

MINUTES

EL CAMINO COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

March 10, 2020

2:00 PM– 3:00 PM

I. CALL TO ORDER

1. The meeting was called to order at 2:00 PM by Iris Ingram, RBOA Chair

II. ROLL CALL

1. **All Retirement Board of Authority (RBOA) members were present:**

Iris Ingram, Vice President, Administrative Services & Board Chair

Michael Pascual, Director, Purchasing and Business Services

Jane Myashiro, Vice President, Human Resources

Maria Smith, Director of Human Resources

Jeffrey Hinshaw, Business Manager, Fiscal Services

Guest: Dr. Dena Maloney, College President

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

Roslyn Washington, Assistant Vice President, Keenan Financial Services

Cary Allison, Executive Director, Morgan Stanley

Mark Payne, Financial Advisor, Morgan Stanley

Scott Rankin, Senior Vice President, Benefit Trust Company

III. PUBLIC COMMENTS

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

IV. APPROVAL OF AGENDA

1. Jane Myashiro moved to approve the agenda as presented; motion was seconded by Jeffrey Hinshaw and was unanimously approved by all RBOA members present.

V. APPROVAL OF MINUTES

1. Jeffrey Hinshaw moved to approve the minutes from **March 13, 2019** as presented; motion was seconded by Maria Smith and was approved by all RBOA 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 January 31, 2020.

- b. The Portfolio Value as of **January 31, 2020 was \$24,817,270.88**

- c. The Portfolio is the Moderate Growth with a target rate of return currently 7%.

Time weighted return net of fees

Month to Date	Quarter to Date	Year to Date	Latest 12 Months	Annualized latest 3 Years	Annualized latest 5 Years	Annualized Inception to Date
0.71	0.71	0.71	11.14	4.63	3.18	3.46

- d. We made a few changes on the bond side since we last met.
- e. You had a couple of bond funds that have the ability to use derivatives. We replaced them by increasing your core bond funds. We also reduced your international stocks and put those into REIT's.
- f. The U.S. stocks have outperformed the international stocks for the last 13 months.
- g. Jeffrey Hinshaw Moved to approve the Portfolio Performance Review as presented; motion was seconded by Jane Myashiro and was unanimously carried by all RBOA members present.

2. Market Overview

- a. Cary Allison of Morgan Stanley discussed the current market conditions.
- b. The S&P 500 started off the year with a historic quarter following a historic 2019 year.
- c. Equities were down 19.6% on the quarter following a year in which they gained 32.6%
- d. The Global Equity Markets declined sharply as the spread of COVID-19 and the oil prices collapse brought the economies to a halt and caused investors to sell out of risky assets.
- e. As for the US Equity markets, the Dow lost on average of 22.7%.
- f. The US Bond Market was positive the first quarter outperforming equities as investors looked for less risky assets.
- g. Interest rates fell during the first quarter, dropping to zero as the 10-year Treasury note fell from 1.92% in December 2019 to 0.61% at the end of the first quarter.
- h. Energy fell the most by 50.5% which was exacerbated by the initiation of the oil price war.
- i. The MSCI EAFE Index, (the benchmark for international developed markets) lost over 22.7%.
- j. The MSCI Emerging Markets Index lost 23.6%
- k. Morgan Stanley expect U.S. real GDP will be -0.6% in the first quarter of 2020 due to the halt in economic growth around the world and amid concerns of a deeper recession surrounding COVID-19.
- l. This is an information item only.

3. Investment Policy Review

- a. Scott Rankin presented the IPS to the Retirement Board of Authority explaining this is the legal document that guides the efforts or manages the Trust.
- b. The initial portfolio mix was more conservative, but this board voted to add more equities in 2018.
- c. Scott advised that the district has done very well with their 50/50 portfolio mix.
- d. Jeff Hinshaw moved to approve the IPS as presented; motion was seconded by Maria Smith and unanimously approved by all RBOA members present.

VII. ADMINISTRATION

1. Designation of new RBOA Member

- a. Roslyn Washington presented Board Resolution dated November 28, 2011 showing the titles that are listed that will be represented on the Board of Authority.
- b. The Board of Authority welcomes Iris Ingram, VP of Administrative Services to the RBOA.
- c. This is an information item only.

2. Election of RBOA Vice-Chair

- a. Iris Ingram nominated Michael Pasqual; motion was seconded by Jane Myashiro and unanimously approved by all RBOA members present.

3. 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 2019 – March 15, 2020.
- b. Jeffrey Hinshaw Moved to ratify the Disbursement Report as presented; motion was seconded by Jane Myashiro and was unanimously approved by all RBOA members present.

4. Updating the Substantive/Comprehensive Compliance Plan.

- 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 2019 – March 15, 2020.
- b. Jeffrey Hinshaw Moved to ratify the Disbursement Report as presented; motion was seconded by Michael Pascual and was unanimously approved by all RBOA members present.

5. Actuarial Valuation Study Update

- a. The net OPEB liability of 2.1 million
- b. The excess will be contributed close the gap, although we are not sure of the timing.
- c. This item is information only.

6. Future Transfer of Assets into the Trust

- a. There will be no contributions made into the Trust for this fiscal year 2019-2020.
- b. This is an information item only.

VIII. INFORMATION REPORTS

1. Retirement Board of Authority Comments

- a. No comments.
- b. This item is information only.

2. Program Coordinator/Consultant Comments

- a. No comments.
- b. This item is information only.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. February 10, 2021.
- b. This item is information only.

X. ADJOURNMENT

- a. Iris Ingram moved to adjourn the meeting at 2:54 PM.