

MINUTES

**EL CAMINO COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING
APRIL 12, 2016
1:00 PM–3:00 PM**

I. CALL TO ORDER

1. The meeting was called to order at 1:07 PM by RBOA Chair Jo Ann Higdon.

II. ROLL CALL

1. All Retirement Board of Authority (RBOA) members were present, except Janice Ely.
JoAnn Higdon, VP, Administrative Services
Rocky Bonura, Director of Purchasing & Business Services
Lynn Lindberg, Director of Human Resources
Linda Beam, VP Human Resources
2. All Coordinators/Consultants were present except Gail Beal of Keenan Financial Services and Sharen Stanek-Lowe of Keenan & Associates.

III. PUBLIC COMMENTS

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

IV. APPROVAL OF AGENDA

1. Rocky Bonura Motioned to accept the Agenda as presented; Motion was seconded by Linda Beam. The remaining RBOA members voted “Yes” to accept the Agenda.

V. APPROVAL OF MINUTES

1. Rocky Bonura Motioned to accept the Minutes from October 20, 2015 as presented; Motion was seconded by Linda Beam. The remaining RBOA members voted “Yes” to accept the Minutes.

VI. INVESTMENTS

1. Portfolio Performance Review

- a. Cary Allison of Morgan Stanley Wealth Management (MS) reviewed the performance of the Trust’s portfolio account as of March 31, 2016.
- b. The Portfolio Value as of March 31, 2016 was **\$22,828,223.54**.

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
2.80	1.89	1.89	-1.63	1.72	N/A	2.38

- c. Cary explained how the cycle of the ups and downs have affected the Market.

The China growth slowing affected it also.

- d. We don't think we are going into a global recession. Morgan Stanley feels we are just in a slow growth environment. Templeton Global Bond fund is the best in the world. Your managers are managing Bonds, but they are also managing your duration and your currency. We think rates will stay the same.
- e. The 10 yr. treasury is at approximately 1.8%. Currently there is so much demand for tax free Bonds.
- f. Lynn Lindberg Motioned to accept the portfolio review as presented; Motion was seconded by Rocky Bonura. The remaining RBOA members voted "Yes" to accept the portfolio review.

2. Market Overview

- a. Risk assets generated positive returns during the fourth quarter of 2015, despite disappointing performance among broad asset classes over the year in its entirety.
- b. Currency volatility, oil turbulence, emerging market woes, and the much-anticipated Fed rate hike in December dominated headlines throughout the quarter.
- c. All sectors within the S&P 500 generated positive returns in the fourth quarter of 2015. The top-performing sector was Materials, which was up 9.7%. Health Care and Technology both rose 9.2% and were also among the top-performing sectors. The biggest laggards were Energy, which had a modest increase of 0.2%, and Utilities, which rose 1.1%.
- d. Morgan Stanley & Co. economists forecast U.S. Real GDP will be 1.9% in 2016 and 1.8% in 2017.
- e. Inflation remains low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index increased 0.2% in October and was flat in November.
- f. The bond market struggled in the fourth quarter of 2015. The Barclays U.S. Aggregate Bond Index, a general measure of the bond market, fell 0.6% for the quarter.
- g. Interest rates increased during the fourth quarter, as the yield on the 10-Year U.S. Treasury note rose to a quarter-end 2.27% from 2.04% at the end of the third quarter of 2015.
- h. This item is information only.

3. Investment Policy Statement Review Market Overview

- a. Scott Rankin went over the investment policy statement and asked if there were any plans to make withdrawals. Jo Ann Higdon said she doesn't want to make a commitment on this yet. They are having negotiations in the fall. The Board wants to stay conservative because the Board of Trustees is.
- b. Rocky Bonura Motioned to reaffirm the investment policy statement as presented; Motion was seconded by Lynn Lindberg. The remaining RBOA members voted "Yes" to accept the investment policy statement.

VII. ADMINISTRATION

1. Disbursement Report

- a. A Trust disbursement report reflecting reasonable expenses paid to Keenan, BTC & Morgan Stanley for the period of October 20, 2015 – March 11, 2016 was presented. Rocky Bonura Motioned to ratify the fiduciary expenses for

the period; Motion was seconded by Linda Beam. The remaining RBOA members voted “Yes” to ratify the fiduciary expenses for the period.

2. Actuarial Valuation Study Update

- a. A new Actuarial Valuation Study is in being done and the District is working with their consulting actuary towards its completion for compliance with GASB protocols. This item is information only.

VIII. INFORMATION REPORTS

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 FOT NEXT MEETING

- a. TBD

X. ADJOURNMENT

- a. The Meeting was adjourned by JoAnn Higdon at 1:50 PM.