

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

September 25, 2019

4:15PM–5:30 PM

I. CALL TO ORDER

1. Meeting was called to order at 4:17 PM by Fred Williams.

II. ROLL CALL

1. **All RB members were present: Except Irma Ramos, Vice Chancellor, Human Resources & Theresa Johnston, Classified Representative.**
Fred Williams, Vice Chancellor, Finance & Facilities
Markus Burger, Faculty Representative
Fola Odebunmi, Faculty 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:**
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 as presented; Motion was seconded by board member Joe Boyle and was unanimously carried by all members present.

V. APPROVAL OF MINUTES

1. Board member Joe Boyle moved to approve the Minutes from the **March 12, 2019** meeting as presented; Motion was seconded by board member Jackie Rodarte 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 **August 31, 2019**.
 - b. The portfolio value as of 8/31/19 was **\$104,507,256.83**
 - c. As of the close of last night's business the portfolio value was **\$105,057,355**.

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
-0.67	11.98	5.97	1.64	6.43	-	7.05

- c. Cary explained to the Board of Authority that bonds do well when interest rates go down and interest rates have gone down significantly this year.
- d. Cary also pointed to the Alternative section of the portfolio mixed and advised the RBOA that most of those are actually fixed income and the rest are REITs.
- e. Joe Boyle moved to accept the performance report. The motion was seconded by Jackie Rodarte and unanimously approved by all members present.

2. Market Overview

- a. Cary Allison of Morgan Stanley gave a market update.
- b. Fed Chairman Jerome Powell has lowered rates twice this year and will probably lower them 1 more time before the year is up in December.
- c. On the Bond side we think the returns will be around 4%, but the Stock returns will be more muted.
- d. Robert Kratochvil asked, “What effect does the tariffs have on the Market?”, Cary responded – “no effect really”.
- e. Joe Boyle asked if the next Earnings Report will drown out the noise in the Stock Market? Cary replied: “Yes, ultimately it is all about earnings”.
- f. Cary said Morgan Stanley doesn’t think earnings will be up this year, however; Wall Street feels earnings will be 10% higher next year than this year.
- g. Unemployment is at a record low.
- h. Tariffs and trade negotiations have companies reluctant to spend much. However, consumer spending that is 70% of the economy is still on a good track record.
- i. Consumers are doing very well and on average are able to save approx. 9% of salary.
- j. The international fund is less aggressive, and we moved a little of your international fund share into domestic real estate.
- k. You may have seen news about an “inverted yield curve”. This means the short-term rates are higher than long-term rates.
- l. This item is information only.

VIII. ADMINISTRATION

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

- a. Board Member Jaqueline Rodarte moved to designate Faculty Representatives **Markus Burger, Fola Odeunmi & Theresa Johnston** as two new members of the Retirement Board.
Motion was second by board member Joe Boyle and was unanimously carried by all RB members present.

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. This is an information item only.

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 March 2019 – September 2019.
- b. Fola Odeunmi and Markus Burger asked if Roslyn could please send a copy of the Fee Schedules.
- c. Board member Joe Boyle moved to ratify the Disbursement Report as presented; Motion was seconded by board member Jackie Rodarte and was unanimously carried by all Retirement Board members present

4. Authorization to Pay Retiree Health Benefit Premiums

- a. With regards to the authorization process of making a withdrawal from the Trust to reimburse the district for retiree health expenses, the district would like to change the required number of signatures from 4 members (1 from each constituency) to only 3 members regardless of affiliation. This will allow for a faster process in getting a reimbursement.
- b. This item was moved for approval by Joe Boyle; Motion was seconded by Jackie Rodarte and unanimously approved by all Retirement Board members present.

5. Future Transfer of Assets into the Trust

- a. The district will deposit approximately \$1mil into the Trust near the end of the fiscal year.
- b. This item is information only.

6. Updating Comprehensive Compliance including Substantive Plan

- a. Roslyn Washington of Keenan provided the district with an updated substantive plan for fiscal year ending June 30, 2019.
- b. This item is information only.

IX. INFORMATION

1. NOCCCD Retirement Board Comments

- a. There were no NOCCCD Retirement Board comments.

2. Program Coordinator/Consultant Comments

- a. There were no Program Coordinator/Consultant comments.

X. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. April 1, 2020 4:30pm – 5:30pm.
- b. This is an information item only.

XI. ADJOURNMENT

- 1. The meeting was 5:21PM