

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

April 15, 2021

10:30 AM–12:00 PM

Meeting ID: 977 1211 6295

<https://zoom.us/j/97712116295?pwd=aWlaVldDeTFzTzlmWXJnRVVo0SFp5Zz09>

I. CALL TO ORDER

1. Meeting was called to order at 10:33 PM by RBOA 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
Fola Odeunmi, Full-time Faculty Representative
Markus Burger, Full-time Faculty Representative
Theresa Johnston, Classified Representative
Gail Smead, Classified Representative (arrived at 11:15AM)
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 Joe Boyle moved to approve the Agenda as presented; 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 **September 25, 2019** meeting as presented; Motion was seconded by board member Fola Odeunmi 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 **February 28, 2021**.

- b. The portfolio value as of February 28, 2020 was **\$132,72,582.31**.

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
1.78	1.78	1.78	21.96	9.30	-	9.67

- c. The Portfolio Value as close of 4/14/21 was **\$135,984,627**.
- d. We have not made any changes to the portfolio since we last met.
- e. Treasury yields are down.
- e. Board member Jacqueline Rodarte moved to approve the Portfolio.
Performance Review as presented; Motion was seconded by board member Jim Phillips and was unanimously carried by all members present.

2. Market Overview

- a. Cary Allison of Morgan Stanley (MS) discussed the current market conditions.
- b. Morgan Stanley and economist expect U.S GDP will be 12.4% in Q2 2021, and forecast positive GDP growth for 2021 as economic recovery continues, with an estimate of 8.1% GDP growth in Q4 2021.
- c. There is an historic amount of money being poured into the market now.
- d. When we met last year, the pandemic had actually accelerated growth of certain industries.
- e. Anything technical, home improvement, or on-line retail sales related spiked in sales. Whereas, other industries like travel took a huge decline in growth and earnings.
- f. Shopify, an online retailer reported about 10yrs worth of growth in a 3-month time span.
- g. Morgan Stanley has been quite “Bullish” in the past 9 months.
- h. The Fed Fund short term interest rate is currently at zero, and will remain there until approximately 2023.
- i. MS feels inflation will remain low, but may peak at 2% and slowly go back down.
- j. This is an information item only.

3. Completion of Risk Tolerance Questionnaire/Investment Policy Statement

- a. Cary Allison of Morgan Stanley (MS) provided the Retirement Board of Authority (RBOA) with an overview of the investment process for Target Rate of Return (TRR) portfolio selection. Keys to the portfolio selection process is a review of the Board’s time-horizon for investment, short-term liquidity needs as well as the capacity to accept investment risk as measured through the completion of a Risk Tolerance Questionnaire (RTQ). The RTQ provides guidance in the selection of a portfolio Target Rate of Return (TRR) and should be viewed as an essential tool to gauge the risk attitude and risk capacity of the RBOA.
- b. Cary explained that the RTQ results positioned the District’s Investment Trust portfolio in the same portfolio model of 61% equities and 39% bonds.

- c. Scott Rankin reviewed the Investment Policy Statement and reminded the board that if they wanted to change their asset allocation that it's a Retirement board decision and not decision for Benefit Trust Company or Morgan Stanley.
- d. Jacqueline Rodarte moved to acknowledge the District's Public Entity Investment Trust portfolio is to remain in the growth portfolio with a 60% equities and 30% bond split. The motion was seconded by RBOA member Fola Odebunmi and unanimously carried by a roll call of the RBOA members present.

VIII. ADMINISTRATION

1. Election of Chair for the Retirement Board of Authority

- a. Fred Williams will remain chair by title as outlined in the bylaws. Jacqueline Rodarte moved to re-elect Fred Williams, and the Motion was seconded by Joe Boyle.

2. Election of Vice-Chair for the Retirement Board of Authority

- a. Joe Boyle nominated Fola Odebunmi as Vice-Chair; Motion was seconded by Jacqueline Rodarte.

3. 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 September 29, 2020 – April 06, 2021.
- b. Board member Jim Boyle moved to ratify the Disbursement Report as presented; Motion was second by board member Jacqueline Rodarte and was unanimously carried by all RB members present.

4. Withdrawal from the OPEB Trust.

- a. Fred Williams discussed that the district has been in accumulation mode up until now.
- b. Fred Williams would like to start taking Three Million Dollars a year from the trust to pay retirement benefits.
- c. Board member Jim Boyle moved to agree to the annual withdrawal as presented; Motion was second by board member Joe Boyle and was unanimously carried by all RB 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. A date will be selected in the near future.
- b. Agenda items to be included on the next agenda: Independent Audit, changes to the Bylaws (section #4 regarding withdrawal).
- c. This is an information item only.

XI. ADJOURNMENT

1. The meeting was moved to adjourned at 12:23 P.M by Fola Odebunmi; Motion seconded by Jaqueline Rodarte and unanimously approved by all RBOA Members present.