

# MINUTES

## NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

February 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 and Dale Craig:**  
Fred Williams, Vice Chancellor, Finance & Facilities  
Tina Johannsen, 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. There were no public comments.
2. This is information only.

### IV. APPROVAL OF AGENDA

1. Board member Joe Boyle Motioned to accept the Agenda as presented; Motion was seconded by board member Tina Johannsen and was unanimously carried by all members present.

### V. APPROVAL OF MINUTES

1. Board member Jim Phillips Motioned to accept the Minutes from the previous RB meeting as presented; Motion was seconded by board member Summer Marquardt 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 December 31, 2017.
  - b. The Portfolio Value as of December 31, 2017 was **\$95,585,896.81**.

**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
1.00	2.99	14.45	14.45	-	-	11.61

- c. Cary pointed out the new mix.
- d. Fred Williams said the goal is to accumulate enough to pay retiree benefits from the Fund. May make a motion to move more money into the Fund.
- e. Board member Tina Johannsen Motioned to approve the Portfolio Performance Review as presented; Motion was seconded by board member Joe Boyle and was unanimously carried by all members present.

**2. Market Overview**

- a. Cary Allison presented an overview of the Market.
- b. Fundamentals of the economy are getting better.
- c. This is an earnings driven recovery period with Morgan Stanley predicting up to 3% growth
- d. In 2015 the Feds were predicted to raise rates 4 times in 2016. They only raised them 1 x in December of 2016.
- e. S&P 500 Earnings in 2014/15/16 were at \$117-118. In 2017 they jumped to ~\$132, and in 2018 are expected to be ~\$150. This is an earnings drive rally.
- f. These are all weather portfolios.
- g. Bonds did exceptionally well in 2017.
- h. In 2018 we are expecting more inflation but not much more.
- i. The market was up in January 5% then the 1<sup>st</sup> week of Feb the market corrected down 10%.
- j. The unemployment report came out and within it was wage growth info which Wall Street was expecting 2.7% but it was 2.9%
- k. As far as our portfolios are concerned, Morgan Stanley feels that just because we have a correction there is no need to change anything.
- l. Globally, the world is doing better.
- m. This was the 1<sup>st</sup> time in 6-7 years that Global stocks outperformed Domestic stocks.
- n. This item is information only.

**VII. EDUCATION**

- 1. Cary briefly discussed. The only way there is a significant difference in TWR and DWR is if there is a significant amount of volatility during the time when you make deposits.
- 2. Scott Rankin advised that as the fiduciary, you are supposed to use TWR and the DWR that some if the actuaries use. Calculations use gross of fees.
- 3. This item is information only.

## **VIII. ADMINISTRATION**

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

- a. Board member Jacqueline Rodarte Motioned to acknowledge and welcome Full-Time Classified members Summer Marquardt and Gail Smead as new members of the RBOA; Motion was seconded by board member Joe Boyle and was unanimously carried by all RB members present.

### **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 October 1, 2017 – January 22, 2018.
- b. Board member Joe Boyle Motioned to ratify the Disbursement Report as presented; Motion was seconded by board member Jacqueline Rodarte and was unanimously carried by all RB members present.

### **3. Future Transfer of Assets into the Trust**

- a. There will be discussions with the Board of Trustees regarding some additional money going in next 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. August 7, 2018: 1:00 PM-3:00 PM.
2. This item is information only.

## **XI. ADJOURNMENT**

1. Jacqueline Rodarte Motioned to adjourn the meeting at 2:01 PM; Motion was seconded by board member Joe Boyle and was unanimously carried by all RB members present.