

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

February 15, 2024

4:00 PM–6:00 PM

I. CALL TO ORDER

The meeting was called to order at 4:04 PM by Fred Williams.

II. ROLL CALL

All Retirement Board of Authority (RBOA) members were present: **Except Fola (Mary) Odebunmi, Gail Smead, Jeremy Peters, & Jacqueline Rodarte.**

Fred Williams, Vice Chancellor, Finance & Facilities

Irma Ramos, Vice Chancellor, Human Resources

Full-Time Faculty Representative, Fola (Mary) Odebunmi

Full-Time Faculty Representative, Jeremy Peters

Full-Time Classified Representative Gloria Ortega

Full-Time Classified Representative, Gail Smead

Retiree Representative, Joe Boyle

Retiree Representative, Jim Phillips

NOCCCD Board of Trustee Representative, Jacqueline Rodarte

All Coordinators/Consultants were present:

Roslyn Washington, Assistant Vice President, Keenan Financial Services,

Scott Rankin, Senior Vice President, Benefit Trust Company,

Jordan Scafe, Benefit Trust Company

Mark Payne, Investment Consultant, Morgan Stanley/Graystone, Investment Consultant to BTC.

Guest:

Lisa Mealoy, Community College League of California

Tim Filla, Meketa Investment Group

III. PUBLIC COMMENTS

- i. There were no public comments.
- ii. This item is information only.

IV. APPROVAL OF AGENDA

- i. Fred Williams noted there were additional language changes to the agenda that were not included in today's document.
- ii. Joe Boyle moved to approve the agenda, with changes; motion was seconded by Irma Ramos and unanimously carried by the board.

V. APPROVAL OF MINUTES

Jim Phillips moved to approve the Minutes from October 3, 2023; Motion seconded by Ramos and approved by all other board members present.

VI. INVESTMENTS

1. Portfolio Performance Review

- i. Scott Rankin, BTC reviewed the performance of the District’s Investment Trust portfolio account as of December 31, 2023.
- ii. The Portfolio Value of the Trust as of December 31, 2023, was \$135,610,639.61. **The Portfolio Value today was \$138,572,088.08.**

Time weighted return net of fees:

Month to Date	Quarter to Date	Year to Date	Last 1 Year	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Inception to Date
4.89	10.39	16.51	16.51	0.08	6.53	5.77

- iii. Fred Williams suggest we review the Investment Policy Statement at our next RBOA meeting to discuss having the trust reduce its exposure to equities now that withdrawals from the trust are being made to cover the OPEB expenses.
- iv. Special Board meeting will be called to review the Investment Policy.
- v. This is an information item only.

2. Market Overview

- i. Mark Payne, Morgan Stanley, Investment Consultant to BTC gave a market commentary update for the 4th quarter of 2023.
- ii. Brian Sharpes of Graystone SFO gave an overview of macroeconomy as well as discussed best and worst performing sectors of the S&P 500 last year. He also gave an update on short-term interest rates and the pending decisions of the Federal Reserve.
- iii. Lastly, Brian gave Morgan Stanley’s outlook on longer term interest rate and the overall bond market.
- iv. This is an information item only.

VII. ADMINISTRATION

1. Disbursement Report

- i. Roslyn Washington of Keenan presented the fees paid to BTC & Keenan since we last met in September 2023.
- ii. This is an information item only.

2. Reimbursement to the District

- i. A request for a \$3 million withdrawal was submitted this week to cover OPEB expenses for fiscal year 2020/2021 that were previously approved by

the RBOA.

- ii. An additional request of \$5.7mil will be submitted to cover OPEB expenses for fiscal year 2024/2025.
- iii. The trust is considered fully funded with an asset value exceeding the \$125 million liability.
- iv. Fred moved to approve the withdrawal request; motion was seconded by Jim Phillips and unanimously approved by all RBOA members present.

3. Status of the District's current OPEB Plan Independent Auditor's Report

- i. The Independent Audit Report dated June 30, 2023, was presented to the Retirement Board of Authority. site
- ii. There were no negative findings or audit adjustments.
- iii. This is an information item only.

4. Agreement with Boutwell, Fay, LLP

- i. Sherry Boutwell presented the standard engagement letter for legal services that would do a comparison of the current Futuris Program with the League of California Community Colleges OPEB program.
- ii. Joe Boyle asked if the RBOA could instead use district counsel in order to save money.
- iii. Fred advised that that would not be the best option due to the specialization of services and the heavy schedule of district counsel on other projects.
- iv. Irma Ramos motioned to accept the engagement letter; motion was seconded by Gloria Ortega and unanimously approved by all RBOA members present.

5. NOCCCD Retirement Board Discussion with Outside Legal Counsel

- i. The members of the Futuris Team and members of the League of California Community Colleges were asked to leave the room so the retirement board members could discuss the RBOA's fiduciary responsibilities.
- ii. Legal counsel informed the RBOA that they have a fiduciary responsibility to periodically review alternatives. The gold standard was doing a comprehensive RFP.
- iii. This is an information item only.

6. NOCCCD Retirement Board Discussion on Program Options

- i. The members of the Futuris Team and the League were asked to return to the retirement board meeting.
- ii. The Retirement Board members advised that they would continue with the Futuris program until the 4-yr contract expires in 2027.
- iii. The district will conduct a formal RFP for a new OPEB provider in 2026. All parties are free to respond to the RFP.
- iv. This is an information item only.

VIII. INFORMATION REPORTS

1. Retirement Board of Authority Comments

- i. The Board thanked all in attendance for their participation
- ii. This is information only.

2. Program Coordinator/BTC Consultant Comments

- i. Keenan & BTC thanked the board for allowing them to continue servicing the OPEB Trust through the duration of the current contract.
- ii. This is information only.

IX. DATE, TIME, AND AGENDA ITEMS FOR NEXT MEETING

- i. The next regular board meeting will be held in **October 2024** Roslyn will coordinate with the district Admin Staff.
- ii. Prior to that, a special Board of Authority meeting will be scheduled within the next 60 days to review the Investment Policy Statement and consider changing the asset mix.
- iii. Fred requested that the “Fee Calcs” for each month be included with the disbursement report at every meeting.
- iv. This is information only.

X. ADJOURNMENT

Meeting was adjourned at 5.28 PM by Fred Williams.