

MINUTES

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

September 14, 2016

9:00 AM–11:00 AM

I. CALL TO ORDER

1. The meeting was called to order at 9:04 AM by Gail Beal.

II. ROLL CALL

1. **All Retirement Board of Authority (RBOA) members were present, except Larry Maher:**

Dave El Fattal, Vice Chancellor, Business & Administrative Services

Michael Shanahan, Vice Chancellor, Human Resources

Emily Day, Director of Fiscal Services

Gary Maehara, Director of Human Resources Operations

Steve Hall, American Federation of Teachers Local 1828/AFL-CIO

2. **All Coordinators/Consultants were present:**

Gail Beal, Senior Vice President, Keenan Financial Services,

Sharen Stanek-Lowe, Account Executive, Keenan & Associates,

Roslyn Washington, Senior Account Manager, Keenan Financial Services,

Scott Rankin, Senior Vice President, Benefit Trust Company,

Cary Allison, Senior Vice President, Morgan Stanley Wealth Management.

III. PUBLIC COMMENTS

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

IV. APPROVAL OF AGENDA

1. Steve Hall Motioned to approve the Agenda as presented; Motion was seconded by Gary Maehara and was unanimously approved by all of the Retirement Board members present.

V. APPROVAL OF MINUTES

1. Steve Hall Motioned to accept the Minutes from the previous RBOA meeting as presented; Motion was seconded by Gary Maehara and was unanimously approved by all of the Retirement 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 August 31, 2016.

- b. The Portfolio Value as of **August 31, 2016 was \$18,235,773.60**

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
0.65	3.72	6.42	6.69	5.56	5.85	5.03

- c. The account has rallied very well considering this was the worst two week start in history.
- d. Look at the difference in the 5 year number comparing the S&P 500 versus ACWI Ex US.
- e. Two changes were made to the Portfolio: Guggenheim FDS, which is based out of Santa Monica and New York, replaced Delaware FDS.
- f. The Alger Small Cap Fund was also added. The fund manager of this fund has a great track record over the past 10 years.
- g. Dave asked how long Cary has been with Morgan Stanley. Over 7 years with MS and more than 20 years in investments.
- h. Dave El Fattal Motioned to approve the Portfolio Performance Review as presented; Motion was seconded by Gary Maehara and was unanimously approved by all of the Retirement Board members present.

2. Market Overview

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. Cary discussed what happened with the Market that has the Portfolio up almost 6.5% after such a bad 1st month start of the year.
- c. We are not going into a global recession. MS does not predict a recession. They predict that we are in a solid 2% growth environment.
- d. The Brexit also had an effect on the Market. People didn't think the vote would pass, but when it did the Futures were down. However, the Market basically rallied two weeks later.
- e. MS thinks earnings are finally going to grow in the next year. Stock prices follow earnings. Earnings have been flat since 2014. Oil is finally stabilized in the 40's. It's MS's opinion that earnings should finally grow in about the 6% rate.
- f. The election is the wild card. But MS doesn't think it matters who wins because we will still have a split government.
- g. We try to stay balanced in your Portfolio.
- h. This item is information only.

3. Investment Policy Statement Review

- a. Scott Rankin said we look at the Investment Policy Statement annually.
- b. We recall you are on an 18-20 year time horizon for needing these funds.
- c. Steve Hall said we have a closed group of people in this liability. Meaning, no new people are going to be added to this group.
- d. Steve said they met with their actuary and the forecast stated payments should max by 2027.

- e. Scott Rankin explained that this Trust is built for long term investment. The language in the Investment Policy Statement state what we can do, but also what we can't do. We diversify by style and by asset class.
- f. Steve Hall wants the actuarial study done showing projection until the cost reaches zero. Why was it done for 10 years? Gail Beal said industry standards are 10-15 years.
- g. Regarding the transfer of assets, Steve Hall asked if they are budgeted to transfer \$1M per year. Emily Day stated that was the 2016-2017 projection.
- h. Dave asked if the projection of \$1M was for this fiscal year only. Emily said it's the intent and goal to contribute \$1M per year, but it's not a restriction. Emily said they can evaluate their tax amount at the end of December.
- i. Dave El Fattal Motioned to accept the Investment Policy Statement as presented; Motion was seconded by Steve Hall and was unanimously approved by all of the Retirement Board members present.

VII. ADMINISTRATION

1. Designation of New Retirement Board of Authority Member and RBOA Chair Acknowledgement

- a. Dave El Fattal was acknowledged and welcomed as a new member and as Chair of the RBOA.
- b. This item is information only

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

- a. Michael Shanahan Motioned to re-elect Steve Hall as RBOA Vice-Chair; Motion was seconded by Gary Maehara and was unanimously approved by all of the Retirement Board members present.

3. Annual Reporting on the Status of the Trust

- a. Roslyn Washington presented the Annual Report on the Status of the Trust.
- b. Dave El Fattal Motioned to ratify the Annual Report on the Status of the Trust; Motion was seconded by Steve Hall and was unanimously approved by all of the Retirement Board members present.

4. 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 March 16, 2016 - August 16, 2016.
- b. Michael Shanahan Motioned to ratify the Disbursement Report as presented; Motion was seconded by Dave El Fattal and was unanimously carried by all RBOA members present.

5. Actuarial Valuation Study Update

- a. Emily Day said a new Actuarial Valuation Study is being done and should be complete by November 2016.
- b. This item is information only.

6. Future Transfer of Assets into the Trust

- a. Steve Hall asked if they are budgeted to transfer \$1M per year. Emily Day stated that was the 2016-2017 projection.
- b. Dave asked if the projection of \$1M was for this fiscal year only. Emily said it's the intent and goal to contribute \$1M per year, but it's not a restriction. Emily said they can evaluate their tax amount at the end of December.
- c. This item is information only.

7. Updates to the Comprehensive Compliance Plan Including the "Substantive Plan"

- a. Roslyn Washington addressed the RBOA and advised that the Service Rep will be working with the District to gather information to update the Substantive Plan.
- b. The Questionnaire will be sent to the Board members.
- c. This is information only.

VIII. INFORMATION

1. Retirement Board of Authority Comments

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

2. Program Coordinator/Consultant Comments

- a. Scott Rankin is trying to get the current yield number.
- b. Cary said he doesn't believe Algers is paying a dividend. Scott said if that's the case, the report should show zero not a question mark.
- c. This is information only.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. April 12, 2017 1:00 PM-3:00 PM.
- b. This is information only.

X. ADJOURNMENT

- a. Gail Beal adjourned the meeting at 10:00 AM.