washington presented the RBOA with the signed OPEB Questionnaire.
- b. There were several changes that were noted:
 - A new Actuarial Valuation Study was completed, effective date 10/23/19.
 - A new Certificated Bargaining Agreement will be included in the E-Library.
 - For CSEA members, minimum years of service to qualify for Lifetime Medical Coverage increased to 50 years for those hired after Jan 1, 2019.
- c. The updated information will be updated in the Substantive Plan and a new E-Library will be sent to the district before end of calendar year.
- d. This is information only.

4. Actuarial Valuation Study Update

- a. The date of the current Actuarial Valuation Study is September 25, 2020.
- b. This is an information item only.

5. Retirement Board of Authority (RBOA) Bylaws

- a. Roslyn Washington presented edited RBOA Bylaws with changes to the board.
- b. The Bylaws will have any references to GASB 43/45 removed and replaced with GASB 74/75.
- c. Language changes were made to sections 4.3 and Section #12. One of the major changes was removing reference to the ARC (Actuarial Required Contribution), which is no longer valid thru the new GASB statements 74/75. The ARC notation in the RBOA Bylaws was replaced with ADC (Actuarially Determined Contribution).
- d. Jacqueline Rodarte Moved to approve the Bylaws with changes; Motion was seconded by Jim Phillips and was unanimously carried by all RBOA members present.

IX. 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.

X. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. Roslyn Washington will coordinate a new meeting date with the district's Administrative Staff.
- c. This is an information item only.

XI. ADJOURNMENT

- 1. The meeting was adjourned By Fred Williams at 5:50 P.M.