



Retirement Board of Authority (RBOA) Meeting MINUTES

September 25, 2019

11:30 am – 12:30 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 Bea,, Roslyn Washington.

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

Roll Call: The RBOA meeting was called to order at 11:30 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 Bea.

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.

01. Approval of Agenda for RBOA meeting on September 25, 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 a roll-call of the RBOA membership present.

02. Approval of Minutes from March 12, 2019 RBOA Meeting: (Action)

- a. Ann-Marie Gabel found a couple of typos in the March 12, 2019 Minutes and ask that they be corrected. Roslyn Washington of Keenan obliged.

- b. A motion was made by RBOA member Dr. Cindy Vyskocil to approve the Minutes for the previous RBOA meeting on March 12, 2019 as amended. Motion was seconded by Ann-Marie Gabel and was carried by a roll-call of the RBOA membership present.

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

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

04. Portfolio Performance Review: (Action)

- a. Cary Allison of Morgan Stanley reviewed the performance of the District's Investment Trust portfolio account as for July 31, 2019.
- b. The Portfolio Value of the Trust as of **July 31, 2019 was \$123,449,352.75.**

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
0.24	0.24	11.28	3.86	6.18	4.64	5.63

- c. The Portfolio Value of the Trust as of **September 24, 2019 was \$124,164,133.**
- d. Pelosi released a statement that they would begin an impeachment investigation. The market went down 150.
- e. We have had record out performance of US vs. Int'l.
- f. We decreased your Int'l 2 years ago and although Int'l rates are cheap, we haven't changed your asset mix.
- g. Bonds have done well and are up because Int'l rates are down.
- h. We will probably be replacing Brandes fund due to under performance.
- f. A motion was made by RBOA member Ann-Marie Gabel to accept the Portfolio Performance Review as presented. The motion was seconded by RBOA member Dr. Cindy Vyskocil and was unanimously carried by a roll-call of the RBOA membership present.

05. Market Overview: (Information)

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. Cary advised that the information you hear in the news regarding a recession is basically due to what is called an "inverted yield curve". This is when the 2-year treasury return is slightly higher than the 10-year treasury return.
- c. Central Banks are buying up a lot of bonds which is causing the inverted yield curve.
- d. The U.S. buying power is still very strong. We are nowhere near a recession.
- e. The Feds reduced rates twice this year and Jerome Powell, Fed Chair will more than likely reduce them 1 more time in September or October.
- f. Moving forward we think we are just in a slow growth environment.
- g. The behavior of spending has changed with consumers, however, there is also a growth trend of consumer savings on average of approximately 9% of salary.
- h. Morgan Stanley feels that we are about a 5% into a 10% correction right now.
- i. We are still waiting on a China trade deal, but we think that will take much longer than originally anticipated.
- j. Morgan Stanley still prefers stocks over bonds.
- k. This item is information only.

06. Investment Policy Statement Review: (Action)

- a. Scott Rankin reviewed the Investment Policy Statement.
- b. The Target is still 6%. There were no changes.
- b. A motion was made by RBOA member Dr. Cindy Vyskocil to accept the Investment Policy Statement Review as presented. The motion was seconded by RBOA member Cory Wathen and was unanimously carried by a roll-call of the RBOA membership present.

07. Annual Reporting on the Status of the Trust: (Action)

- a. Roslyn Washington presented the Report.
- b. A motion was made by RBOA member Ann-Marie Gabel to ratify the District's Annual Report as presented. The motion was seconded by Dr. Cindy Vyskocil and was unanimously carried by all of the RBOA membership present.

08. Disbursement Report: (Action)

- a. Roslyn Washington will correct and email the Disbursement Report reflecting fees paid to the District's OPEB Trust service entities for the current period.
- b. A motion was made by RBOA member Dr. Cindy Vyskocil to ratify the District's Disbursement Report with corrections. The motion was seconded by Ann-Marie Gabel and was unanimously carried by all of the RBOA membership present.

09. Updates to the Comprehensive Compliance Plan including the "Substantive Plan": (Information)

- a. Roslyn Washington presented the District's OPEB Questionnaire. The District's Substantive Plan for fiscal year 2018-2019 has been mailed.
- b. This item is information only.

10. Information Report: RBOA Comments

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

11. Information Report: Program Coordinator/Consultant Comments

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

12. Information Report: Public Comments

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

13. Date, Time and Agenda Items for Next Meeting

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

- a. **March 25, 2020: 11:30am-12:30pm**
- b. **September 23, 2020: 11:30am-12:30pm**
- c. This item is information only

Summary of Recommendations/Decisions Made Today (Action Items):

1. Approval of Agenda for RBOA Meeting on September 25, 2019.
2. Approval of Minutes from RBOA Meeting on March 12, 2019.
3. RBOA acceptance of the District's Investment Trust Portfolio Performance Review for period ended July 31, 2019.
4. The district accepted the Investment Policy Statement as presented.
5. The RBOA acknowledged and approves the annual report promulgation to the OPEB plan participants for fiscal year ended June 2019.
6. The District's Disbursement Report accepted with corrections to be emailed.

Action Items (September 25, 2019)

	Action:	Assigned to:	Deadline:	Status/Comments:
1.	Correct and email Disbursement Report	Roslyn Washington	ASAP	Complete

14. Adjournment:

There being no further business to conduct, the Retirement Board of Authority meeting was adjourned by Kim McCord at 12:30 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.