

# MINUTES

## VENTURA COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

March 22, 2018  
9:00 AM – 10:30 AM

### **I. CALL TO ORDER**

1. The meeting was called to order at 9:08AM by Dr. David El Fattal.

### **II. ROLL CALL**

1. **All Retirement Board of Authority (RBOA) members were present:**  
Dr. David El Fattal, Vice Chancellor, Business & Administrative Services,  
Michael Shanahan, Vice Chancellor, Human Resources,  
Peter Sezzi, American Federation of Teachers Local 1828/AFL-CIO,  
Kirk Norris, Service Employee International Union Local 99.
2. **All Coordinators/Consultants were present, except Gail Beal:**  
Roslyn Washington, Senior Account Manager, Keenan Financial Services (via  
telephone),  
Scott Rankin, Senior Vice President, Benefit Trust Company,  
Cary Allison, Senior Vice President, Morgan Stanley.

### **III. PUBLIC COMMENTS**

1. There were no public comments.
2. This item is information only.

### **IV. APPROVAL OF AGENDA**

1. Michael Shanahan Motioned to approve the Agenda with one (1) correction to the date under the Approval of the Minutes section; Motion was seconded by Kirk Norris.
2. Motion abstained by Peter Sezzi who was not in attendance and was unanimously approved by all of the other Retirement Board of Authority members present.

### **V. APPROVAL OF MINUTES**

1. Michael Shanahan Motioned to accept the Minutes from the previous RBOA meeting **August 16, 2017** as presented; Motion was seconded by Dr. David ElFattal and was unanimously approved by all of the Retirement Board of Authority members present.

### **VI. INVESTMENTS**

1. **Portfolio Performance Review**
  - a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the Trust's accounts as of **February 28, 2018**.
  - b. The Portfolio Value as of **March 21, 2018** was **\$21,088,944**.

### 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
-3.00	-0.19	-0.19	10.34	5.45	6.37	6.02

- c. Cary Allison of Morgan Stanley explained to the Retirement Board of Authority the asset mix which was showing 14.3% in the Alternative Investment Funds section were in reality Bonds.
- d. The first quarter of this year has been rocky.
- e. Peter asked when was the inception date? Scott Rankin replied: August 2011 was the first deposit.
- f. Peter Sezzi asked what is the economic status of the State of California because he heard the state was going to crash? Cary replied that comment is heard by Morgan Stanley annually. However MS feels CA is in a good growth process but it depends on capital gains how well the state does.
- g. Cary said the Feds will bump interest rates up a few more times this year.
- h. Peter Sezzi Motioned to accept the Portfolio Performance Review as presented; Motion was seconded by Kirk Norris and was unanimously approved by all of the Retirement Board of Authority members present.

## 2. Market Overview

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. With the 10-year US Treasury yield rising more rapidly and piercing 3% for the first time since 2011, stocks have started to struggle in a way investors haven't had to face in a long time.
- c. Even strong earnings results haven't been able to boost most stocks into positive territory.
- d. Rising interest rates have reached a point at which they have become a constraint on valuations.
- e. While our more sanguine outlook for US equities was far out of consensus back in January, our views on the peaking rate of change in earnings growth and profit margins combined with tightening financial conditions, are becoming more prevalent within the investment community. That's a good thing because it means the market has already priced in many of these potential risks. January was good for bonds but bad for stocks.
- f. With earnings reports strong and many of the risks mentioned above now being acknowledged rather than ignored, we think global equities are looking much more attractive than they were in end of January.
- g. We have been energy bulls since August. That worked well initially. Then, energy stumbled, made another run in January, and then washed out in February and March. We think this was the final capitulation for energy just as technology stocks were making all-time highs.
- h. Technology stocks outperformed the broad market by an annualized 6.7% between 2014 and 2017.

## **VII. ADMINISTRATION**

### **1. Designation of New Retirement Board of Authority Member**

- a. Peter Sezzi was acknowledged and welcomed as a new member of the RBOA.
- b. This item is information only

### **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 September 1, 2017 – March 1, 2018.
- b. Emily Day Motioned to ratify the Disbursement Report as presented; Motion was seconded by Michael Shanahan and was unanimously carried by all RBOA members present.

### **3. Actuarial Valuation Study Update**

- a. The current report being updated again by Total Compensation System Inc. Is still in draft format but should be ready very soon.
- b. Dr. El Fattal asked that we bring back the final draft to the next meeting.
- c. This item is information only.

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

- a. No transfer is currently planned for Fiscal Year 2017/2018
- b. This item is information only.

### **6. Updates to Retirement Board of Authority (RBOA) Bylaws**

- a. Roslyn Washington presented red-line changes to the RBOA Bylaws. Language changes were made by Keenan Legal Counsel to omit wording affiliated with GASB 43/45 that is no longer relevant.
- b. Motion was made by Michael Shannon to accept the changes. Motion was seconded by Dr. El Fattal and unanimously approved by all RBOA members present.

## **VIII. INFORMATION**

### **1. Retirement Board of Authority Comments**

- a. No Comments.
- b. This is information only.

### **2. Program Coordinator/Consultant Comments**

- a. No Comments.
- b. This is information only.

## **IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING**

- a. September 26, 2018 1:00PM-3:00 PM.
- b. This is information only.

## **X. ADJOURNMENT**

- a. Dr. Dave El Fattal adjourned the meeting at 10:05 AM