

MINUTES

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING
MARCH 16, 2016
1:00 PM–3:00 PM**

I. CALL TO ORDER

1. The meeting was called to order at 1:04 PM by RBOA member Dave Keebler.

II. ROLL CALL

1. All Retirement Board of Authority (RBOA) members were present.
2. All Coordinators/Consultants were present.

III. PUBLIC COMMENTS (Information Item Only)

1. There were no public comments.

IV. APPROVAL OF AGENDA

1. Michael Shanahan Motioned to accept the Agenda as presented, Motion was seconded by Steve Hall. Item approved by all Board Members present.

V. APPROVAL OF MINUTES

1. Larry Maher Motioned to accept the Minutes from September 16, 2015 as presented, Motion was seconded by Michael Shanahan. Item approved by all Board Members present.

VI. INVESTMENTS

1. Portfolio Performance Review

- a. Cary Allison of Morgan Stanley Wealth Management (MS) reviewed the performance of the Trust's accounts as of February 29, 2016.
- b. The Portfolio Value as of **February 29, 2016 was \$16,422,417.45**

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
-0.70	-4.16	-4.16	-8.04	2.21	-	3.34

- c. As of March 15, 2016 the Portfolio Value was \$16,918,357.41, up 23 Bps for the year. The losses for January and February have been made up in March. The two best performing funds this year were the two worst last year.
- d. Only one change was made to the portfolio since September. The Royce Special Equity Funds was replaced by the Undiscovered Managers Funds on December 28, 2015.
- e. The current dividend (yield) is 2.3.
- f. Board member Steve Hall asked if we can include the total contributions. Scott

Rankin said no, we cannot because this is a Management Report only. However, Roslyn Washington agreed to create a spreadsheet to give a breakdown of contributions from inception to date.

- g. A Motion to accept the report was made by Larry Maher, Motion was seconded by Michael Shanahan. Item approved by all Board Members present.

2. Market Overview (Information Item Only)

- a. Cary Allison presented Morgan Stanley's Global Investment Committee capital markets overview.
- b. Cary explained how earnings are the key to growth and in 2015 earnings were at approximately \$118 per share. In 2015 earnings were not up and there was no growth. The last three quarters of 2015 were not good so it wiped out all of the growth from 2014, which was a good year, along with the first quarter of 2015.
- c. Fang stocks did very well...Facebook, Amazon, Netflix, and Google.
- d. We have been in a Bear Market for the past 1-5 years. We think we will get about 6% earnings growth this year and earnings will reach about \$26.
- e. The first two weeks of 2016 were the worst in Market History. The market was a reflection of two things: China and Oil. Oil will go up eventually because the world cannot operate at \$30.00 per barrel. Technology may keep oil prices down, but we think it will move up. Today, March 16th it's up to \$38.00 per barrel.
- f. The United States is the Saudi Arabia of natural gas. We can ship it to Europe. They buy it at \$14-\$15. We can get it out of the ground for \$2.00.
- g. There is a huge technology revolution going on now. People were thinking we were heading into a recession. Morgan Stanley just feels we are experiencing slow growth.
- h. Last year Corporate Bonds significantly underperformed compared to Treasury's.
- i. We don't see a global recession.
- j. Morgan Stanley thinks the Feds will raise short term rate again.
- k. We do not recommend any changes.

VII. ADMINISTRATION

1. Disbursement Report

- a. A Trust disbursement report reflecting fiduciary withdrawals and fees paid to Keenan, BTC & Morgan Stanley for the period April 21, 2015-September 1, 2015 was presented.
- b. A Motion was made by Michael Shanahan to ratify the fees.
- c. Motion was seconded by Steve Hall. Item approved by all Board Members present.

2. Actuarial Valuation Study Update (Information Item Only)

- a. Board member Emily asked about the GASB 74/75 changes. The annual required contribution now goes away right? Gail Beal of Keenan said yes it is no longer viable since you are no longer amortizing over 30 years, which may also cause a change in liability.

- b. Gail Beal advised the Board that Keenan was hosting a webinar with TCS scheduled for March 23rd. It is very informative and you are welcome to join. Emily said yes.
- c. Roslyn Washington of Keenan advised the entire RBOA that she would send out the meeting notice in case any board members would like to attend the webinar on GASB changes.

3. Future Transfer of Assets (Information Item Only)

- a. The Board of Trustees approved four contributions of \$250,000 each for Fiscal Year 2016/17. Emily thinks the first payment actually hit prior to July 1, but the total was \$1M.

VIII. INFORMATION REPORTS (Information Item Only)

1. Retirement Board of Authority Comments

- a. No comments

2. Program Coordinator/Consultant Comments

- a. No comments

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING (Information Item Only)

- a. September 14, 2016 9:00 AM - 11:00 AM.

X. ADJOURNMENT

- a. Meeting was adjourned by RBOA Chair, Dave Keebler at 1:45 PM.