

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

August 7, 2018
1:00 PM–3:00 PM

I. CALL TO ORDER

1. Meeting was called to order at 1:06 PM by Fred Williams.

II. ROLL CALL

1. **All RB members were present except Irma Ramos, Summer Marquardt, Jacqueline Rodarte, and Jim Phillips: The RBOA did not have a quorum so no “action” can be taken at this meeting.**

Fred Williams, Vice Chancellor, Finance & Facilities
Vacant, Full-time Faculty Representative
Summer Marquardt, Classified Representative
Gail Smead, Classified Representative
Jacqueline Rodarte, Board of Trustee Representative
Joe Boyle, Retiree Representative
Jim Phillips, Retiree Representative

2. **All Program Coordinators/Consultants were present except Gail Beal:**
Roslyn Washington, Senior Account Manager, Keenan Financial Services
Scott Rankin, Senior Vice President, Benefit Trust Company (BTC)
Cary Allison, Senior Vice President, Morgan Stanley (MS)

III. PUBLIC COMMENTS

1. Dana Clahane, Faculty Association President was present and announced that he would be replacing Tina Johannsen on the Retirement Board of Authority.
2. This is information only.

IV. APPROVAL OF AGENDA

1. No action taken. No Quorum

V. APPROVAL OF MINUTES

1. No action taken. No Quorum
2. Bring Minutes from the February 7, 2018 meeting back to the Board.

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 June 30, 2018.
 - b. The Portfolio Value as close of 8/6/18 was **\$97, 660,348.**

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
-0.14	1.09	0.54	6.91	-	-	9.20

2. Market Overview

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. With the 10-year US Treasury yield rising more rapidly and piercing 3% for the first time since 2011, stocks have started to struggle in a way investors haven't had to face in a long time.
- c. Rising interest rates have reached a point at which they have become a constraint on valuations.
- d. Gross domestic product is up to 4.2%. Morgan Stanley feels the GDP will hit 3% and we are not too concerned about inflation
- e. The Federal Reserve has been the largest buyer of treasuries. You would think the cost of treasuries would go down, but it hasn't yet.
- f. Cary also advised that short term rates are controlled by the Federal Reserve. Last year they raised interest rates 1x. This year rates have been raised 2x's and we expect them to raise another two more times this year and 2-4 more times next year.
- g. This item is information only.

VIII. ADMINISTRATION

1. Designation of New Retirement Board of Authority (RBOA) Member

- a. Fred Williams introduced Faculty President Dana Clahane as the new member of the Retirement Board replacing Tina Johannsen.
- b. This action will have to be brought back to the next meeting when we have a quorum.

2. 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. No action can be taken without a quorum.

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.
- b. No action can be taken without a quorum.

4. Actuarial Valuation Study Update

- a. The date of the current Actuarial Valuation Study is April 7, 2017.
- b. The District is in the process of getting an update.
- c. The ARC has reduced from approximately \$14.4mil to \$9mil.
- d. This is an information item only.

3. Future Transfer of Assets into the Trust

- a. There will be discussions with the Board of Trustees regarding funding an additional \$1.5mil this year.
- b. This item is information only.

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

1. March 12, 2019 3:30pm – 4:30pm.

XI. ADJOURNMENT

1. The meeting was adjourned at 2:15pm