



Retirement Board of Authority (RBOA) Meeting MINUTES

March 12, 2019

1:00 pm – 2:00 pm

District Office

Chancellor's Conference Room #324

28000 Marguerite Parkway

Mission Viejo, CA 92692-3635

(949) 582-4999

The Retirement Board of Authority (the "Board") members: Ann-Marie Gabel; Dr. Cindy Vyskocil; Kim McCord; Cory Wathen; Davit Khachatryan.

Program Coordinator: Keenan Financial Services: Gail Beal, Roslyn Washington.

Consultants: Scott Rankin, Benefit Trust Company; Cary Allison, Morgan Stanley.

Roll Call: The RBOA meeting was called to order at 1:04 pm by Kim McCord.

Roll-call was conducted with all RBOA members reporting their presence except Davit Khachatryan. All the OPEB Trust's "service entity" representatives indicated their presence, except Gail Beal & Karyn Goodsite.

Retirement Board of Authority (RBOA) Charge: The Retirement Board of Authority is charged with ongoing Governance of the District's OPEB Trust. Effective Governance for the District's OPEB Trust requires the delineation of plan-related roles and responsibilities; the capture of key delegations and appointments in writing; the creation of reporting protocols across all plan-related parties; the use of applicable metrics to monitor and measure investment performance; the management of administration and compliance milestones; the maintenance of robust documentation to support, guide and demonstrate prudence ; while RBOA members keep fiduciary skills sharp and investment knowledge current.

14. Approval of Agenda for RBOA meeting on March 12, 2019: (Action)

A motion was made by RBOA member Ann-Marie Gabel to approve the Agenda as presented. Motion was seconded by Dr. Cindy Vyskocil and was unanimously carried by all the RBOA members present.

15. Approval of Minutes from November 8, 2018 RBOA Meeting: (Action)

A motion was made by RBOA member Dr. Cindy Vyskocil to approve the Minutes for the previous RBOA meeting on November 8, 2018 as presented. Motion was seconded by Ann-Marie Gabel and was unanimously carried by the RBOA membership present. Cory Wathen abstained.

16. Review of Action Items from Previous Meeting on March 12, 2019:

	Actions:	Assigned to:	Deadline:	Status/Comments:
A.	No items were reviewed			

17. Portfolio Performance Review: (Action)

- a. Cary Allison of Morgan Stanley reviewed the performance of the District's Investment Trust portfolio account as for December 31, 2018
- b. The Portfolio Value of the Trust as of **December 31, 2018 was \$110,932,006.43**

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 Latest 10 Year	Annualized Inception to Date
-3.39	-7.36	-5.43	-5.43	4.36	3.31	7.07	4.88

- C. A motion was made by RBOA member Cindy Vyskocil to accept the Portfolio Performance Review as presented. The motion was seconded by RBOA member Ann-Marie Gabel and was unanimously approved by all of the RBOA members present.

18. Market Overview: (Information)

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. December 2018 was the worst December since the Great Depression
- c. However, January 2019 was the best January in the last 30 years.
- d. Ultimately, it's about earnings. 2014-2016 earnings were flat. Earnings were up 20% in 2017. In 2018, earnings were up 22% primarily due to the tax cut.
- e. The forecast for 2019 is earnings will increase by 1% above 2018.
- f. Interest rates are the main thing that improved earnings.
- g. We have a new Federal Chair. The Feds were supposedly going to raise Short Term Interest Rates 2-4 times in 2019, but then things began correcting. We think Federal Reserve is finished raising short term rates. Maybe 1 more time this year at most.
- h. We have made no changes to the portfolio mix.
- i. Economy is quite good now. Can't recall when the economy has been so good, but the rhetoric is the opposite.
- j. We don't see a recession anywhere in the horizon.
- k. Long term rates are about where they are. We are at 2.6%
- l. We don't see a lot of movement for either anytime now.
- m. Long term rates may go down slightly.

- n. Global equities rallied to end the first week of 2019, as several positive news items helped stabilize markets following a turbulent December 2018.
- o. There were several catalysts to explain January's rally.
- p. December US jobs report number came in above even the most bullish forecast.
- q. The jump in payrolls came alongside an uptick in labor force participation, while wages also accelerated at their fastest pace since the Financial Crisis.
- r. The solid job report appeared to buoy sentiment, which was particularly welcomed following a weak ISM (Institute for Supply Management) report that had markets questioning the health of the US economy.
- s. This item is information only.

19. Designation of new RBOA Member and Election of Retirement Board of Authority (RBOA) Chair: (Action)

- a. Dr. Cindy Vyskocil moved to approve Cory Wathen as a new member of the Retirement Board of Authority; motion was seconded by Ann-Marie Gabel and unanimously approved by all members of the RBOA present.
- b. Dr. Cindy Vyskocil nominated Kim McCord to resume the role of RBOA Chair; Motion was seconded by Ann-Marie Gabel and unanimously approved by all RBOA members present.
- c.

20. Election of Retirement Board of Authority (RBOA) Vice-Chair: (Action)

- a. Ann-Marie Gabel nominated Dr. Cindy Vyskocil as RBOA Vice Chair. Motion was seconded by Kim McCord unanimously approved by all RBOA members present.

21. Disbursement Report: (Action)

- a. Roslyn Washington presented the Disbursement Report reflecting fees paid to the District's OPEB Trust service entities for the period November 2018 thru March 2019.
- b. A motion was made by RBOA member Dr. Cindy Vyskocil to ratify the District's Disbursement Report as presented. The motion was seconded by Ann-Marie Gabel and was unanimously carried by all of the RBOA membership present.

22. Annual Actuarial Valuation Update: (Information)

- a. The 2019 Annual Actuarial Valuation Study drafted by Nyhart was presented by Kim McCord.
- b. This item is information only.

23. Information Report: RBOA Comments

- a. Kim McCord recommended meeting twice a year instead of quarterly.
- b. Ann-Marie commented to correct the title on the sign in sheet for herself and Davit Katchatryan.
- b. This item is information only

24. Information Report: Program Coordinator/Consultant Comments

- a. No Program Coordinator/Consultant Comments were made.
- b. This item is information only

25. Information Report: Public Comments

- a. No public comments were made.
- b. This item is information only

26. Date, Time and Agenda Items for Next Meeting

Future Retirement Board of Authority (RBOA) Meetings are scheduled as follows:

- a. September 25, 2019: 11:30am-12:30pm
- b. This item is information only

Summary of Recommendations/Decisions Made Today (Action Items):	
1.	Approval of Agenda for RBOA Meeting on March 12, 2019
2.	Approval of Minutes from RBOA Meeting on November 8, 2018.
3.	RBOA acceptance of the District's Investment Trust Portfolio Performance Review for period ended December 31, 2018.
4.	Designation of new RBOA member and election of new RBOA Chair
5.	Election of RBOA Vice Chair.
6.	The District's Disbursement Report accepted as presented.

Action Items (September 25, 2019)

	Action:	Assigned to:	Deadline:	Status/Comments:
1.	None Assigned			

27. Adjournment:

There being no further business to conduct, the Retirement Board of Authority meeting was adjourned by Kim McCord at 1:44 pm.

Americans with Disabilities Act: The South Orange County Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the South Orange County Community College District Retirement Board of Authority meeting, shall be made to: Kim McCord, District Director, Fiscal Services, South Orange County Community College District, 28000 Marguerite Parkway, Mission Viejo, CA. 92692-4999.