

District Retirement Board

2013 Agendas

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AGENDA

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

October 17, 2013
1:00 PM – 3:00 PM

District Office Conference Room
4750 San Felipe Road
San Jose, CA 95128
(408) 288-3708

I. CALL TO ORDER

II. ROLL CALL

RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS

Vice Chancellor, Administrative Services	Doug Smith
Vice Chancellor, Human Resources	Kim Garcia
Director of Fiscal Services	Peter Fitzsimmons
Faculty and President, Faculty Association, AFT 6157	David Yancey
Faculty and Member of AFT 6157	Mark Newton
Retired Faculty and Member of AFT 6157	Phil Crawford
Staff and Member CSEA, Chapter 363	Yolanda Talavera
Staff and Member CSEA, Chapter 363	Maria Holguin
Retired Staff and Former Member CSEA, Chapter 363	Arlene Amelia

PROGRAM COORDINATOR

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS

Morgan Stanley Wealth Management (MS)	Cary Allison
Benefit Trust Company (BTC)	Scott Rankin

GUESTS

Faculty and Member AFT 6157 (Alternate)	Barbara Hanfling
Staff and Member CSEA, Chapter 363 (Alternate)	Elaine Chapman

OTHER

Nyhart/Epler	Marilyn Jones
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III. PUBLIC COMMENTS

**Information
2013/2014-001**

The public may address the Retirement Board of Authority on any matter pertaining to the Board that is not on the agenda. The Chairperson reserves the right to limit the time of presentations by individual or topic.

**AGENDA - San Jose/Evergreen Community College District
Retirement Board of Authority Meeting
October 17, 2013**

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IV. APPROVAL OF AGENDA

**Action
2013/2014-002**

The Retirement Board of Authority retains the right to change the order in which agenda items are discussed. Subject to review by the Retirement Board, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

V. APPROVAL OF MINUTES

**Action
2013/2014-003**

The Retirement Board of Authority will review the minutes from the previous meeting held April 25, 2013 for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VI. INVESTMENTS

PORTFOLIO REVIEW

**Action
2013/2014-004**

Morgan Stanley Wealth Management (MS) will review the portfolio's fund construction and the portfolio performance of the District's Public Entity Investment Trust (the "Trust").

PUBLIC COMMENTS:

BOARD CONSIDERATION:

MARKET OVERVIEW

**Information
2013/2014-005**

Morgan Stanley Wealth Management (MS) will provide an analysis of global capital market conditions since the last Retirement Board of Authority meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

REVIEW OF INVESTMENT POLICY STATEMENT

**Action
2013/2014-006**

The Retirement Board of Authority shall, with the assistance of Benefit Trust Company (BTC) and Morgan Stanley Wealth Management (MS), re-affirm the Investment Policy Statement setting forth the investment objectives for the Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VII. EDUCATION

**Information
2013/2014-007**

For OPEB plan governance, the Retirement Board of Authority is mandated to use the "prudent person" standard as codified by the California's Constitution and Governmental Code. This standard requires that

plan fiduciaries be (1)“familiar with such matters” as managing investments in a plan that pays OPEB benefits and that they take into account (2) “the circumstances then prevailing” relative to keeping abreast of changes in the economy, the marketplace for investment products and services to OPEB plans. The Education Agenda is for the furtherance of these OPEB requirements.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VIII. ADMINISTRATION

DESIGNATION OF NEW MEMBER TO THE RETIREMENT BOARD OF AUTHORITY

**Action
2013/2014-008**

The Retirement Board of Authority (RBOA) has been duly appointed by the San Jose/Evergreen Community College District Board of Trustees and will welcome Yolanda Talavera, representing CSEA Chapter 363 as a Member of the RBOA and Elaine Chapman as the CSEA Chapter 363 member alternate.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

RETIREMENT BOARD OF AUTHORITY – NEW CHAIRPERSON ELECTION

**Action
2013/2014-009**

The Retirement Board of Authority (RBOA) has been duly appointed by the San Jose Evergreen Community College District Board of Trustees and will elect a new Chairperson who will serve in this capacity for two years as provided by the provisions of the District’s RBOA Bylaws.

PUBLIC COMMENTS:

BOARD CONSIDERATION

RETIREMENT BOARD OF AUTHORITY – NEW VICE-CHAIRPERSON ELECTION

**Action
2013/2014-010**

The Retirement Board of Authority has been duly appointed by the San Jose Evergreen Community College District Board of Trustees and will elect a new Vice-Chairperson who will serve in this capacity for two years as provided by the provisions of the District’s RBOA Bylaws.

PUBLIC COMMENTS:

BOARD CONSIDERATION

ANNUAL REPORTING ON THE STATUS OF THE TRUST

**Action
2013/2014-011**

California Government Code 53216.4 requires an Annual Reporting of the funds held in the Trust to participants and their beneficiaries. The current Annual Reporting will reflect the status of the District’s OPEB Investment Trust for fiscal year ending June 30, 2013.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

DISBURSEMENTS

**Action
2013/2014-012**

The Retirement Board of Authority (RBOA) members will ratify all reimbursement expenses, account transfers and reasonable expenses associated with the management and operation of the District's OPEB Investment Trust since the last RBOA meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

ACTUARIAL VALUATION STUDY

**Information
2013/2014-013**

Ms Marilyn Jones of Nyhart/Epler will present the Actuarial Valuation Study with an effective date of June 30, 2013 to the Retirement Board of Authority membership for their review and acceptance.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

RETIREE BENEFIT COST INCREASE DATA

**Information
2013/2014-014**

The District's Vice Chancellor, Human Resources, Kim Garcia shall provide details relative to Retiree Benefit cost increases for fiscal year 2013-2014.

PUBLIC COMMENTS:

BOARD CONSIDERATION

**UPDATES TO THE COMPREHENSIVE COMPLIANCE PLAN,
INCLUDING THE "SUBSTANTIVE PLAN"**

**Information
2013/2014-015**

Updating the "Substantive Plan" is a dynamic process that requires an annual review to incorporate modifications to program provisions or changes to cost arrangements. The Retirement Board of Authority will review the protocols and processes for updates to the "Substantive Plan" for plan year ending June 30, 2013.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES UPDATE

**Information
2013/2014-016**

An update will be provided relative to the presentation on the current status of the District's OPEB Trust to the San Jose/Evergreen Community College Board of Trustees at their meeting of May 14, 2013.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

PRIVATE LETTER RULING UPDATE

**Information
2013/2014-017**

The IRS has informed attorney Brian M. Johnston of Polsinelli PC that the Private Letter Ruling (PLR) request for the District's Public Entity Trust arrangement is moving ahead and they expect to resolve their final review in the near future. In this connection, Mr. Johnston anticipates working with the IRS to negotiate the necessary language to include in the published PLR documentation.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

IX. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

**Information
2013/2014-018**

Each member may report about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

**Information
2013/2014-019**

The Program Coordinator and Consultants will report to the Board about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions, and no action will be taken unless listed on a subsequent agenda.

X. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

**Information
2013/2014-020**

The Agenda Items for the next meeting will be the same as for this meeting. Members and visitors may suggest additional items for consideration at the next Retirement Board of Authority meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

XI. ADJOURNMENT

Americans with Disabilities Act: The San Jose/Evergreen Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the San Jose/Evergreen Community College District Retirement Board of Authority meeting, shall be made to: Peter Fitzsimmons, Director of Fiscal Services, San Jose/Evergreen Community College District, 4750 San Felipe Rd, San Jose, CA 95128.

AGENDA

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

April 25, 2013
1:00 PM – 3:00 PM

District Office Conference Room
4750 San Felipe Road
San Jose, CA 95128
(408) 288-3708

I. CALL TO ORDER

II. ROLL CALL

RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS

Vice Chancellor, Administrative Services	Doug Smith
Vice Chancellor, Human Resources	Kim Garcia
Director of Fiscal Services	Peter Fitzsimmons
Faculty and President, Faculty Association, AFT 6157	David Yancey
Faculty and Member of AFT 6157	Mark Newton
Retired Faculty and Member of AFT 6157	Phil Crawford
Staff and Member CSEA, Chapter 363	Evelyn Rojas
Staff and Member CSEA, Chapter 363	Maria Holguin
Retired Staff and Former Member CSEA, Chapter 363	Arlene Amelia

PROGRAM COORDINATOR

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS

Morgan Stanley Wealth Management (MS)	Cary Allison
Benefit Trust Company (BTC)	Scott Rankin

GUESTS

Faculty and Member AFT 6157 (Alternate)	Barbara Hanfling
Staff and Member CSEA, Chapter 363 (Alternate)	Beverly Lynch

OTHER

None

III. APPROVAL OF AGENDA

Action
2012/2013-039

The Retirement Board of Authority retains the right to change the order in which agenda items are discussed. Subject to review by the Retirement Board, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

IV. APPROVAL OF MINUTES

Action
2012/2013-040

The Retirement Board of Authority will review the minutes from the previous meeting held October 18, 2012 for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

V. INVESTMENTS

PORTFOLIO REVIEW

Action
2012/2013-041

Morgan Stanley Wealth Management (MS) will review the portfolio's fund construction and the portfolio performance of the District's Public Entity Investment Trust (the "Trust").

PUBLIC COMMENTS:

BOARD CONSIDERATION:

MARKET OVERVIEW

Information
2012/2013-042

Morgan Stanley Wealth Management (MS) will provide an overview of global capital market conditions since the last Retirement Board of Authority meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VI. ADMINISTRATION

DESIGNATION OF NEW MEMBER TO THE RETIREMENT BOARD OF AUTHORITY

Action
2012/2013-043

The Retirement Board of Authority (RBOA) has been duly appointed by the San Jose/Evergreen Community College District Board of Trustees and will welcome Maria Holguin, CSEA Chapter 363 member representative, as a Member of the RBOA.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

DISBURSEMENTS

Action
2012/2013-044

The Retirement Board of Authority (RBOA) members will ratify all reimbursement expenses, account transfers and reasonable expenses associated with the management and operation of the District's OPEB Trust since the last RBOA meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

THE DISTRICT'S OPEB PLAN INDEPENDENT AUDITOR'S REPORT

Action
2012/2013-045

The Independent Auditor's Report conducted by Crowe Horwath provides the District's OPEB Plan with an independent third party certification of GASB accounting standards and financial reporting for OPEB expenses, OPEB liabilities, note disclosures and required supplementary information (RSI).

PUBLIC COMMENTS:

BOARD CONSIDERATION:

FISCAL YEAR 2013/2014 RETIREE BENEFIT RATES UPDATE

Information
2012/2013-046

The Retirement Board of Authority will receive information from Vice Chancellor Garcia regarding the benefit rates for retirees for fiscal year 2013-2014.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

ACTUARIAL VALUATION STUDY UPDATE

Action
2012/2013-047

At the direction of the RBOA, a subcommittee convened on November 29, 2013, to review three proposals received from Nyhart/Epler, Nicolay Consulting Group, and Total Compensation Systems. Based upon the review, the subcommittee unanimously elected to conduct reference checks on Nyhart/Epler and Nicolay Consulting Group. Based upon the reference checks conducted the week of January 7, 2013, the subcommittee is recommending that the Retirement Board of Authority recommend to the District to enter into a contract with Nyhart/Epler to provide actuarial valuation services for a period not to exceed three years for an amount not to exceed \$8,750.00 annually.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**STATUS OF UPDATES TO THE COMPREHENSIVE COMPLIANCE PLAN,
INCLUDING THE "SUBSTANTIVE PLAN"**

Information
2012/2013-048

Updating the "Substantive Plan" is a dynamic process that requires ongoing reviews to incorporate modifications to program provisions and financial structure. The Retirement Board of Authority will review updates to the "Substantive Plan" and the Comprehensive Compliance Plan Electronic Library which reflect regulatory compliance as of June 30, 2012.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES

Information
2012/2013-049

The Retirement Board of Authority will be presented a draft presentation to be given to the San Jose/Evergreen Community College Board of Trustees at their meeting of May 14, 2013 that will provide information relating to the current status of the OPEB Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

PRIVATE LETTER RULING UPDATE

Information
2012/2013-050

In order to move through the final review and approval process, the IRS is requesting that all existing Trust agreements be amended to: a) refine the definitional criteria surrounding the Trust governance process (and thus eliminate concern that control can be exerted by other third parties, such as Benefit Trust Company, as the contracted Trustee of the Trust), including the appointment of "Board of Authority" members; b) remove prior provisions in the Trust that provide discretionary authority for Trust-related decisions to be made outside the Trust or approved Adoption Agreement; and c) clarify that all invested assets can only be used for the stated Trust purposes of funding all post-employment retiree benefit costs.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VII. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

Information
2012/2013-051

Each member may report about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

Information
2012/2013-052

The Program Coordinator and Consultants will report to the Board about various matters involving the Retirement Board of Authority. There will be no Board discussion except to ask questions, and no action will be taken unless listed on a subsequent agenda.

VISITORS COMMENTS

Information
2012/2013-053

The public may address the Retirement Board of Authority on any matter pertaining to the Board that is not on the agenda. The Chairperson reserves the right to limit the time of presentations by individual or topic.

VIII. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

Information
2012/2013-054

The Agenda Items for the next meeting will be the same as for this meeting. Members and visitors may suggest additional items for consideration at the next Retirement Board of Authority meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

IX. ADJOURNMENT

Americans with Disabilities Act The San Jose/Evergreen Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the San Jose/Evergreen Community College District Retirement Board of Authority meeting, shall be made to: Peter Fitzsimmons, Director of Fiscal Services, San Jose/Evergreen Community College District, 2100 Moorpark Avenue, San Jose, CA 95128.