

MINUTES

NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

April 10, 2024
4:00 PM–5:30 PM

I. CALL TO ORDER

The meeting was called to order at 4:03 PM by Fred Williams.

II. ROLL CALL

All Retirement Board of Authority (RBOA) members were present **Except Irma Ramos, Vice Chancellor, Human Resources and NOCCCD Board of Trustee Representative, Jacqueline Rodarte:**

Vice Chancellor, Finance & Facilities, Fred Williams
Full-Time Faculty Representative, Archie Delshad
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

All Coordinators/Consultants were present Via Zoom:
Roslyn Washington, Assistant Vice President, Keenan Financial Services
Scott Rankin, Senior Vice President, Benefit Trust Company
Mark Payne, Morgan Stanley, Investment Consultant to BTC
Dan Tichenor, Morgan Stanley, Investment Consultant to BTC
Will Kane, Total Compensation Systems, Inc., Consulting Actuary

Guest:

None

III. PUBLIC COMMENTS

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

IV. APPROVAL OF AGENDA

- i. Joe Boyle Moved to approve the agenda as presented; Motion was seconded by Jeremy Peters and was unanimously approved by all the Retirement Board of Authority members present.

V. **APPROVAL OF MINUTES**

- i. Jim Phillips Moved to approve the Minutes from February 15, 2024, as presented; Motion was seconded by Joe Boyle and was unanimously approved by all the Retirement Board of Authority members present.

VI. **ADMINISTRATION**

1. **Welcome of New Retirement Board of Authority Member**

- i. Full-Time Faculty Representative, Archie Delshad; was acknowledged and welcomed by the RBOA. Archie is a member of Faculty that is replacing Fola Odebunmi on the RBOA.
- i. This item is for information only.

VII. **INVESTMENTS**

1. **Portfolio Performance Review**

- i. Scott Rankin, BTC reviewed the performance of the District’s Investment Trust portfolio account as of February 29, 2024.
- ii. The Portfolio Value of the Trust as of February 29, 2024, was \$137,428,974.22. **The Portfolio Value today was \$140,031,965.**

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
2.08	2.34	2.34	14.82	0.26	5.46	5.96

- iii. Scott Rankin let the board know the account is up \$2 million since we last met in February 2024.
- iv. This is an information item only.

2. **Investment Policy Statement Review**

- i. Scott Rankin presented the Investment Policy Statement to the Board of Authority.
- ii. Will Kane spoke about what effects or impact to the liability if they choose to make a change to the asset allocation now.
- iii. Currently the total liability is \$125 Million, and you currently have \$140 Million in trust, you are 120% funded.
- iv. We are currently using a 6.25% assumption, if you had no Trust, we would have to use the current Muni Bond rate of 3%. If you choose to move to a more conservative account, we will have to change the discount rate to coordinate with 1/3 equities.
- v. Changing the discount rate would increase the liability to about \$18 Million, if you move to a 50/50 split you would increase the liability about \$9 Million.
- vi. A Risk Tolerance Questionnaire was taken. Based on the results Scott recommends setting up a second account with 33% equities and 67% bonds which would bring the discount rate lower to 5.5% from the current

- 6.2%.
- vii. Jim Phillips asked about bonds stating it's not going to be a quick uptick, but it will take some time to grow because of interest rates.
 - viii. Fred Williams said the goal is to have the trust pay 100% of PAYGO each year, approximately \$6 Million. Scott said that's a little over 4% a year.
 - ix. Scott Rankin proposed a second option of opening a second account at a more conservative rate to use for reimbursement while keeping the main account funded with more equities.
 - x. Fred Williams moved to opening a second account with an asset mix of 33%/67% Motion was seconded by Joe Boyle and unanimously approved by all board members present.
 - xi. The RBOA also agrees to transfer a total of \$18mil from the Long-Term to the Short-Term account to cover the cost of the PAYGO over the next three years.

ii. INFORMATION REPORTS

1. Retirement Board of Authority Comments

- i. Fred said there will be an RFP in 2026. A potential service provider will be Cal Pers and we will also include the League of Community Colleges.
- ii. The next Actuarial Study will be a full study.
- iii. This is information only.

2. Program Coordinator/BTC Consultant Comments

- i. None
- ii. This is information only.

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

- i. The next regular board meeting will be held in **September 2024** Roslyn will coordinate with the district Admin Staff.
- ii. This is information only.

IX. ADJOURNMENT

- i. Meeting was adjourned at 5:24 PM by Fred Williams.