MINUTES

SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING
November 20, 2024
1:30 PM–3:00 PM

I. CALL TO ORDER

a. The meeting was called to order at 2:02 PM by Dan Hawkins, RBOA Chairperson.

II. ROLL CALL

1. **All Retirement Board of Authority (RBOA) members were present: Except Joseph Chesmore and Maria Holguin.**
   Edwin Chandrasekar, Vice Chancellor, Administrative Services
   Joseph Chesmore, Executive Director of Fiscal Services
   Dio Shipp, Vice Chancellor, Human Resources
   Dan Hawkins, Staff and Member, CSEA Chapter 363 **(RBOA Chair)**
   Maria Holguin, Staff and Member CSEA, Chapter 363
   Arlene Amelia, Retired Staff and Former Member CSEA, Chapter 363
   Jessica Breheny, Faculty & Member of AFT 6157 **(RBOA Vice-Chairperson)**
   David Yancey, Retired Faculty & Member of AFT 6157R
   Patrick Butler, Retired Faculty & Member of AFT 6157R

2. **All Coordinators/Consultants were present:**
   Roslyn Washington, Assistant VP, Keenan Financial Services
   Gail Beal, Sr. Vice President Analyst, Keenan Financial Services
   Alden Yi, Assistant VP, Keenan Financial Services
   Scott Rankin, Senior Vice President, Benefit Trust Company
   Dan Tichenor, Consultant, Morgan Stanley, Investment Consultant to BTC

3. **Guests:** None

III. PUBLIC COMMENTS

1. David Yancey addressed the RBOA with the following information:
   a. David stated he did not receive a copy of the draft minutes for the April 17, 2024, RBOA meeting via email like everyone else. Jessica Breheny suggested that Keenan send the draft agenda and minutes to all RBOA members with a Read/Receipt confirmation included.
   b. All other members confirmed receipt of the Minutes 1 month after the April 17, 2024, meeting concluded.
   c. David suggested we move "Approval of the Minutes" ahead of "Approval of the Agenda" for this meeting and all future RBOA meetings.
   d. The RBOA
2. This item is information only.

IV. APPROVAL OF MINUTES

a. Edwin Chandrasekar Moved to approve the Minutes from **April 17, 2024**, with suggested changes; Motion was seconded by Jessica Breheny.
b. Patrick further requested to have the Minutes sent to ALL RBOA members in advance (within 45 days of the next meeting) with a "Read/Receipt" for review and editing.
c. 7 in favor/0 opposed. Motion Caries.

V. APPROVAL OF AGENDA

a. Jessica Breheny Moved to approve the agenda with a change moving the order of Approval of Minutes listed prior to Approval of Agenda; Motion was seconded by David Yancey and was unanimously approved by all the Retirement Board of Authority members present.
7 in favor/0 opposed. Motion Carries.

VI. INVESTMENTS

1. Portfolio Performance Review

a. Scott Rankin, BTC reviewed the performance of the accounts as of **October 31, 2024.**
b. The Portfolio Value as of October 31, 2024, was **$39,434,655.27**
c. Today's value is $39,603,917.00.
d. This is an information item only.

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 latest 10 year	Annualized Inception to Date
-2.39	-2.39	7.76	20.75	-0.97	4.17	4.87	7.14

2. Market Overview (provided by Dan Tichenor, Morgan Stanley Consultant to BTC)

Economy:

- Despite the Federal Reserve cutting interest rates in late 2024, yields moved higher as expectations lowered on the pace of rate cutting in 2025
    - The market is pricing in 1-2 rate cuts for 2025
    - Higher than expected inflation readings also caused the Federal Reserve to reconsider their rate cutting pace

Capital Markets:

- International Equities and Emerging Market valuations are inexpensive both historically and relative to US Equities
    - After a strong two-year run, the Magnificent 7 looks poised to mean revert and track more closely with broader US Equities
    - Morgan Stanley Global Investment Office is still pricing in 10-15% in earnings growth for 2025

- Fixed Income remains attractive compared to Equities with the equity risk premium sitting one standard deviation below historical averages
    - Despite Fixed Income's poor performance in the final quarter of 2024, yields sit at attractive levels

3. Investment Policy Statement Review

a. Scott Rankin presented the Investment Policy Statement.
b. There are no additional language changes recommended by BTC at this time.
c. Scott Rankin stated the original asset mix was 61% equities, 39% Fixed Income. In April 2018, the RBOA voted to change the asset allocation to the current position of 45% Equities, 55% Fixed Income.
d. David Yancey suggested to have the equity exposure increased.
e. Dio Ship moved to reaffirm the IPS; Motion was seconded by Jessica Breheny and unanimously approved by majority vote of all members present.
6 in favor/1 opposed, motion caries.

VII. ADMINISTRATION

1. Designation of new Retirement Board of Authority (RBOA) member

a. The RBOA would like to welcome Dio Shipp, Vice Chancellor of Human Resources.
b. This item is information only.

2. Annual Reporting on the Status of the Trust

a. Roslyn Washington, Keenan presented the cover page of the annual notice advising the RBOA that the report was posted to the district's website July 2024.
b. This item is information only.

3. Updating the Comprehensive Compliance/Substantive Plan

a. Roslyn Washington of Keenan presented the signed OPEB Questionnaire. There were no changes to the retiree health benefits that were different than the prior year.
b. The completed Substantive Plan has been delivered to the district office.
c. This item is information only.

4. Disbursement Report

a. Roslyn Washington of Keenan presented the disbursement report highlighting all fees paid to Keenan & Benefit Trust Company from the beginning of the fiscal year (July 2024 thru October 2024). Morgan Stanley fees are paid by BTC directly.
b. This item is information only.

5. Retiree Health Benefit Reimbursement Expenses

a. The Retirement Board of Authority was provided a list of withdrawal request the district submitted to Benefit Trust Company to cover OPEB expenses from **April 2024 – October 2024**

b. Roslyn Washington of Keenan advised the Board of Authority that the reimbursement request require 3 signatures (1 Mgmt, 1 AFT, & 1 CSEA member) before BTC will process the request sending funds back to the district. BTC does not require an itemized listing of the actual expenses from the district.
c. David Yancey motioned to approve the Reimbursement Expenses; Motion was seconded by Edwin Chandrasekar and unanimously approved by all board members present.
7 in favor/0 opposed. Motion Carries

6. Actuarial Valuation Study

a. Edwin Chandrasekar presented the new Actuarial Study. The total liability for fiscal year end June 2024 was $30,988,890. The assets under management were $37,881,824. This leaves a "Net OPEB Liability" $6,892,934.
b. The study shows 594 Active Participants, and 195 Retirees.
c. The discount rate the actuary used was 5.10%
d. The Trust is now funded at a ratio of 122%.

7. Independent Audit Report

a. Edwin Chanderasekar advised the board that the June 30, 2024, audit report will not be available until Spring of 2025.
b. We can present the report at the next Board of Authority meeting in April 2025.
c. This item is information only.

8. Retiree Benefit Cost Data for Fiscal Year 2024-2025

a. A report detailing health care cost for active employees & retirees was provided by the district's benefit specialist Michelle McKay. This report contained health and dental cost information from each carrier for fiscal year 2024-2025.
b. The district is currently enrolled in Self Insured Schools of California (SISC).
c. This is an information item only.

9. Futuris Fee Schedule

a. Scott Rankin, Benefit Trust presented the current Fee Schedule to all RBOA members.
b. The fees are based on end of month asset values.
c. This item is information only**.**

VIII. <u>INFORMATION REPORTS</u>

1. Retirement Board of Authority Comments

a. The RBOA excused the consultants and continued with further internal discussion about the facilitation of the trust.

2. Program Coordinator/Consultant Comments

a. No comments.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

a. April 23, 2025, 2:00pm – 3:30pm

X. ADJOURNMENT

a. Meeting was adjourned at 3:45 pm by Danny Hawkins, RBOA Chair.