

District Retirement Board

2012 Meeting Minutes

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MINUTES

**SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

**October 18, 2012
1:00 PM – 3:00 PM**

**District Office Conference Room
4750 San Felipe Road
San Jose, CA 95128
(408) 288-3708**

I. CALL TO ORDER

The Retirement Board of Authority meeting was called to order at 12:59 PM by Board Chair Peter Fitzsimmons.

II. ROLL CALL

RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS

Vice Chancellor, Administrative Services	Doug Smith
Vice Chancellor, Human Resources	Kim Garcia
Director of Fiscal Services	Peter Fitzsimmons
Faculty and President, Faculty Association, AFT 6157	David Yancey
Faculty and Member of AFT 6157	Mark Newton
Retired Faculty and Member of AFT 6157	Phil Crawford
Staff and Member CSEA, Chapter 363	Danny Hawkins
Retired Staff and Former Member CSEA, Chapter 363	Arlene Amelia

PROGRAM COORDINATOR

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS

Morgan Stanley Smith Barney	Cary Allison
Benefit Trust Company	Scott Rankin

GUESTS

Staff and Member CSEA, Chapter 363 (Alternate)	Beverly Lynch
San Jose/Evergreen CCD Staff Accountant	Linda Wilczewski

OTHER

None

ABSENT

Staff and Member CSEA, Chapter 363	Evelyn Rojas
Faculty and Member AFT 6157(Alternate)	Barbara Hanfling

III. APPROVAL OF AGENDA

A motion was made by Board member David Yancey to approve the Agenda as presented, seconded by Board member Arlene Amelia and unanimously carried by the Board members present.

IV. APPROVAL OF MINUTES

A motion was made by Board member Danny Hawkins to approve the September 13, 2012 Minutes amended to use the verb "asked" rather than "wondered" under the Private Letter Ruling (PLR) section. The motion was seconded by Board member David Yancey and unanimously carried by the Board. Board members Kim Garcia, Mark Newton, Peter Fitzsimmons and Evelyn Rojas did not participate in this motion as they were absent from the September 13, 2012 meeting.

V. INVESTMENTS

PORTFOLIO REVIEW

Cary Allison of Morgan Stanley (MS) provided an overview of the District's Change in Portfolio, Asset Allocation, and Time Weighted Return (Gross and Net of Fees) for period ending September 30, 2012.

1. The District's Short-Term Public Entity Trust.

As of September 30, 2012, the District's Short-term portfolio had an allocation of 76.6% in fixed income funds and 23.4% in equity funds (equity funds comprised of 13.1% in domestic equity and 10.3% in international equity). The value of the portfolio as of December 31, 2011 was \$1,885.92 and with a transfer of \$6,000,000.00 from the District's Long-term Trust account and a withdrawal of \$1,115,014.55 the portfolio value as of September 30, 2012 is \$5,085,487.27. The September 30, 2012 portfolio value represents an Annualized Inception to Date net rate of return of 18.69% compared to the Barclays Aggregate of 6.97% and the S&P 500 Adj. for Divs. of 18.26%. The investment results for the latest 12 months show a net increase of 40.87% versus the Barclays Aggregate of 5.17% and the S&P 500 Adj. for Divs. of 30.18%. The Annualized Latest Three Year results show a net increase of 16.51% versus the Barclays Aggregate of 6.20% and the S&P 500 Adj. for Divs. of 13.20%. The current dividend yield on the portfolio's fixed income investments was 3.9% while the current dividend yield on the aggregated portfolio was 3.5%.

2. The District's Public Entity Investment Trust.

As of September 30, 2012, the District's Investment Trust portfolio had an allocation of 33.8% in fixed income funds and 66.2% in equity funds (equity funds comprised of 41.0% in domestic equity and 25.2% in international equity). The value of the portfolio as of December 31, 2011 was \$45,135,504.47 and with contributions of \$579,000.70, the portfolio value as of September 30, 2012 is \$41,457,533.38. The September 30, 2012 portfolio value represents an Annualized Inception to Date net rate of return of 11.88% compared to the Barclays Aggregate of 6.97% and the S&P 500 Adj. for Divs. of 18.26%. The investment results for the latest 12 months show a net increase 15.17% versus the Barclays Aggregate of 5.17% and the S&P 500 Adj. for Divs. of 30.18%. The Annualized Latest Three Year results show a net increase of 7.38% versus the Barclays Aggregate of 6.20% and the S&P 500 Adj. for Divs. of 13.20%. The current dividend yield on the portfolio's

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fixed income investments was 4.0% while the current dividend yield on the aggregated portfolio was 2.7%.

Board member Mark Newton asked if Morgan Stanley (MS) rebalances the District's portfolio at a specific time during the year. Cary responded by indicating that MS reviews the portfolio every quarter and rebalances at least once each year. Cary noted that there is no specific time designated for rebalancing, rather it depends on what the portfolio assets are doing at the time. Board member David Yancey inquired as to the trigger in the rebalancing process. Cary indicated that they take the funds that have over performed the trigger and make adjustments in the funds that are below the trigger. Relative to the latest one year period in the short-term account, Cary noted that the return of 40.87% is based on the way the time-weighted return process averages the numbers based on when deposits are made. He explained that while the 40.87% return is mathematically correct, it has resulted more from when the \$6,000,000.00 was transferred from the long-term account. Board member Mark Newton asked about the current dividend yields listed in the portfolio appraisal report. Cary explained that companies currently have so much cash that they are starting to pay dividends. Responding to a question about companies terminating their dividend payments to shareholders, Cary advised that he does not see an end to dividend payments or companies terminating their dividend payment culture. He advised that dividends are taxed at 15%. Board member Phil Crawford inquired if there is a service that could review the labor practices of companies held by the funds in the District's OPEB portfolio. A brief discussion followed relative to additional fiduciary liability for the Board and the requirement of the Board to prudently maximize the investment return of the portfolio.

In the Board materials provided, Cary presented the Asset Allocation and Portfolio Updates for the Futuris Public Entity Investment Trust Model Portfolios for period ending September 30, 2012. Cary noted that there are no changes to the Model Portfolios since the last RBOA meeting.

A motion was made by Board member Danny Hawkins to accept the Portfolio Review as presented, seconded by Board member David Yancey and unanimously carried by the Board members present.

MARKET OVERVIEW

In his overview of the current capital markets, Cary advised that the price/earnings ratio for S&P 500 stocks is historically low. These stocks typically trade at 15-to-16 times earnings and are currently trading at 13-to-14 times earnings. He noted that the Fed is going to keep interest rates low through 2015 which will stimulate the housing market. Relative to earnings per share Cary explained the definition of the 'consensus estimate'. The 'consensus estimate' is based on projections, models, sentiments and research of Wall Street analysts who strive to come up with an estimate of company earnings in the future. He indicated that Adam Parker is the Morgan Stanley consensus analyst and he is bearish for this year and next year. Cary noted that he believes Morgan Stanley and Citi analysts are too bearish.

In the Board materials provided, Cary presented Morgan Stanley's "Global Investment Committee" recent articulation of equity bullish & bearish factors in the capital markets:

Equity Bullish Factors include:

- A consensus forward price/earnings ratio of 10-to-13 for global, U.S. and emerging market (EM) equities is historically low. Equities are cheap relative to bonds and cash.

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- American Association of Individual Investors U.S. investor sentiment survey shows 36% bulls and 33% bears, which is a neutral reading. Fourteen weeks into a rally, we would expect there to be many more bulls.
- Nationally, U.S. housing prices have stopped dropping. This is good for consumer net worth, confidence and spending.
- Incremental consumer spending in the emerging markets eclipsed U.S. consumer spending several years ago. What is more, EM consumer growth is in its infancy: for example, only 2% of Brazilians have a mortgage.
- Global inflation is low and price pressures are scarce. Inflation is thus unlikely to pose a problem in most economies for an extended period, giving central banks room to ease more if needed.
- By almost any metric, the planet is now more peaceful than at any time in human history. Remember the old adage: when goods cross borders, soldiers do not.

Equity Bearish Factors include:

- The US Federal Reserve Bank Board, the most important central bank on the planet, chose not to ease policy further at its latest meeting.
- The European Central Bank (ECB) has set expectations for more action but has yet to do so.
- The ongoing deleveraging in the major developed-market (DM) economies will take several years to run its course; historically, the byproduct of this process has been a long period of sluggish growth.
- Is Europe the next Japan? The continent is at risk of slipping into a “lost decade” triggered by lack of leadership and institutional inflexibility at the ECB and elsewhere.
- Global growth is overwhelmingly dependent on EM policymakers, many of whom are not as seasoned as DM policymakers.
- Sovereign debt burdens are too high in several DM countries. Hard political choices are required or currency values are at risk.
- The benchmark 10-year US Treasury yield remains near a multi-decade low. As it rises in the years ahead, it will exert downward pressure on P/E multiples.
- “Event risk,” such as a terrorist attack, is ever-present.

INVESTMENT POLICY STATEMENT REVIEW

Scott Rankin of Benefit Trust Company advised Board members that at the last meeting the Board had expressed a desire to conduct a Risk Tolerance Questionnaire (RTQ) for its current members.

A RTQ was conducted by Cary Allison of Morgan Stanley. The results positioned this Board in the Portfolio 7 range. Cary advised that this is about where they are currently positioned with short-term account assets allocated to Portfolio 5 and the long-term account assets allocated to Portfolio 8. In response to a question from Board member Mark Newton, Cary explained the Sharp Ratio as the return received per unit of risk being accepted. Scott briefly reviewed the applicable provisions in the Investment Policy Statement (IPS) as it applies to the Target Rate of Return.

A motion was made by Board member Danny Hawkins to reaffirm the current provisions of the Investment Policy Statement (IPS). The motion was seconded by Board member Mark Newton and unanimously carried by the Board members present.

VI. ADMINISTRATION

ACTUARIAL VALUATION STUDY UPDATE

Board member Doug Smith advised that a Retirement Board of Authority sub-committee has been created to evaluate actuarial service providers. The sub-committee includes Board members Peter Fitzsimmons, Kim Garcia, Mark Newton and Danny Hawkins. Solicitations have been made to three actuarial service providers.

**STATUS OF UPDATES TO THE COMPREHENSIVE COMPLIANCE PLAN,
INCLUDING THE SUBSTANTIVE PLAN**

Roslyn Washington of Keenan Financial Services provided Board members with a copy of the executed OPEB Questionnaire & Due Diligence Form. Roslyn advised Board members that Keenan Financial Services is incorporating the new provisions of the collective bargaining agreements to update the District's Electronic Library. The District will receive new CD's updating their Comprehensive Compliance Plan, including the "Substantive Plan" in January 2013.

DISBURSEMENTS

A motion was made by Board member David Yancey to ratify all reimbursement expenses and reasonable fees associated with the management and operation of the District's OPEB Trust since the last RBOA meeting. The motion was seconded by Board member Danny Hawkins and unanimously carried by the Board members present.

FUTURIS GASB 43/45 COMPLIANCE CONTRACT RENEWAL UPDATE

The Program Consultants and Coordinator staff was excused from the meeting for a short period while the Board members reviewed their options relative to contract renewals.

Upon the return of the Program Consultants and Coordinator staff, a motion was made by Board member Phil Crawford to continue the current contract on a one year auto renew. The motion was seconded by Board member Mark Newton and unanimously carried by the Board members present.

VII. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

There were no Retirement Board of Authority comments.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

Gail Beal of Keenan Financial Services and Scott Rankin of Benefit Trust Company expressed their thanks to Board members for their contract renewal and they articulated their appreciation to Board members for their great participation at the RBOA meetings.

VISITORS COMMENTS

There were no Visitor comments.

VIII. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

The next Retirement Board of Authority meeting has been scheduled as follows:

- April 25, 2013: 1:00 PM – 3:00 PM.

Agenda items to be discussed should include:

- Market watchdog services to provide information to the Board as to whether the District's OPEB Trust is invested in companies with unfavorable labor practices.
- A review of the District's OPEB Trust portfolio construction (IPS).
- Report on Actuarial service providers by the RBOA sub-committee.
- Review of the District's RBOA Bylaws to decipher whether the Board needs to elect a new Chair and Vice Chair.

IX. ADJOURNMENT

There being no further business to conduct, the Retirement Board of Authority meeting was adjourned at 2:50 PM.

Americans with Disabilities Act The San Jose/Evergreen Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the San Jose/Evergreen Community College District Retirement Board of Authority meeting, shall be made to: Peter Fitzsimmons, Director of Fiscal Services, San Jose/Evergreen Community College District, 2100 Moorpark Avenue, San Jose, CA 95128.

MINUTES

**SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING
September 13, 2012
2:00 PM – 3:00 PM**

San Jose City College
Technology Center Room T-112
2100 Moorpark Avenue
San Jose, CA 95128
(408) 288-3708

Teleconference # 866 434-7676; Passcode #9469446 - Host (Gail Only) #5410456

I. CALL TO ORDER

The Retirement Board of Authority (RBOA) meeting was called to order at 2:06 PM by Board Vice-Chair Danny Hawkins.

II. ROLL CALL

A Roll Call was conducted showing attendance as follows:

RETIREMENT BOARD OF AUTHORITY (“BOARD”) MEMBERS

Vice Chancellor, Administrative Services	Doug Smith
Faculty and President, Faculty Association, AFT 6157	David Yancey
Retired Faculty and Member of AFT 6157	Phil Crawford
Staff and Member CSEA, Chapter 363	Danny Hawkins
Retired Staff and Former Member CSEA, Chapter 363	Arlene Amelia

GUESTS

Staff and Member CSEA, Chapter 363 (Alternate)	Beverly Lynch
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ATTENDING VIA TELECONFERENCE

PROGRAM COORDINATOR

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS

Benefit Trust Company	Scott Rankin
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GUEST

San Jose/Evergreen CCD Staff Accountant	Linda Wilczewski
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ABSENT:

Vice Chancellor, Human Resources	Kim Garcia
Director of Fiscal Services	Peter Fitzsimmons
Faculty and Board Member of AFT 6157	Mark Newton
Staff and Member CSEA, Chapter 363	Evelyn Rojas

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Faculty and Member AFT 6157 (Alternate)

Barbara Hanfling

Assistant General Counsel (**Keenan**)

Amy Donovan

III. APPROVAL OF AGENDA

A motion was made by Board member David Yancey to approve the Agenda as presented, seconded by Board member Beverly Lynch and unanimously carried by the Board members present.

IV. APPROVAL OF MINUTES

A motion was made by Board member Danny Hawkins to approve the Minutes of the July 9, 2012 meeting as presented. The motion was seconded by Board member Beverly Lynch and unanimously carried by the Board members present at the previous meeting on July 9, 2012.

Due to their absence at the Retirement Board of Authority meeting on July 9, 2012, Board members David Yancey, Doug Smith and Danny Hawkins did not participate in the above motion.

V. PRIVATE LETTER RULING

In response to a question from Board member David Yancey regarding the "Futuris" branding concerns of the IRS, Scott Rankin of Benefit Trust Company (BTC) explained the modifications made by the IRS relative to the BTC/Keenan Financial Services branding. Scott noted that the purpose of the IRS making their edits and removing the "Futuris" brand was to ensure that the District's OPEB Trust could be transferred to another Trustee if such a transition was requested in the future. The IRS was concerned that another Trustee may not have the capacity to assume the Discretionary Trust duties without changing the provisions of the existing Trust and Adoption Agreements had the branding been kept in tact. Scott informed Board members that the required changes do not substantially alter the provisions of the District's existing Trust and Adoption Agreements. David inquired as to why the IRS was not involved in the Audit process. Scott indicated that the IRS may audit a Plan if they choose to but in connection with public entities it does not happen very often.

David Yancey asked if the District's OPEB Trust could pay for the healthcare costs of active employees. Scott explained that the OPEB Trust was specifically designed to pay for the costs and expenses associated with "Retiree" healthcare. David also asked why this OPEB Trust is an Irrevocable Trust. Scott advised Board members that the "irrevocable" provision is a requirement of GASB 45 to guarantee that the assets placed in Trust will be held exclusively for Retiree healthcare costs and expenses. Board member Phil Crawford inquired about the deletion of the arbitration provision. Scott responded by indicating that the arbitration provision was removed to assure that the Trust is managed solely for the exclusive benefit of retirees, and that beneficiaries would be able to go to court to assert and protect their rights. This was a major concern for the IRS.

David requested a clean copy of the Trust and Adoption Agreements be provided to the RBOA members. Board member Danny Hawkins advised that the Board members already had clean copies included in their Board packages. Roslyn Washington of Keenan Financial Services advised that she would email a fully executed clean copy of the Trust and Adoption Agreements once they had been signed.

A motion was made by Board member Phil Crawford to approve the amendments requested by the IRS and sign the documentation required to move forward with the Private Letter Ruling process. The motion was seconded by Board member Beverly Lynch and unanimously carried by the Board members present.

VI. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

Board member Danny Hawkins updated the Retirement Board of Authority in regards to their liability coverage. He advised the RBOA that Keenan Account Manager Jennifer Lampley confirmed that the RBOA was covered and separate coverage under the MOC Endorsement and Certificate was not necessary.

Board members David Yancey and Doug Smith thanked the District's OPEB Trust consultants for moving the Private Letter Ruling process to its current point of success.

Board member Beverly Lynch noted a change in her mailing address. She requested that all communications including Board meeting materials be sent to her at the District Office at Evergreen College.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

Gail Beal of Keenan Financial Services advised that invitations to the upcoming Futuris Investment Workshop were mailed to all Board members and she looks forward to seeing the Board members at the workshop.

VISITORS COMMENTS

.There was no Visitor comments.

VII. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

The next Retirement Board of Authority meeting has been scheduled as follows:

- October 18, 2012: 1:00PM - 3:00PM
-

VIII. ADJOURNMENT

A motion was made by Board member David Yancey to adjourn the Retirement Board of Authority meeting at 2:38 PM. The motion was seconded by Board member Beverly Lynch and unanimously carried by the Board members present.

Americans with Disabilities Act The San Jose/Evergreen Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the San Jose/Evergreen Community College District Retirement Board of Authority meeting, shall be made to: Peter Fitzsimmons, Director of Fiscal Services, San Jose/Evergreen Community College District, 2100 Moorpark Avenue, San Jose, CA 95128.

MINUTES

SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING
JULY 9, 2012
3:00 PM – 5:00 PM

San Jose City College
Technology Center Room T-112
2100 Moorpark Avenue
San Jose, CA 95128
(408) 288-3708

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- I. The Retirement Board of Authority meeting was called to order at 3:09 PM by Board Chairperson Peter Fitzsimmons.
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II. ROLL CALL

RETIREMENT BOARD OF AUTHORITY (“BOARD”) MEMBERS

Director of Fiscal Services	Peter Fitzsimmons
Faculty and Member AFT 6157	Barbara Hanfling
Faculty and Member of AFT 6157	Mark Newton
Retired Faculty and Member of AFT 6157	Phil Crawford
Staff and Member CSEA, Chapter 363	Evelyn Rojas
Staff and Member CSEA, Chapter 363	Beverly Lynch
Retired Staff and Former Member CSEA, Chapter 363	Arlene Amelia

PROGRAM COORDINATOR

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS

Morgan Stanley Smith Barney	Cary Allison
Benefit Trust Company	Scott Rankin

GUESTS

San Jose/Evergreen CCD Staff Accountant	Linda Wilczewski
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OTHER

None

Those Absent were:

Vice Chancellor, Administrative Services	Doug Smith
Vice Chancellor, Human Resources	Kim Garcia
Faculty and President, Faculty Association, AFT 6157	David Yancey
Staff and Member CSEA, Chapter 363	Danny Hawkins
Service Consultant, Keenan & Associates	Ken Threeths

III. APPROVAL OF AGENDA

A motion was made by Board member Mark Newton to approve the Agenda as presented, seconded by Board member Beverly Lynch and unanimously carried by the Board members present.

IV. APPROVAL OF MINUTES

In the Portfolio Review minutes for the Retirement Board of Authority meeting of April 26, 2012, an end-of-year date was amended to read 12/31/2011.

Due to their absence at the Retirement Board of Authority meeting on April 26, 2012, Board members Phil Crawford, Evelyn Rojas, Beverly Lynch, Arlene Amelia, and Barbara Hanfling did not participate in the following motion.

A motion was made by Board member Mark Newton to approve the July 9, 2012 Meeting Minutes as amended. The motion was seconded by Board Chairperson Peter Fitzsimmons and unanimously carried by the Board.

V. INVESTMENTS

PORTFOLIO REVIEW

Cary Allison of Morgan Stanley Smith Barney (MSSB) provided an overview of the District's Change in Portfolio, Asset Allocation, and Time Weighted Return (Gross and Net of Fees) for period ending May 31, 2012.

1. The District's Short-Term Public Entity Trust.

As of May 31, 2012, the District's Short-term portfolio had an allocation of 78.5% in fixed income funds and 21.5% in equity funds (equity funds comprised of 12.4% in domestic equity and 9.1% in international equity). The value of the portfolio as of December 31, 2011 was \$1,885.92 and with a transfer of \$6,000,000.00 from the District's Long-term Trust account, the portfolio value as of May 31, 2012 is \$5,826,488.91. The May 31, 2012 portfolio value represents an Annualized Inception to Date net rate of return of 18.50% compared to the Barclays Aggregate of 7.18% and the S&P 500 Adj for Divs of 16.51%. The Annualized Latest Three Year results show a net increase of 18.10% versus the Barclays Aggregate of 7.13% and the S&P 500 Adj for Divs of 14.91%. The investment results for the latest 12 months show a net increase of 25.68% versus the Barclays Aggregate of 7.12% and the S&P 500 Adj for Divs. of -0.42%.

2. The District's Public Entity Investment Trust.

As of May 31, 2012, the District's Investment Trust portfolio had an allocation of 33.5% in fixed income funds and 66.5% in equity funds (equity funds comprised of 44.6% in domestic equity and 21.9% in international equity). The value of the portfolio as of December 31, 2011 was \$45,135,504.47 and with withdrawals of \$7,672,642.65, the portfolio value as of May 31, 2012 is \$38,277,767.69. The May 31, 2012 portfolio value

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represents an Annualized Inception to Date net rate of return of 10.32% compared to the Barclays Aggregate of 7.18% and the S&P 500 Adj. for Divs of 16.51%. The Annualized Latest Three Year results show a net increase of 9.23% versus the Barclays Aggregate of 7.13% and the S&P 500 Adj for Divs. of 14.91%. The investment results for the latest 12 months show a net increase -7.66% versus the Barclays Aggregate of 7.12% and the S&P 500 Adj for Divs. of -0.42%.

Cary Allison of Morgan Stanley Smith Barney (MSSB) reviewed the District's OPEB Long-term and Short-term fiduciary accounts and noted that the transfer of \$6,000,000.00 from the Long-term account to the Short-term account was timed perfectly in that equities performed very poorly in the month of May. Cary advised Board members that the Short-term account portfolio does have a small equity position and because of this diversification, the account portfolio has somewhat less risk than a portfolio invested exclusively in fixed income securities. Cary reminded the Board that the overall return for the OPEB Plan is a combination of the investment results from both fiduciary accounts. Board member Phil Crawford wondered about the dramatic market value change in the Short-term account. Scott Rankin of Benefit Trust Company explained that \$6,000,000.00 was transferred into the Short-term account and there was a loss of \$185,000.00 in the month of May. Board member Barbara Hanfling inquired as to why there was not a similar market value change in the Long-term account. Scott Rankin advised that the accounting schedule is a 'year-to-date' schedule and that the Short-term account did not have assets in it until May 2012.

In the Board materials provided, Cary Allison of Morgan Stanley Smith Barney (MSSB) presented the Asset Allocation and Portfolio Updates for the Public Entity Investment Trust Model Portfolios for the period ending March 31, 2012. Cary noted that allocation positions have not been changed in the Model Portfolios.

A motion was made by Board member Barbara Hanfling to accept the Portfolio Review as presented, seconded by Board member Beverly Lynch and unanimously carried by the Board members present.

MARKET OVERVIEW

In brief comments relative to current global capital market conditions, Cary noted that the best way to monitor the District's OPEB Trust is to ensure the portfolio's stocks/bonds ratio is balanced. Regarding the domestic markets, Cary observed that there is not a lot of value on the fixed income side but stocks are trading at 12-13 times earnings and are considered cheap right now. Historically, stocks have traded on average at 15-16 times earnings. Cary advised that on a macro level there are many issues globally and the markets are seizing the fear and are priced accordingly. Nonetheless, he feels that Europe will muddle through at the end of the day. Another factor affecting our domestic markets is that tax rates are scheduled to go up at the end of the year. Board member Mark Newton made an inquiry about the EAFE. Cary noted that last year there was a 20% difference between the S&P 500 and EAFE Indices and advised that developed economies have had greater stock market decreases than emerging economies because of their debt positions. Board member Phil Crawford noted that China and India are investing heavily in Africa.

In the Board package materials provided, Cary presented the first quarter "Capital Markets Overview" from Morgan Stanley Smith Barney (MSSB). Equities continued their fourth quarter 2011 advances, buoyed by central bank easing around the globe, the perception of a less-than-catastrophic outcome in Europe and a stronger than expected U.S. economy. The Dow Jones was up 8.8%, posting its best first-quarter performance since 1998. The NASDAQ Composite was up 18.7%, while the S&P 500 rose 12.6% in the same period. Still, with Europe in a recession and slowing economic growth in China and the U.S., fiscal concerns weighed on global growth expectations. Both Morgan Stanley and Citi economists reduced global

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growth expectations for 2012 to 3.5% and 3.1%, respectively, with nearly 80% of growth coming from emerging market economies.

In the March 29th update, the Department of Commerce estimated that Gross Domestic Product grew at an annual rate of 3.0% in the fourth quarter of 2011, in comparison with 1.8% in the third quarter of 2011. Both Morgan Stanley and Citi economists forecast that U.S. GDP will grow 2.1% in 2012. For the quarter, the seasonally adjusted unemployment rate fell from 8.3% for January to 8.2% for March. Job gains in the quarter took place in health care, manufacturing and food services and drinking places. However, employment fell in retail trade. The Census Bureau reported that privately owned housing starts in February 2012 were at a seasonally adjusted annual rate of 698,000 – 1.1% below the revised January estimate but 34.7% above February 2011 housing starts. Despite the one-year rise in housing starts, demand for new homes in 2012 remains weak.

In the U.S. bond market, last year's flight to safety that fueled the year long Treasuries rally came to end in the first quarter of 2012 as investors opted to buy riskier assets, including lower-quality debt, such as high-yield corporate bonds. The benchmark 10-year Treasury note yields steadily rose during the first quarter, ending the quarter at 2.2%. During the first quarter, investors overlooked the ongoing negative headlines about state and local government finances, which was a continued boon to the municipal-bond market. However, the powerful rally in U.S. Treasuries fizzled, municipal bond prices gains also diminished.

VI. EDUCATION

Cary Allison of Morgan Stanley Smith Barney (MSSB) and Scott Rankin of Benefit Trust Company (BTC) explained that the Risk Tolerance Questionnaire (RTQ) is designed to measure the Risk Attitude and Risk Capacity of the Retirement Board of Authority (RBOA). Scott advised how the District's OPEB liquidity needs and time horizons factor into the determination of the Target Rate of Return and how the Risk Tolerance Questionnaire provides guidance to the selection of a Target Rate of Return most aligned to the Risk Attitude and Risk Capacity of the Board. Scott continued by providing an overview of the role and purpose of the Investment Policy Statement (IPS)

Cary reviewed the Monte Carlo simulation analysis for the District's designated Target Rate of Return and discussed how a simulated range of average annual returns for the present and proposed composite asset mix are shown over the projected period. Cary noted that there is a 98% chance of realizing a return that is greater than the simulated worst case return and there is a 2% chance of exceeding the simulated best case return. It should be noted that the range of average returns narrows over time periods and for more conservative portfolios. Board member Mark Newton wondered if the District's highest Target Rate of Return is 7% and Scott responded that it is 8%. Mark also wondered if having a large amount of money invested assures that the District will meet its goal. Cary responded in the affirmative and stated that while 8% is the return objective, thus far 10% per year has been achieved. Board Chairperson Peter Fitzsimmons inquired if the Retirement Board of Authority should conduct another Risk Tolerance Questionnaire. He advised Board member Mark Newton to keep in mind that the Target Rate of Return has an impact on the District's Actuarial Valuation Study in that a lower Target Rate of Return will negatively affect the District's unfunded liability position.

VII. ADMINISTRATION

DESIGNATION OF NEW MEMBER TO THE RETIREMENT BOARD OF AUTHORITY

A motion was made by Board member Beverly Lynch to acknowledge and welcome Arlene Amelia, Retired Staff and Former Member CSEA, Chapter 363, as a Retirement Board of Authority member. The motion was seconded by Board member Barbara Hanfling and unanimously carried by the Board members present.

ANNUAL REPORTING ON THE STATUS OF THE TRUST

A motion was made by Board member Mark Newton to acknowledge that the promulgation of the annual Report on the status of the Trust had been made to the OPEB Trust beneficiaries. The motion was seconded by Board member Beverly Lynch and unanimously carried by the Board members present.

ACTUARIAL VALUATION STUDY

Board Chairperson Peter Fitzsimmons advised that the District will require a new Actuarial Valuation Study by June 2013. In this connection, Peter suggested a committee be created to analyze the services of different actuarial firms and asked for volunteers from the Retirement Board of Authority (RBOA). RBOA members and alternates suggested as committee members were: Barbara Hanfling; Danny Hawkins; Mark Newton and Evelyn Rojas.

FINANCIAL ADVISORY SERVICES UPDATE

Board Chairperson Peter Fitzsimmons explained the Dolinka Group disengagement letter and reviewed the scope of financial services provided by the Dolinka Group to the Retirement Board of Authority (RBOA). He suggested that a sub-committee of the RBOA be created to evaluate financial services to the RBOA relative to 1) the OPEB Trust; 2) the General Obligation Bond and 3) General Financial Services. Relative to the General Obligation Bond, Board member Barbara Hanfling made an inquiry as to who is the current financial adviser to the RBOA. Peter indicated that the RBOA does not have such a financial adviser at this time. In this context, Board member Phil Crawford wondered about the need for Directors & Officers (D&O) insurance. Gail Beal of Keenan Financial Services advised that D&O insurance is a District choice and expense. Peter reviewed provisions of the Bond Purchase Agreement Debt Service Requirement and the Trust Agreement. Peter provided an overview of the credit rating additional covenants.

DISBURSEMENTS

A motion was made by Board member Phil Crawford to ratify all reimbursement expenses, account transfers and reasonable fees associated with the management and operation of the District's OPEB Trust since the last RBOA meeting. The motion was seconded by Board member Barbara Hanfling and unanimously carried by the Board members present.

UPDATE ON BOARD OF TRUSTEES APPROVED REFINANCING OPTION FOR THE TAXABLE OPEB BONDS

Board Chairperson Peter Fitzsimmons advised the Retirement Board of Authority (RBOA) members that the updates on the refinancing option had been approved by the District's Board of Trustees.

ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES

On May 8, 2012, Gail Beal of Keenan Financial Services and Scott Rankin of Benefit Trust Company provided a PowerPoint presentation to the San Jose/Evergreen Community College Board of Trustees regarding the status of the District's OPEB Trust. The information provided was well received by the Board of Trustees.

PRIVATE LETTER RULING

Gail Beal of Keenan Financial Services advised that to move through to the final review and approval process, the IRS is requesting that all existing Trust Agreements be amended to: a) refine the definitional criteria surrounding the Trust governance process (and thus eliminate concern that control can be exerted by other third parties, such as Benefit Trust Company, as the contracted trustee of the trust), including the appointment of "Board of Authority" members; b) remove prior provisions in the Trust that provide discretionary authority for Trust-related decisions to be made outside the Trust or approved Adoption Agreement; and c) clarify that all invested assets can only be used for the stated Trust purposes of funding all post-employment retiree benefit costs.

Relative to the District's OPEB Documents, Gail noted that the IRS requests should be incorporated within a few days and that the Retirement Board of Authority will receive a new signature ready Adoption Agreement. Scott Rankin of Benefit Trust Company explained that the IRS was concerned relative to OPEB Trust assets being used to pay anything other than retiree benefits. Board member Mark Newton wondered about the purpose of the language changes made by the IRS. Scott noted that it is strictly related to tax purposes.

FUTURIS GASB 43/45 COMPLIANCE CONTRACT RENEWAL

Relative to contract renewals, the Retirement Board of Authority are to obtain fee schedules from other service providers and bring project findings to the District's Governing Board of Trustees. Board Chairperson Peter Fitzsimmons and the District's Staff Accountant, Linda Wilczewski is on point for this process.

VIII. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

There were no Program Coordinator/Consultant comments.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

Gail Beal of Keenan Financial Services noted that there will be an OPEB Investment Workshop in Walnut Creek on October 17, 2012. Gail advised Board members to look for a 'hold the date' notice from Keenan Financial Services soon.

VISITORS COMMENTS

There were no Visitor comments.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

The next Retirement Board of Authority meeting is scheduled as follows:

- October 18, 2012: 1:00 PM-3:00 PM.

Among the Agenda Items to be reviewed are the following:

- Risk Tolerance Questionnaire (RTQ).
- Status of the "Substantive Plan" (Vol. II) Updates.
- Disbursements.
- Directors & Officers Insurance (tentative).
- Private Letter Ruling (PLR).

X. ADJOURNMENT

The Retirement Board of Authority meeting was adjourned at 5:10 PM.

Americans with Disabilities Act The San Jose/Evergreen Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the San Jose/Evergreen Community College District Retirement Board of Authority meeting, shall be made to: Peter Fitzsimmons, Director of Fiscal Services, San Jose/Evergreen Community College District, 2100 Moorpark Avenue, San Jose, CA 95128.

MINUTES

**SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

April 26, 2012
1:00 PM – 3:00 PM

San Jose City College
Technology Center Room T-112
2100 Moorpark Avenue
San Jose, CA 95128
(408) 288-3708

I. CALL TO ORDER

The Retirement Board of Authority meeting was called to order at 1:07 PM by Board Chairperson Peter Fitzsimmons.

II. ROLL CALL

RETIREMENT BOARD OF AUTHORITY (“BOARD”) MEMBERS

Interim Vice Chancellor, Administrative Services	Doug Smith
Vice Chancellor, Human Resources	Kim Garcia
Director of Fiscal Services	Peter Fitzsimmons
Faculty and President, Faculty Association, AFT 6157	David Yancey
Faculty and Member of AFT 6157	Mark Newton
Staff and Member CSEA, Chapter 363	Danny Hawkins

PROGRAM COORDINATOR

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS

Morgan Stanley Smith Barney	Cary Allison
Benefit Trust Company	Scott Rankin
KNN Financial Group	Joanna Bowes

GUESTS

San Jose / Evergreen CCD Staff Accountant	Linda Wilczewski
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OTHER

None

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Retirement Board of Authority Meeting
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Those Absent were:

Retired Faculty / AFT 6157	Phil Crawford
Staff and Member CSEA, Chapter 363	Evelyn Rojas
Retired Staff and Former Member CSEA, Chapter 363	Sylvia Estrada
Faculty and Member AFT 6157 (Alternate)	Barbara Hanfling
Staff and Member CSEA, Chapter 363 (Alternate)	Beverly Lynch

III. APPROVAL OF AGENDA

A motion was made by Board member David Yancey to approve the Agenda as presented, seconded by Board member Danny Hawkins and unanimously carried by the Board members present.

IV. APPROVAL OF MINUTES

A motion was made by Board member David Yancey to approve the April 26, 2012 Meeting Minutes as presented. The motion was seconded by Board member Danny Hawkins and unanimously carried by the Board members present.

V. INVESTMENTS

PORTFOLIO REVIEW

Cary Allison of Morgan Stanley Smith Barney (MSSB) provided an overview of the District's Change in Portfolio, Asset Allocation, and Time Weighted Return (Gross and Net of Fees) for period ending March 31, 2012.

1. The District's Short Term Public Entity Trust.

As of March 31, 2011 portfolio report, the District's Short Term portfolio had been reduced to a liquidated position. The value of the portfolio as of December 31, 2011 was \$1,885.92 and as of March 31, 2012 the portfolio value is \$0.67. The March 31, 2012 portfolio report shows an annualized inception to date net rate of return of 20.86% compared to the Barclays Aggregate of 6.87% and the S&P 500 Adj for Divs of 20.32%.

2. The District's Public Entity Investment Trust.

As of December 31, 2011, the District's Investment Trust portfolio had an allocation of 31.2% in fixed income funds and 68.8% in equity funds (equity funds comprised of 45.1% in domestic equity and 23.7% in international equity). The value of the portfolio as of December 31, 2011 was \$45,135,504.47 and with withdrawals of \$1,185,205.33, the portfolio value as of March 31, 2012 is \$47,650,000.42. The March 31, 2012 portfolio value represents an annualized inception to date net rate of return of 13.67% compared to the Barclays Aggregate of 6.87% and the S&P 500 Adj for Divs of 20.32%. The investment results for the latest 12 months show a net increase 1.24% versus the Barclays Aggregate of 7.73% and the S&P 500 Adj for Divs of 8.53%. The current yield on the District's Investment Trust portfolio was 2.8%.

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In the Board materials provided, Cary also presented asset allocation and portfolio updates for the Futuris Public Entity Investment Trust Model Portfolios for period ending March 31, 2012.

A motion was made by Board member David Yancey to approve the Portfolio Review as presented, seconded by Board member Danny Hawkins and unanimously carried by the Board members present.

MARKET OVERVIEW

In the materials provided to Board members, Cary Allison of Morgan Stanley Smith Barney (MSSB) presented MSSB Consulting Group “Capital Markets Overview” for fourth quarter 2011. In the fourth quarter, equities bounced back, despite concerns over the cumulative effects on the global economy of the European sovereign debt crisis and the legislative standstill in the U.S Congress. The Dow Jones Industrials were up 12.8% for the fourth quarter, and 8.4% for the 12-month period. The NASDAQ Composite was up 7.9% for the quarter, but fell 1.8% for the 12-month period. The S&P 500 rose 11.8% for the quarter, and rose 2.1% for the year. All ten sectors of the S&P 500 Stock Sectors rose in the fourth quarter. Energy fared the best, with an 18.2% uptick. Industrials and Materials rose 16.5% and 15.4%, respectively. Utilities and Telecommunications Services were the laggards, rising 8.3% and 7.9%, respectively. Still, the possibility of a looming recession in Europe weighed on global growth expectations.

Both Morgan Stanley Smith Barney and Citi economists reduced global growth expectations for 2011 to 3.9% and 3.7%, respectively, and 3.5% and 3.0% for 2012. U.S. economic growth is expected by both Morgan Stanley and Citi to be around 1.7% in 2011 and about 2.0% in 2012. Given a growing belief that global growth is slowing, commodity prices declined in the fourth quarter. As risk aversion took hold, mergers and acquisitions activity decreased in the fourth quarter. Global mergers and acquisitions volume for the quarter totaled \$464 billion, down 15% from the third quarter. For 2011, global deal total dollar volume fell to \$2.6 trillion, just below the 2010 total dollar volume figure.

Relative to the current capital markets, Cary provided Board members with materials reflecting mutual fund performances as of March 31, 2012. He advised that the worst performing funds in the District’s portfolio last year are the best performers in the first quarter of 2012. He noted that the domestic capital markets in 2011 were dominated by fear compounded by the following factors:

- The U.S. debt downgrade from an AAA credit rating to an AA+ credit rating.
- High unemployment and lack of jobs generated by the U.S. economy.

Notwithstanding the economic problems and many uncertainties that exist in the current capital markets, he advised Board members that corporate earnings have been strong and will sustain us. He informed Board members that historically stocks have traded at 15 times earnings and currently they are trading at 13 times earnings. Cary responded positively when Board member David Yancey inquired if this could lead to sustainable growth in the U.S. Regarding global market conditions, Cary indicated that Europe will be in a recession, if they are not already in one. He noted that the District’s OPEB Trust portfolio does own some euro stocks – mostly telecom and pharmaceuticals. Board member Mark Newton requested that Cary discuss fund expense ratios and talk about fund costs versus returns. Cary responded that Morgan Stanley Smith Barney (MSSB) analyze their managers relative to costs but ultimately it is about returns – however, Cary noted that the reality is if expenses are too high, returns won’t be good.

LONG-TERM AND SHORT-TERM OPEB ACCOUNTS

Scott Rankin of Benefit Trust Company (BTC) advised that for fiduciary accumulations, the District initially used three accounts in funding its OPEB Trust i.e. a funding strategy that involved Short-term; Mid-term; and Long-term accounts. All assets in the Mid-term account were initially used and it took two years to deplete the account. Scott noted that if the District did not intend to keep the Short-term account, we need to make language adjustments in the Investment Policy Statement (IPS). Board member Mark Newton advised that he is leaning towards keeping the two accounts such that the Short-term account can be used as a hedge against volatility in the capital markets. Cary Allison of Morgan Stanley Smith Barney counseled that the District has another option – keep one account but lower the Target Rate of Return (TRR) to 7.5%. Scott Rankin of Benefit Trust Company (BTC) suggested keeping the Short-term account and recommended a funding strategy covering two years of disbursements (\$3,000,000.00 per year) – Scott noted that there is some exposure to equity markets as the Short-term account has a 20% allocation to equities. Board member David Yancey indicated that he wished to maintain two accounts because it is easier to follow the money trail.

A motion was made by Board member Danny Hawkins to maintain the Short-Term account and move \$6,000,000.00 from the Long Term account to this account. The motion was seconded by Board member David Yancey and unanimously carried by the Board members present.

REVIEW OF INVESTMENT POLICY STATEMENT

A motion was made by Board member David Yancey to reaffirm the provisions of the current Investment Policy Statement (IPS). The motion was seconded by Board member Danny Hawkins and unanimously carried by the Board members present.

VI. ADMINISTRATION

DESIGNATION OF RETIREMENT BOARD OF AUTHORITY MEMBERS

A motion was made by Board member David Yancey to acknowledge and welcome new Retirement Board of Authority members Doug Smith, Interim Vice Chancellor, Administrative Services; Kim Garcia, Vice Chancellor, Human Resources; Phil Crawford, Retired Faculty/AFT 6157 Member; Sylvia Estrada, Retired Staff and Former Member CSEA, Chapter 363 with Barbara Hanfling, Faculty and Member AFT 6157 and Beverly Lynch, Staff and Member CSEA, Chapter 363 as the Alternate Members. The motion was seconded by Danny Hawkins and unanimously carried by the Board members present.

ACTUARIAL VALUATION STUDY UPDATE

Board Chairperson Peter Fitzsimmons noted that the Investment Trust assets exceed the District's unfunded liability by \$9,300,000.00. Board member Danny Hawkins wants a new Actuarial Valuation Study done because the actuarial assumptions in the District's current Actuarial Valuation Study are very rigid. The District's actuarial consultant refused to change his assumptions and his focus was not on important viable areas.

DISBURSEMENTS

Board member Mark Newton asked why the difference in reimbursement amounts paid. Board Chairperson Peter Fitzsimmons responded by stating that San Jose / Evergreen CCD pays the bills from fund accounts and we are reimbursed from different entities with the OPEB Trust paying the bulk.

THE DISTRICT'S OPEB PLAN INDEPENDENT AUDITOR'S REPORT

Board Chairperson Peter Fitzsimmons noted language taken from the Investment Policy Statement (IPS) by the Independent Auditor's Report as follows: "Investments in a single investment may not exceed 5% of total investments". Scott Rankin of Benefit Trust Company (BTC) confirmed that the District Trust's Investment Policy Statement (IPS) states we will not invest more than 5% in any single security. Peter continued by observing to Board members that the Audit Report was very clean and also noted the Independent Auditor's positive narrative "On Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards".

INFORMATION ON A RESOLUTION OF THE BOARD OF TRUSTEES AUTHORIZING THE DISTRICT TO PROCEED WITH FINANCING OPTIONS FOR THE TAXABLE OPEB BONDS

RBOA member Doug Smith advised that a resolution was taken to the District's Board of Trustees on February 14, 2012 which was followed by an Action Item in March 2012 (#44). Joanna Bowes of KNN Financial Group noted that the OPEB Bond issued on May 14, 2009, expires on May 14, 2012. Three options were presented to the Board of Trustees and they decided to opt for the Private Placement with the following parameters:

- District pays fixed swap rate of 4.239% and 1.25% to the Bank – all-in interest Rate: 5.489%
- Interest rate subject to 0.25% increase for every rating downgrade below original expected Moody's Rating of "Aa3"
- Estimated Annual Payments: FYE 2013-2022: \$2.61 million. FYE 2013-2044: \$2.76-\$5.51 million.
- New Bond proceeds create a funding source for transaction costs (currently estimated at \$750,000)

Benefits: Permanent solution at relatively low cost and relatively low impact to the General Fund.

ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES

Gail Beal of Keenan Financial Services (KFS) advised the Retirement Board of Authority members that the annual report to the Governing Board of Trustees will be a simple and transparent presentation and that the representatives from Keenan Financial Services, Benefit Trust Company and Morgan Stanley Smith Barney will be present to respond to any inquiries or questions.

PRIVATE LETTER RULING

Gail Beal of Keenan Financial Services advised Board members that we are seeing some positive movement towards the IRS issuing a Private Letter Ruling for the Futuris program. Gail noted that our attorney Brian Johnston of Polsinelli Shughart PC. is working with a new IRS agent from the same office that received the

initial PLR application. The new IRS agent is reviewing some language changes that they have requested in the past and we anticipate quick resolution subsequent to a meeting scheduled on May 30, 2012. Board member David Yancey wondered as to what concerns the IRS may have. Scott Rankin of Benefit Trust Company (BTC) replied that the IRS asked questions about small items such as the Futuris name, signature blocks, etc.

UPDATE ON SUCCESSION OF FINANCIAL ADVISOR

KNN Financial Group has been selected to provide specific services for the District's OPEB Bond and Swap. In this connection, the District will be working with Joanna Bowes of KNN Financial Group. Joanna is based in Oakland, was recommended by David Casnocha and has 20 years experience in the industry. Joanna has been hired to provide specific OPEB Bond & Swap service for \$10,000.00. Board member David Yancey inquired as to whether the decision was made by the District or the Board. Board Chairperson Peter Fitzsimmons indicated that he would make inquiry relative to the decision making protocols in choosing KNN Financial Group. Board member Doug Smith indicated that he had not terminated the Dolinka Group at this time and suggested bringing back the Agenda Item to ratify Joanna with the Board. Gail Beal of Keenan Financial Services suggested reviewing RBOA meeting minutes to see the mechanics of appointing service providers. Board member Danny Hawkins recommended that they move to select a financial advisor for the Retirement Board of Authority (RBOA) requirements.

KEENAN FINANCIAL SERVICES GASB 43/45 COMPLIANCE CONTRACT RENEWAL

The Retirement Board of Authority (RBOA) is reviewing the District's GASB 43 & 45 OPEB Investment Trust current contracts, services, and compliance protocols and will make recommendations to the District's Governing Board of Trustees at its next meeting relative to contract renewals. Board Chairperson Peter Fitzsimmons suggested that this be an action item at the next Retirement Board of Authority (RBOA) meeting. Peter also recommended that they conduct a Request for Proposal (RFP). This will be the recommendation of the RBOA to District's Governing Board of Trustees.

VII. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

Board Chairperson Peter Fitzsimmons suggested the Board revisit the Risk Tolerance Questionnaire (RTQ) process to facilitate new Board members. Board member David Yancey felt that it was not a good time for the Board to engage in the process. Board member Danny Hawkins proposed financial education materials that would include information relative to the RTQ process.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

There were no Program Coordinator/Consultant comments.

VISITORS COMMENTS

There were no Visitor comments.

VIII. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

The next Retirement Board of Authority meeting is scheduled as follows:

- July 9, 2012: 3:00 PM-5:00 PM.
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IX. ADJOURNMENT

The Retirement Board of Authority meeting was adjourned when all Agenda Items were reviewed and discussed.

Americans with Disabilities Act The San Jose/Evergreen Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the San Jose/Evergreen Community College District Retirement Board of Authority meeting, shall be made to: Peter Fitzsimmons, Director of Fiscal Services, San Jose/Evergreen Community College District, 2100 Moorpark Avenue, San Jose, CA 95128.