



san josé·evergreen  
COMMUNITY COLLEGE DISTRICT

**District Retirement Board of Authority**

2018 Agendas

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April 26

October 25

**AGENDA**

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

**April 26, 2018**

**1:00 PM–3:00 PM**

**Evergreen Valley College**

**Library - Mishra Room**

**3095 Yerba Buena Road**

**San Jose, CA 95135**

**(408) 274-6700**

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**I. CALL TO ORDER**

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**II. ROLL CALL**

**RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS**

Vice Chancellor, Administrative Services

Douglas Smith

Vice Chancellor, Human Resources

Kim Garcia

Executive Director, Fiscal Services

Peter Fitzsimmons

Faculty and Member, AFT 6157

Chris Frazier

Faculty and Member, AFT 6157

Bill Jacobs

Retired Faculty and Member, AFT 6157

Phil Crawford

Staff and Member CSEA, Chapter 363

Dan Hawkins

Staff and Member CSEA, Chapter 363

Maria Holguin

Retired Staff and Member CSEA, Chapter 363

Arlene Amelia

**PROGRAM COORDINATOR**

Senior Vice President, Keenan Financial Services

Gail Beal

Senior Account Manager, Keenan Financial Services

Roslyn Washington

**CONSULTANTS**

Morgan Stanley Wealth Management (MS)

Cary Allison

Benefit Trust Company (BTC)

Scott Rankin

**GUESTS**

Faculty and Member, AFT 6157 (Alternate)

Jennifer Bills

Staff and Member CSEA, Chapter 363 (Alternate)

Elaine Chapman

**OTHER**

San Jose Evergreen CCD Controller

Linda Wilczewski

San Jose Evergreen CCD Benefits Analyst

Michelle McKay

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**III. PUBLIC COMMENTS**

**Information**

**2017/2018-021**

The public may address the Retirement Board of Authority (RBOA) on any matter pertaining to the Board that is not on the agenda. The Chair reserves the right to limit the time of presentations by individual or topic.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**AGENDA - San Jose/Evergreen Community College District  
Retirement Board of Authority (RBOA) Meeting  
April 26, 2018  
Page 2**

**IV. APPROVAL OF AGENDA**

**Action  
2017/2018-022**

The Retirement Board of Authority retains the right to change the order in which agenda items are discussed. Subject to review by the Retirement Board, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**V. APPROVAL OF MINUTES**

**Action  
2017/2018-023**

The Retirement Board of Authority will review the Minutes from the previous meeting on **October 26, 2017** for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**VI. WELCOME NEW MEMBERS**

**Information  
2017/2018-024**

The Retirement Board of Authority (RBOA) will recognize the newly appointed members from CSEA, Chapter 363: **Dan Hawkins** and from AFT 6157 **Jennifer Bills**.

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**VII. INVESTMENTS**

**PORTFOLIO PERFORMANCE REVIEW**

**Action  
2017/2018-025**

Morgan Stanley (MS) will review the portfolio's fund construction and the portfolio performance of the District's Public Entity Investment Trust (the "Trust"). The RBOA will review both the Individual Short & Long Term Performance reports as well as the Consolidated Performance report.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**MARKET OVERVIEW**

**Information  
2017/2018-026**

Morgan Stanley (MS) will provide an analysis of global capital market conditions since the last Retirement Board of Authority meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**INVESTMENT POLICY STATEMENT REVIEW**

**Action  
2017/2018-027**

The Retirement Board of Authority shall, with the assistance of Benefit Trust Company (BTC) and Morgan Stanley (MS), review the Investment Policy Statement setting forth the investment objectives for the Trust. Key to this process is a review of the Board's time horizon for investment, short-term liquidity needs, attitudes, as well as the capacity to accept investment risk as measured through the completion of a **Risk Tolerance Questionnaire**, the expected rate of return of the Board taking into account the discount rate and the assumptions contained in the most recent Actuarial Valuation Study, as well as any other information the Board Members feel pertinent to the discussion.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**VIII. EDUCATION**

**Information  
2017/2018-028**

The purpose of this and all Retirement Board of Authority meetings is the continuing education of Retirement Board members on the status of the funds held in the Trust and the fiduciary duties of the Retirement Board members. All of the agenda items are included in furtherance of that purpose. Investment in monies for the long term carries with it a fiduciary liability. A discussion, led by Morgan Stanley will present the annual update of their capital market assumptions.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**IX. ADMINISTRATION**

**DISBURSEMENT REPORT**

**Action  
2017/2018-029**

The Retirement Board of Authority (RBOA) membership shall analyze and ratify annual reimbursement expenses, provider remittance, account transfers and fiduciary governance fees associated with GASB 43/45 compliance and the Management/Operation of the District's OPEB Investment Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**THE DISTRICT'S OPEB PLAN INDEPENDENT AUDITOR'S REPORT**

**Information  
2017/2018-030**

The Retirement Board of Authority (RBOA) membership shall discuss the most recent Independent Auditor's Report which provides the District's OPEB Plan with independent third party certifications relative to governance protocols, accounting standards, financial statements, funding progress, fiduciary structures and controls.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**RETIREE BENEFIT COST DATA FOR FISCAL YEAR 2018-2019**

**Information  
2017/2018-031**

The District's Vice Chancellor of Human Resources, **Kim Garcia**, and Benefits Analyst, **Michelle McKay** shall provide rate schedules associated with Retiree Benefit costs for fiscal year 2018-2019.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**RETIREE HEALTH BENEFITS REIMBURSEMENT EXPENSES**

**Information  
2017/2018-032**

The Retirement Board of Authority (RBOA) membership shall review a list of itemized expenditures associated with Retiree Health Benefits in relation with GASB 74/75 compliance and the Management/Operation of the District's OPEB Investment Trust for Plan Year January 1, 2017 to December 31, 2017.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**UPDATING THE “SUBSTANTIVE PLAN” ANNUALLY, AN ESSENTIAL COMPONENT OF  
THE COMPREHENSIVE COMPLIANCE PLAN** **Information  
2017/2018-033**

The Comprehensive Compliance Plan is a summary of the State of California regulatory mandates and GASB requirements applicable to the District’s Public Entity Investment program. As an essential protocol of this framework, Keenan Financial Services provides a written summary of the “Substantive Plan” for fiscal 2016/2017 which acts as both a road map and a record of the Retirement Board of Authority’s compliance with its governance and fiduciary duties.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**TRANSFER OF ASSETS** **Action  
2017/2018-034**

A key element in the Investment Trust administrative process is the District’s OPEB reimbursement and expense requirements. In this connection, the Retirement Board of Authority (RBOA) will discuss taking action transfer fiduciary assets from the Trust’s Long-Term Account to the Short-Term Account to meet the District’s refund and expense schedules.

**PRIVATE LETTER RULING APPLICATION UPDATE** **Information  
2017/2018-035**

The Retirement Board of Authority will be given an update on the Private Letter Ruling from the Internal Revenue Service regarding the Section 115 Trust arrangement including correspondence dated January 29, 2018 from Morgan Lewis and correspondence dated February 8, 2018 received from the Internal Revenue Service.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**UPDATE OF RETIREMENT BOARD OF AUTHORITY (RBOA) BYLAWS** **Action  
2017/2018-036**

The current District OPEB Trust document provides provisions to operate the Trust. RBOA Bylaws provide additional direction for issues not discussed in the provisions of the District’s Trust Document. The Retirement Board of Authority will review the RBOA Bylaws and edit as necessary.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES UPDATE** **Information  
2017/2018-037**

The Annual Report regarding the status of the District’s Public Entity Investment Trust will be presented to the San Jose/Evergreen Community College District Board of Trustees at their meeting of May 8, 2018. Roslyn Washington will provide the draft report to the Retirement Board of Authority (RBOA) membership for its review and approval.

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**X. INFORMATION REPORTS**

**RETIREMENT BOARD OF AUTHORITY COMMENTS** **Information  
2017/2018-038**

Each member may report about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

**PROGRAM COORDINATOR/CONSULTANT COMMENTS**

**Information  
2017/2018-039**

The Program Coordinator and Consultants will report to the Board about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions, and no action will be taken unless listed on a subsequent agenda.

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**XI. DATE, TIME, AGENDA ITEMS FOR NEXT MEETING**

**2017/2018-040**

The Agenda Items for the next meeting will be the same as for this meeting. Members and visitors may suggest additional items for consideration at the next Retirement Board of Authority meeting.

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**XII. ADJOURNMENT**

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**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, Executive Director of Fiscal Services, San Jose/Evergreen Community College District, 40 S. Market Street, 2<sup>nd</sup> Floor, San Jose, CA 95135.

**AGENDA**

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RETIREMENT BOARD OF AUTHORITY MEETING**

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**II. ROLL CALL**

**RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS**

Vice Chancellor, Administrative Services

Douglas Smith

Associate Vice Chancellor, Human Resources

Vacant

Executive Director, Fiscal Services

Peter Fitzsimmons

Faculty and Member, AFT 6157

Chris Frazier

Faculty and Member, AFT 6157

Bill Jacobs

Retired Faculty and Member, AFT 6157

Phil Crawford

Staff and Member CSEA, Chapter 363

Dan Hawkins

Staff and Member CSEA, Chapter 363

Maria Holguin

Retired Staff and Member CSEA, Chapter 363

Arlene Amelia

**PROGRAM COORDINATOR**

Senior Account Manager, Keenan Financial Services

Roslyn Washington

**CONSULTANTS**

Morgan Stanley (MS)

Cary Allison

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Scott Rankin

**GUESTS**

Faculty and Member, AFT 6157 (Alternate)

Jennifer Bills

Staff and Member CSEA, Chapter 363 (Alternate)

Elaine Chapman

**OTHER**

San Jose Evergreen CCD Controller

Linda Wilczewski

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**III. PUBLIC COMMENTS**

**Information**

**2018/2019-001**

The public may address the Retirement Board of Authority (RBOA) on any matter pertaining to the Board that is not on the agenda. The Chair reserves the right to limit the time of presentations by individual or topic.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**IV. APPROVAL OF AGENDA**

**Action**  
**2018/2019-002**

The Retirement Board of Authority retains the right to change the order in which agenda items are discussed. Subject to review by the Retirement Board, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**V. APPROVAL OF MINUTES**

**Action**  
**2018/2019-003**

The Retirement Board of Authority will review the Minutes from the previous meeting on **April 26, 2018** for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**VI. INVESTMENTS**  
**PORTFOLIO PERFORMANCE REVIEW**

**Action**  
**2018/2019-004**

Morgan Stanley (MS) will review the portfolio's fund construction and the portfolio performance of the District's Public Entity Investment Trust (the "Trust"). The RBOA will review the Long Term Performance reports as well as the Consolidated Performance report.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**MARKET OVERVIEW**

**Information**  
**2018/2019-005**

Morgan Stanley (MS) will provide an analysis of global capital market conditions since the last Retirement Board of Authority meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**INVESTMENT POLICY STATEMENT REVIEW**

**Information**  
**2018/2019-006**

The Retirement Board of Authority shall receive a copy of the investment policy statement that was revised by the Board at its meeting of April 26, 2018, which consolidated the long-term and short-term accounts and established a targeted rate of return at 6.5%.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**VII. ADMINISTRATION**

**ELECTION OF CHAIR FOR THE RETIREMENT BOARD OF AUTHORITY**

**Action**  
**2018/2019-007**

The Retirement Board of Authority (RBOA) has been duly appointed by the San Jose Evergreen Community College District Board of Trustees and will elect a new **Chairperson** who will serve in this capacity for one year given the resignation of the current chairperson from the San Jose Evergreen Community College District.

PUBLIC COMMENTS:

BOARD CONSIDERATION



**REVIEW OF BOARD RESOLUTION 091118-2**

**Information  
2018/2019-008**

Board Resolution 091118-2 will be presented to the San Jose/Evergreen Community College Retirement Board of Authority membership for its review and discussion.

PUBLIC COMMENTS:

BOARD CONSIDERATION

**TRUST ANNUAL REPORTING ON THE STATUS OF THE ACTION ACTION**

**2018/2019-009**

California Government Code 53216.4 requires an annual reporting of the funds held in the District's OPEB Trust to beneficiaries of the Trust. The Retirement Board of Authority shall acknowledge District procedures for Annual Report promulgation to Trust beneficiaries for fiscal year ending June 30, 2018.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**DISBURSEMENT REPORT**

**Action  
2018/2019-010**

The Retirement Board of Authority (RBOA) membership shall analyze and ratify annual reimbursement expenses, provider remittance, account transfers and fiduciary governance fees associated with GASB 74/75 compliance and the Management/Operation of the District's OPEB Investment Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**UPDATING THE "SUBSTANTIVE PLAN" ANNUALLY, AN ESSENTIAL COMPONENT OF THE COMPREHENSIVE COMPLIANCE PLAN**

**Information  
2018/2019-011**

The Comprehensive Compliance Plan is a summary of the State of California regulatory mandates and GASB requirements applicable to the District's Public Entity Investment program. As an essential protocol of this framework, Keenan Financial Services provides a written summary of the "Substantive Plan" for fiscal 2017/2018 which acts as both a road map and a record of the Retirement Board of Authority's compliance with its governance and fiduciary duties.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES UPDATE**

**Information  
2018/2019-012**

The Annual Report regarding the status of the District's Public Entity Investment Trust was presented to the San Jose/Evergreen Community College District Board of Trustees at their meeting on **June 12, 2018**. Roslyn Washington of Keenan, and Peter Fitzsimmons, the RBOA Chair will discuss the outcome of that meeting with the Retirement Board of Authority.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

## **TRANSFER OF ASSETS**

**Information  
2018/2019-013**

A key element in the Investment Trust administrative process is the District's OPEB reimbursement and expense requirements. In this connection, the Retirement Board of Authority (RBOA) will act to transfer fiduciary assets into the Long-Term OPEB Trust Account in accordance with the District's funding procedures.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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## **VIII. INFORMATION REPORTS**

### **RETIREMENT BOARD OF AUTHORITY COMMENTS**

**Information  
2018/2019-014**

Each member may report about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

### **PROGRAM COORDINATOR/CONSULTANT COMMENTS**

**Information  
2018/2019-015**

The Program Coordinator and Consultants will report to the Board about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions, and no action will be taken unless listed on a subsequent agenda.

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## **IX. DATE, TIME, AGENDA ITEMS FOR NEXT MEETING**

**2018/2019-016**

The Agenda Items for the next meeting will be the same as for this meeting. Members and visitors may suggest additional items for consideration at the next Retirement Board of Authority meeting.

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## **X. ADJOURNMENT**

**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: Douglas Smith, Vice Chancellor, Administrative Services, San Jose/Evergreen Community College District, 40 S. Market Street, 6th Floor, San Jose, CA 95113.