

MINUTES

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

September 26, 2018

1:00 PM – 3:00 PM

I. CALL TO ORDER

1. The meeting was called to order at 1:00 PM 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,
Emily Day, Director of Fiscal Services
Laura Barroso, Director of Human Resources Operations
Michael Sheetz, American Federation of Teachers Local 1828/AFL-CIO,
Kirk Norris, Service Employee International Union Local 99.
2. **All Coordinators/Consultants were present:**
Roslyn Washington, Senior Account Manager, Keenan Financial Services
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 Moved to approve the Agenda with one (1) correction to the date under the Approval of the Minutes section; Motion was seconded by Kirk Norris, and unanimously approved by all of the other Retirement Board of Authority members present.

V. APPROVAL OF MINUTES

1. Michael Shanahan Moved to accept the Minutes from the previous RBOA meeting **March 22, 2018** 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 **August 31, 2018**.
 - b. The Portfolio Value as of **August 31, 2018** was **\$21,663,729.50**

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
1.13	2.48	2.95	7.39	8.11	6.86	6.04

- c. Cary Allison of Morgan Stanley went over the portfolio summary.
- d. Cary pointed out that last year (2017) was the first year International investments outperformed Domestic investments. This year we believe we will go back to beating the International Stocks due to the US Dollar being very strong.
- e. Kirk Norris asked, “when was the inception date of the Trust?” Scott Rankin of BTC replied: August 2011 was the first deposit.
- f. Cary said Morgan Stanley believes the Feds will bump interest rates up at least 1 more time this year. .
- g. Emily Day moved to accept the report, Michael Shanahan Motioned to second with all Retirement Board of Authority in approval.

2. Market Overview

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. Fundamentals of the economy are getting better.
- c. Bond market is trying to figure out what is going on with long term rates.
- d. This is an “Earnings” driven recovery period with Morgan Stanley predicting up to 3% growth.
- e. In 2015 the Feds were predicted to raise rates 4 times in 2016. They raised them 1 x in December of 2016. They raised them 2 more times in 2017 and are predicted to raise short term rates a total of 4x in 2018.
- f. These are all weather portfolios we haven’t made any changes to your asset mix.
- g. Bonds did exceptionally well in 2017. But not in 2018.
- h. In 2018 we were expecting a little more inflation but not much more than we have had thus far.
- i. We don’t think that we will have a scary amount of inflation like in the 80’s, but we think the Feds will raise rates at least 1 more time this year, and maybe 1 time next year.
- j. Globally, the world is doing better.
- k. This was the 1st time in 6-7 years that Global stocks outperformed Domestic stocks.
- l. Cary Allison said Morgan Stanley feels that tariff threats are being used as a negotiating tool, and they don’t believe there will be a trade war.
- m. Mid-term elections approaching are affecting the market, but historically markets have done well 12 months after the mid terms.
- n. This item is information only.

3. Investment Policy Statement Review

- a. Scott Rankin went over the investment policy statement.
- b. He asked the Board if they were still in accumulation mode or if they had any

near future plans on making a withdrawal to pay retiree health premium payments from the Trust?

- c. Dr. El Fattal advised that the district has a task force to determine when a withdrawal may be necessary but for now they have no plans to do such.
- d. A motion to reaffirm the IPS in its current status was made by Michael Sheetz, motion was seconded by Kirk Norris and unanimously approved by the Retirement Board members present.

VII. ADMINISTRATION

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

- a. Laura Barroso and Michael Sheetz were acknowledged and welcomed as a new member of the RBOA.
- b. This item is information only

2. Election of Vice-Chair of the Retirement Board of Authority

- a. Michael Sheetz nominated Laura Barroso to serve as the RBOA Vice-Chair; motion was seconded by Michael Shanahan and unanimously approved by all RBOA members present.

3. Annual Reporting on the Status of the Trust

- a. Roslyn Washington, Keenan presented the annual notice cover letter and advised that the letter and the annual statement have been placed on the District website for plan participants and their beneficiaries.
- b. Kirk Norris moved to accept the report; motion was seconded by Emily Day and unanimously approved by all Retirement Board of Authority members present.

4. Disbursement Report

- a. Roslyn Washington presented a Trust Disbursement Report reflecting fees paid to Keenan, BTC & Morgan Stanley for their services for the period March 2018 – August, 2018.
- b. Emily Day asked how were the fees calculated. Scott Rankin, BTC advised that the fees are calculated based on end of month market value.
- c. Michael Shanahan move to ratify the fees; motion was seconded by Michael Sheetz and unanimously approved by all board members present.

5. 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.

6. Future Transfer of Assets into the Trust

- a. No transfer is currently planned for Fiscal Year 2018/2019
- b. This item is information only.

7. Updates to the Comprehensive Compliance Plan Including the “Substantive Plan”.

- a. Roslyn Washington presented the OPEB Questionnaire and explained that we collect information on an annual basis to update the Substantive Plan.
- b. The updates will be presented to the district in the form of an E-Library by the end of the calendar year.
- b. This is an informational item only.

8. Updates to Retirement Board of Authority (RBOA) Bylaws

- a. Roslyn Washington presented red-line edits to the RBOA Bylaws
- b. No action was necessary because the RBOA Bylaws were formally approved at the last meeting March 2018.

VIII. INFORMATION

1. Retirement Board of Authority Comments

- a. No Comments.

2. Program Coordinator/Consultant Comments

- a. Roslyn Washington of Keenan welcomed Emily Day back to the district and to the RBOA.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. March 27, 2019 1:00PM-2:00 PM.
- b. This is information only.

X. ADJOURNMENT

- a. Dr. Dave El Fattal adjourned the meeting at 2:16PM