

MINUTES

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

October 24, 2019
12:30 PM–2:00 PM

- I. **CALL TO ORDER**
 - a. The meeting was called to order at 12:40 PM by Danny Hawkins.

- II. **ROLL CALL**
 1. **All Retirement Board of Authority (RBOA) members were present except Phil Crawford:**

Jorge Escobar, Interim Vice Chancellor, Administrative Services
Dr. Beatriz Chaidez, Associate Vice Chancellor, Human Resources
Linda Wilczewski, Interim Executive Director, Fiscal Services
Chris Frazier, Faculty and Member AFT 6157
Danny Hawkins, Staff and Member, CSEA Chapter 363
Maria Holguin, Staff and Member, CSEA Chapter 363
Arlene Amelia, Retired Staff and Former Member CSEA, Chapter 363
 2. **All Coordinators/Consultants were present except Gail Beal:**

Roslyn Washington, Assistant Vice President, Keenan Financial Services
Cary Allison, Senior Vice President, Morgan Stanley
Scott Rankin, Senior Vice President, Benefit Trust Company
 3. **Guests:**

Elaine Chapman, Staff and Member, CSEA, Chapter 363 (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 **September 30, 2019.**

b. The Portfolio Value as of September 30, 2019 was **\$44,060707.97**

Time weighted return net of fees

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized latest 3 Years	Annualized latest 5 Years	Annualized latest 10 Years	Annualized Inception to Date
0.08	0.37	10.82	3.53	7.06	5.65	7.06	8.52

c. Chris Frazier Moved to approve the Portfolio Performance Review as presented; Motion was seconded by Jorge Escobar and was unanimously approved by all of the Retirement Board of Authority members present.

2. Market Overview

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. Cary advised that the information you hear in the news regarding a recession is basically due to what is called an “inverted yield curve”. This is when the 2year treasury return is slightly higher than the 10year treasury return.
- c. Central Banks are buying up a lot of bonds which is causing the inverted yield curve.
- d. The U.S. buying power is still very strong. We are nowhere near a recession.
- e. Two months ago, the Feds reduced rates .25% and another .25% recently this month. Jerome Powell, Fed Chair may reduce them 1 more time before the end of year but Morgan Stanley thinks rates will remain where there are after that.
- f. Moving forward we think we are just in a slow growth environment.
- g. The behavior of spending has changed with consumers, however, there is also a growth trend of consumer savings on average of approximately 9% of salary.
- h. Morgan Stanley feels that we are about a 5% into a 10% correction right now.
- i. We are still waiting on a China trade deal, but we think that will take much longer than originally anticipated.
- j. Morgan Stanley still prefers stocks over bonds.
- k. This item is information only.

IX. ADMINISTRATION

1. Election of Chair of the Retirement Board of Authority (RBOA)

- a. Chris Frazier nominated Dan Hawkins to serve as Chair of the RBOA, motion was seconded by Arlene Amelia and approved by all RBOA members.

2. Election of Vice-Chair of the Retirement Board of Authority (RBOA)

- a. Chris Frazier nominated Elaine Chapman to serve as Vice-Chair of the RBOA, motion was seconded by Jorge Escobar and approved by all RBOA members.

3. Annual Report on the Status of the Trust

- a. Roslyn Washington presented the Annual Report on the Status of the Trust confirming the report has been placed on the district website.
- b. This item is for information only.

4. Disbursement Report

- a. Trust disbursement report reflecting fiduciary withdrawals and fees paid to Keenan, BTC & Morgan Stanley for the period June 2019 - September 2019.
- b. Chris Frazier Motioned to ratify the fees for the period as presented; Motion was seconded Elaine Chapman and was unanimously approved by all of the Retirement Board of Authority members present.

5. Update to the Substantive Plan, including the Comprehensive Compliance Plan

- a. Roslyn Washington of Keenan presented the OPEB Questionnaire and advised the RBOA that there were no significant changes to the Retiree Health Benefits offered in Fiscal Year 2018/2019 in comparison to Fiscal Year 2017/2018.
- b. Roslyn Presented the Retirement Board with a new E-Library.
- c. This was an Information item only.

6. Annual Report to the Governing Board of Trustees

- a. Dan Hawkins 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.

7. Actuarial Valuation Study Update

- a. Actuarial Valuation Study has an effective date of June 30, 2019.
- b. Linda explained the update for end of year 6/30/2018.
- c. The full report is to be completed by the end of November 2019.
- d. This item is information only.

X. INFORMATION REPORTS

Retirement Board of Authority Comments

- a. No comments.

Program Coordinator/Consultant Comments

- a. No comments.

XI. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. April 23, 2020 (12:30pm – 2:00pm) at Evergreen Valley College

XII. ADJOURNMENT

- a. Meeting was adjourned at 1:30 pm by Danny Hawkins.