

District Retirement Board

2008 Meeting Minutes

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MEETING MINUTES

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

**June 10, 2008
10:00 AM – 12:00 PM**

**District Office Board Room
4750 San Felipe Road
San Jose, CA 95135-1599
408-274-6700**

I. CALL TO ORDER

The meeting was called to order by Vice Chancellor, Ron Root, at 10:05 AM.

II. ROLL CALL

Those in attendance were:

MEMBERS:

Vice Chancellor, Administrative
Faculty and President, Faculty Association, AFT 6157
Faculty and Member of AFT 6157
Staff and Member of CSEA, Chapter 363
Staff and Member of CSEA, Chapter 363

Ron Root
David Yancey
Mark Newton
Danny Hawkins
Evelyn Rojas

PROGRAM COORDINATORS:

Executive Vice President
Senior Vice President
Service Representative

Steve Gedestad
Gail Beal
Ken Threeths

CONSULTANTS:

Morgan Stanley
Benefit Trust Company
RPM Consultant Group
Dolinka Group

Cary Allison
Scott Rankin
Chuck Thompson
Ann Feng-Gagne

GUESTS

Executive Director, Faculty Association, AFT 6157
Alternate Retirement Board of Authority Member

Barbara Hampling
Herb Ford

OTHER:

None

III. APPROVAL OF AGENDA

A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to approve the Agenda.

IV. APPROVAL of MINUTES

A request was made by Barbara Hampling to amend the minutes by making a correction on the name of the member that made the motion to adjourn the meeting. The name listed is Mark Yancey, the correct name should be Mark Newton. A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to approve the minutes with the noted amendment.

V. ACTION AGENDA

REVIEW RISK TOLERANCE QUESTIONNAIRE

Cary Allison and Scott Rankin reviewed the reasoning on why the risk tolerance questionnaire was presented to the board and the meaning of the final scores that were tallied. A motion was made by David Yancey, seconded by Mark Newton and unanimously carrier to receive the scores reported on the risk tolerance questionnaire.

SELECTION OF TARGET RETURN

The Board discussed the long term target rate of return for the San Jose/Evergreen portfolio as well as the initial amount that will be invested. The board decided to implement 2 different target rates, the first with a short term rate of return and the second a long term rate of return. Ron informed the Board that the initial short term investment monies will be provided through the bond will be in the amount of \$8.7 million.

A motion was made by Serena Muindi, seconded by Danny Hawkins and unanimously carried to approve a short term target rate of return of 5% (plus fees), this short term target rate of return shall be 2.5 years in duration furthermore \$1.4 million will be taken from the \$8.7 million to meet 2008-2009 retiree obligations.

A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to approve a long term target rate of return of 8% (plus fees). OPEB Bond proceeds in excess of \$8.7 million shall be used as the investment for the long term target rate of return.

REVIEW OF INVESTMENT POLICY STATEMENT

Scott Rankin provided a sample template of the Investment Policy Statement. Scott will customize the Investment Policy Statement to match the target rate return decisions that the board made. A motion was made by Serena Muindi, seconded by Mark Newton and unanimously carried to receive this as the document that will be adopted for use by the San Jose Evergreen Community College District.

REVIEW OF THE COMPREHENSIVE COMPLIANCE PLAN AND SUBSTANTIVE PLAN

Gail presented Volume II of the Comprehensive Compliance Plan. The copy will be housed in Ron Root's office. Volume I will be completed by Chuck Thompson.

DATE AND TIME OF NEXT BOARD OF AUTHORITY MEETING

The next meeting is scheduled for 10:00 AM, July 21, 2008 at the District Office Board Room. 4750 San Felipe Road, San Jose, CA 95135. This meeting could be postponed depending upon the result of the Bond Council meeting.

VI. INFORMATION AGENDA

PERFORMANCE GUARANTEES

Gail Beal provided copies of the performance guarantees to the Board for review.

CORRESPONDENCE

None

AGENDA ITEMS NEXT MEETING

To be determined

RETIREMENT BOARD OF AUTHORITY COMMENTS

None

PROGRAM CONSULTANT COMMENTS

None

VISITORS COMMENTS

None

VII. ADJOURNMENT

A motion was made by Danny Hawkins, seconded by David Yancey and unanimously carried to adjourn the meeting at 12:10 PM.

MEETING MINUTES

**SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD MEETING
MARCH 5, 2008
11:00 AM – 1:00 PM**

**T-120, Tech Building, San Jose City College
2100 Moorpark Ave.
San Jose, CA 95135-1598
408-274-7900**

I. CALL TO ORDER

The meeting was called to order by Retirement Board Member, Danny Hawkins, at 11:06 AM. The meeting was then adjourned for lunch and set to reconvene following lunch. The meeting was called back to order at 11:25 AM

II. ROLL CALL

Those in attendance were:

MEMBERS:

Vice Chancellor, Administrative Services	Ron Root
Faculty and President, Faculty Association, AFT 6157	David Yancey
Faculty and Member of AFT 6157	Mark Newton
Staff and Member of CSEA, Chapter 363	Danny Hawkins
Staff and Member of CSEA, Chapter 363	Evelyn Rojas

PROGRAM COORDINATORS:

Executive Vice President	Steve Gedestad
Senior Vice President	Gail Beal
Service Representative	Ken Threeths

CONSULTANTS:

Morgan Stanley	Cary Allison
Benefit Trust Company	Scott Rankin
RPM Consultant Group	Chuck Thompson

GUESTS

Executive Director, Faculty Association, AFT 6157	Barbara Hampling
Alternate Retirement Board Member	Herb Ford

OTHER:

Student Trustee	Rick Diffenderfer
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III. APPROVAL OF AGENDA

A request was made by David Yancey to amend the agenda by moving Performance Guarantees from Section V, Consent Agenda, to Section VI, Action Agenda. A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to approve the Agenda with the noted amendment.

IV. APPROVAL of MINUTES

A request was made by Steve Gedestad to amend the minutes by changing the meeting start time from 1:00PM to 12:00PM. A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to approve the minutes with the noted amendment.

V. CONSENT AGENDA

The Performance Guarantees were moved to the Action Agenda therefore, there were no items on the consent agenda.

VI. ACTION AGENDA

PERFORMANCE GUARANTEES

Gail Beal reminded the Retirement Board of the deliverable deadlines that were discussed at the February 7, 2008 meeting. A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to approve the deliverable deadlines.

PRESENTATION/COMPLETION OF RISK TOLERANCE QUESTIONNAIRE

The Risk Tolerance process helps develop stated investment goals and objectives of the Trust. The averaged responses from each Retirement Board Member create a consensus view on long-term return objectives, risk tolerances, asset class limits, and policy guidelines. The process helps to create the necessary linkage between the Retirement Board's risk capacity, the Retirement Board's willingness to accept risk, and the asset allocation process. In addition, the process helps to isolate types of investment strategies Committee members may be comfortable and uncomfortable with.

Cary Allison of Morgan Stanley guided the Retirement Board through the completion of the Risk Tolerance Questionnaire. A motion was made by Mark Newton, seconded by Danny Hawkins and unanimously carried to approve the Risk Tolerance scores.

SELECTION OF TARGET RATE OF RETURN

Risk Tolerance Questionnaire scoring feeds into a Matrix that provides guidance as to what Target portfolio would meet the Retirement Board's tolerance for risk. The initial selection was an 8% target rate of return. The Retirement Board decided to postpone this decision until they confirmed the amount of the funds that would be made available to the trust.

REVIEW OF INVESTMENT POLICY STATEMENT

Discussion postponed until the amount of available funds has been confirmed.

APPROVAL OF ANNUAL REPORTING PROCEDURE

Steve Gedestad suggested making the annual report available via the districts website rather than prints and mail the entire report. The district noted that they will be able to add the annual summary to the website and will also add a note in the retiree newsletter that the document is available on line or can request a printed summary if they do not have access to the web. A motion was made by David Yancey, seconded by Mark Newton and unanimously carried to approve the annual report being placed on the district website.

DATE AND TIME OF NEXT RETIREMENT BOARD MEETING

A date and time has not been determined for the next meeting.

VII. INFORMATION AGENDA

REVIEW OF MATERIALS RETIREMENT BOARD WILL USE TO MONITOR PROGRAM

Scott Rankin explained the Sample Trust Statement and the Sample Investment Results Document

CORRESPONDENCE

None

AGENDA ITEMS NEXT MEETING

Selection of Target Rate of Return
Review of Investment Policy Statement
Fiduciary Education

RETIREMENT BOARD COMMENTS

The Retirement Board requested to have a master binder of any fiduciary education documents. The binder could be presented to a new Retirement Board member so they would be able to have a log of all education documents that was presented to the Retirement Board.

PROGRAM CONSULTANT COMMENTS

None

VISITORS COMMENTS

None

VIII. ADJOURNMENT

A motion was made by Mark Newton, seconded by Danny Hawkins and unanimously carried to adjourn the meeting at 1:14 PM.

**MINUTES
INITIAL MEETING**

**SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT
FUTURIS RETIREMENT BOARD OF AUTHORITY MEETING
FEBRUARY 7, 2008
1:00 PM – 3:00 PM**

**T-120, Tech Building, San Jose City College
2100 Moorpark Ave.
San Jose, CA 95135-1598
408-274-7900**

I. CALL TO ORDER

The meeting was called to order by Executive Vice President of Keenan Financial Services, Steve Gedestad, at 12:06 PM. The meeting was then adjourned for lunch and set to reconvene following lunch. The meeting was called back to order at 1:12 PM

II. ROLL CALL

Those in attendance were:

MEMBERS:

Vice Chancellor, Administrative
Director of Fiscal Services
Faculty and President, Faculty Association, AFT 6157
Faculty and Member of AFT 6157
Staff and Member of CSEA, Chapter 363
Staff and Member of CSEA, Chapter 363

Ron Root
Serena Muindi
David Yancey
Mark Newton
Danny Hawkins
Evelyn Rojas

PROGRAM COORDINATORS:

Executive Vice President
Senior Vice President
Vice President
Service Representative

Steve Gedestad
Gail Beal
Bob Schoenherr
Ken Threeths

CONSULTANTS:

Morgan Stanley
Benefit Trust Company
RPM Consultant Group

Cary Allison
Scott Rankin
Chuck Thompson

GUESTS

Executive Director, Faculty Association, AFT 6157
Alternate Retirement Board of Authority Member

Barbara Hampling
Beverly Lynch

Alternate Retirement Board of Authority Member

Herb Ford

OTHER:

None

III. APPROVAL OF AGENDA

A motion was made by Ron Root, seconded by Mark Newton and unanimously carried to approve the Agenda as presented.

IV. CORRESPONDENCE

CORRESPONDENCE PRESENTED: There was no correspondence.

V. ADMINISTRATION

REVIEW OF THE FUTURIS PROGRAM AND ROLES OF THE PROGRAM COORDINATOR

Steve Gedestad referred to the Program Coordinator document within the packet that listed the roles and responsibilities of the program coordinator. Scott also verbally explained the roles and responsibilities of Benefit Trust Company.

REVIEW OF BOARD OF AUTHORITY RESPONSIBILITIES

The San Jose / Evergreen Community College District's Governing Board has delegated investment authority for the Futuris program to a Retirement Board of Authority. The Retirement Board of Authority will function similarly to that of a Plan Committee who is authorized to carry out certain policies as determined under the Plan.

DESIGNATION OF RETIREMENT BOARD OF AUTHORITY AND ELECTION OF CHAIRPERSON

Since this was the first meeting of the Futuris Retirement Board of Authority for San Jose / Evergreen Community College District, Board members need to formally designate a Chairperson to be selected from among the members.

A motion was made by Serena Muindi, seconded by Mark Newton and unanimously carried to approve Chairperson as noted. The Retirement Board of Authority designated the following individual as Chairperson, Ron Root.

RATIFICATION OF ACTUARIAL STUDY

An actuarial study was provided to the Retirement Board of Authority for its use in the Futuris Program. Board Members need to approve the report.

A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to accept the actuarial study.

MORGAN STANLEY PRESENTATION / COMPLETION OF RISK TOLERANCE QUESTIONNAIRE

Cary Allison of Morgan Stanley provided a presentation that discussed the various portfolio options and answered the questions from the Board. The Risk Tolerance Questionnaire was completed that provided some guidance to portfolio option selection.

A motion was made by David Yancey, seconded by Mark Newton and unanimously carried to agree on final scores of the Risk Tolerance Questionnaire.

SELECTION OF TARGET RETURN

The Risk Tolerance Questionnaire provided that the Retirement Board of Authority score suggested that Portfolio Option #5 will meet their long term investment rate of return goal which is 8%.

The Board decided to postpone approving Portfolio Option #5 until the next Retirement Board of Authority Meeting.

REVIEW OF INVESTMENT POLICY STATEMENT

This agenda items was postponed and will be discussed at the next Retirement Board of Authority Meeting.

REVIEW OF MATERIALS BOARD WILL USE TO MONITOR PROGRAM

This agenda items was postponed and will be discussed at the next Retirement Board of Authority Meeting.

APPROVAL OF ANNUAL REPORTING PROCEDURE

This agenda items was postponed and will be discussed at the next Retirement Board of Authority Meeting.

PRIVATE LETTER RULING

An explanation for the need of obtaining a Private Letter Ruling from the Internal Revenue Service regarding the 115 Trust arrangement and to choose an attorney to represent the board was presented by Scott Rankin. Scott suggested attorney Brian Johnson, whom Benefit Trust has contracted to work on other districts that are working with the Futuris Platform as their attorney. The cost of the attorney will be paid by Keenan and Associates.

A motion was made by David Yancey, seconded by Danny Hawkins and unanimously carried to appoint Brian Johnson as the attorney.

VI. INFORMATION

RETIREMENT BOARD OF AUTHORITY COMMENTS

Ron Root made a suggestion that annual summary should be provided to the retiree base informing them of the status of the investments. Steve Gedestad noted that this is something that is provided by Keenan as the Program Coordinator.

Ron also requested to have future agendas 3-hole punched. The attachments are to be numbered in bold numbers and in the same location on each page for all attachments. The bold numbers are to correspond to the Agenda numbering system.

PROGRAM CONSULTANT COMMENTS

None

VISITORS COMMENTS

None

VII. APPROVAL OF LOCATION SITE FOR POSTING MEETING MINUTES

All meeting minutes from the Retirement Board of Authority meetings are to be posted. The Board determined that the site for all postings of the Retirement Board of Authority meeting minutes will mirror the current posting process for current Brown Act Meetings.

VIII. AGENDA ITEMS NEXT MEETING

The Agenda for the Retirement Board of Authority will consist of the following:

- Selection of Target Return
- Review of Investment Policy Statement
- Review of Materials Board Will Use to Monitor Program
- Approval of Annual Reporting Procedure

IX. DATE AND TIME OF NEXT BOARD OF AUTHORITY MEETING

The following date and time will be for the next Retirement Board of Authority Meeting:
March 5th, 2008 11:00 AM – 1:00 PM.

X. ADJOURNMENT

A motion was made by Mark Newton, seconded by Danny Hawkins and unanimously carried to adjourn the meeting at 3:10 PM.