

MINUTES

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

April 25, 2020

12:30 PM–2:00 PM

Via Zoom Teleconference

I. CALL TO ORDER

- a. The meeting was called to order at 12:35 PM by Dan Hawkins.

II. ROLL CALL

1. **All Retirement Board of Authority (RBOA) members were present except Bill Jacobs and one vacant position:**

Jorge Escobar, Interim Vice Chancellor, Administrative Services

Dr. Beatriz Chaidez, Associate Vice Chancellor, Human Resources

Phil Crawford, Retired Faculty and Member AFT 6157. **Joined at 12:59PM**

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

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

Roslyn Washington, Assistant VP, Keenan Financial Services

Cary Allison, Executive Director, Morgan Stanley

Scott Rankin, Senior Vice President, Benefit Trust Company

3. **Guests:**

Elaine Chapman, Staff and Member, CSEA, Chapter 363 (Alternate & RBOA Vice-Chair)

Paul Fong, Faculty and Member, AFT 6157 (Alternate)

III. PUBLIC COMMENTS

- a. There were no public comments.

IV. APPROVAL OF AGENDA

- a. Chris Frazier Moved to approve the Agenda as presented; Motion was seconded by Jorge Escobar and was unanimously approved by all of the Retirement Board of Authority members present.

V. APPROVAL OF MINUTES

- a. Chris Frazier Moved to approve the Minutes as presented; Motion was seconded by Arlene Amelia and was unanimously approved by all of the Retirement Board of Authority members present.

VI. INVESTMENTS

1. Portfolio Performance Review

- a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the accounts as of **March 31, 2020**.
- b. The Portfolio Value as of March 31, 2019 was **\$39,760,148.98**

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
-9.28	-10.57	-10.57	-3.66	2.89	3.32	5.48	7.40

- c. The portfolio Value **as of April 22, 2020 is \$41,018,390**
- d. Chris Frazier Moved to approve the Portfolio Performance Review as presented; Motion was seconded by Paul Fong and was unanimously approved by all of the Retirement Board of Authority 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.

3. Investment Policy Statement

- a. The Retirement Board of Authority (RBOA) was presented with a final copy of the IPS.
- b. No suggested changes at this time.
- c. Paul Fong Moved to approve the Investment Policy Statement as presented; Motion was seconded by Jorge Escobar and was unanimously approved by all

of the Retirement Board of Authority members present.

VII. ADMINISTRATION

1. Disbursement Report

- a. Trust disbursement report reflecting fiduciary withdrawals and fees paid to Keenan, BTC & Morgan Stanley for the period October 24, 2019 - April 9, 2020.
- b. Chris Frazier Moved to ratify the fees for the period as presented; Motion was seconded by Phil Crawford and was unanimously approved by all of the Retirement Board of Authority members present.

2. The District's OPEB Plan Independent Auditor's Report

- a. RBOA discussed the most recent independent auditor's report.
- b. No inconsistencies were found.
- c. This is an information item only.

3. Retiree Health Benefits Reimbursement Expenses

- a. the RBOA reviews a list of itemized expenditures associated with retiree health benefits.
- b. This is an information item only.

4. Annual Report to the Governing Board of Trustees

- a. Dan Hawkins, Linda Wilczewski and Roslyn Washington advised the RBOA that he and Roslyn Washington of Keenan presented the Board of Trustees with a report on the status of the Trust and the Board acknowledged.

VIII. INFORMATION REPORTS

Retirement Board of Authority Comments

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

Program Coordinator/Consultant Comments

- a. No comments.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. **October 22, 2020 11:30pm – 1:00pm via Zoom**

X. ADJOURNMENT

- a. Meeting was adjourned at 1:34 pm by Danny Hawkins, Chair.