

## **District Retirement Board**

### **2015 Agendas**

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April 30, 2015

October 8, 2015

# AGENDA

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

APRIL 30, 2015  
1:00 PM – 3:00 PM

San Jose City College  
Room: SJCC – Technology Building Room T-112  
2100 Moorpark Avenue  
San Jose, CA 95128  
(408) 288-3708

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### I. CALL TO ORDER

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### II. ROLL CALL

#### RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS

Vice Chancellor, Administrative Services

Douglas Smith

Vice Chancellor, Human Resources

Kim Garcia

Director, Fiscal Services

Peter Fitzsimmons

Faculty and President, 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

San Jose Evergreen CCD Controller

Linda Wilczewski

**III. PUBLIC COMMENTS**

**Information**  
**2014/2015-017**

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

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**IV. APPROVAL OF AGENDA**

**Action**  
**2014/2015-018**

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:

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**V. APPROVAL OF MINUTES**

**Action**  
**2014/2015-019**

The Retirement Board of Authority will review the Minutes from the previous meeting on October 16, 2014 for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**VI. INVESTMENTS**

**PORTFOLIO PERFORMANCE REVIEW**

**Action**  
**2014/2015-020**

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**  
**2014/2015-021**

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:

**INVESTMENT POLICY STATEMENT REVIEW**

**Action**  
**2014/2015-022**

The Retirement Board of Authority shall, with the assistance of Benefit Trust Company (BTC) and Morgan Stanley Wealth Management (MS), review the Investment Policy Statement (IPS) setting forth the investment objectives for the Trust. The RBOA would like to have further discussion relative to the current Target Rate of Return (TRR).

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**VII. ADMINISTRATION**

**DISBURSEMENT REPORT**

**Action**  
**2014/2015-023**

The Retirement Board of Authority (RBOA) membership shall analyze and ratify annual reimbursement expenses, provider remittance, account transfers and fiduciary governance fees associated with GASB 43/45 compliance and the Management/Operation of the District's OPEB Investment Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**RETIREE HEALTH BENEFITS REIMBURSEMENT EXPENSES**

**Information**  
**2014/2015-024**

The Retirement Board of Authority (RBOA) membership shall review a list of itemized expenditures associated with Retiree Health Benefits in relation with GASB 43/45 compliance and the Management/Operation of the District's OPEB Investment Trust for Plan Year January 1, 2014 to December 31, 2014.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**THE DISTRICT'S OPEB PLAN INDEPENDENT AUDITOR'S REPORT**

**Information**  
**2014/2015-025**

The Retirement Board of Authority (RBOA) membership shall discuss the most recent Independent Auditor's Report which provides the District's OPEB Plan with independent third party certifications relative to governance protocols, accounting standards, financial statements, funding progress, fiduciary structures and controls.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**TRANSFER OF ASSETS**

**Action**  
**2014/2015-026**

A key element in the Investment Trust administrative process is the District's OPEB reimbursement and expense requirements. In this connection, the Retirement Board of Authority (RBOA) will act to transfer fiduciary assets from the Trust's Long-Term Account to the Short-Term Account to meet the District's refund and expense schedules.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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

**Information**  
**2014/2015-027**

Updating the "Substantive Plan" is a dynamic process that includes periodic modifications to program provisions or changes to cost arrangements. The Retirement Board of Authority (RBOA) will review the format for updating the "Substantive Plan" and "Comprehensive Compliance Plan" (e-Library) for plan year ending June 30, 2014.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**ACTUARIAL VALUATION STUDY UPDATE**

**Action  
2014/2015-028**

The District's current Actuarial Valuation Study has an effective date of July 1, 2013. The Retirement Board of Authority (RBOA) membership shall discuss District procedures and timelines for procurement of a new Actuarial Valuation Study to maintain compliance with GASB protocols and make any recommended changes at this time.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**RETIREE BENEFIT COST DATA FOR FISCAL YEAR 2015-2016**

**Information  
2014/2015-029**

The District's Vice Chancellor of Human Resources, Kim Garcia shall provide rate schedules associated with Retiree Benefit costs for fiscal year 2015-16.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**CADILLAC TAX – "AFFORDABLE CARE ACT"**

**Information  
2014/2015-030**

The District's Vice Chancellor of Human Resources, Kim Garcia shall provide information relative to the impact the Cadillac Tax may have on the OPEB Trust in reference to Retiree Health Benefit Costs.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES**

**Action  
2014/2015-031**

An Annual Report regarding the current status of the District's Public Entity Investment Trust shall be presented to the San Jose/Evergreen Community College Board of Trustees. The RBOA membership shall discuss key elements of the Report presentation to the District's Board of Trustees.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**VIII. INFORMATION REPORTS**

**RETIREMENT BOARD OF AUTHORITY COMMENTS**

**Information  
2014/2015-032**

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  
2014/2015-033**

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.

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

**Action  
2014/2015-034**

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.

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**X. ADJOURNMENT**

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**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

October 8, 2015  
1:00 PM–3:00 PM

Evergreen Valley Community College District  
Library – Mishra Room  
3095 Yerba Buena Road  
San Jose, CA 95135  
(408) 274-6700

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### I. CALL TO ORDER

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### II. ROLL CALL

#### RETIREMENT BOARD OF AUTHORITY (“Board”) MEMBERS

Vice Chancellor, Administrative Services

Douglas Smith

Vice Chancellor, Human Resources

Kim Garcia

Executive Director, Fiscal Services

Peter Fitzsimmons

Faculty and President, 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, Keenan Financial Services

Gail Beal

Account Manager, Keenan Financial Services

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

San Jose Evergreen CCD Controller

Linda Wilczewski

**III. PUBLIC COMMENTS**

**Information  
2015/2016-001**

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

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**IV. APPROVAL OF AGENDA**

**Action  
2015/2016-002**

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:

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**V. APPROVAL OF MINUTES**

**Action  
2015/2016-003**

The Retirement Board of Authority will review the Minutes from the previous meeting on April 30, 2015 for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**VI. INVESTMENTS**

**PORTFOLIO PERFORMANCE REVIEW**

**Action  
2015/2016-004**

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  
2015/2016-005**

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:

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**VII. EDUCATION**

**BENEFIT TRUST COMPANY'S DUE DILIGENCE MEETING WITH MORGAN STANLEY**

**Information  
2015/2016-006**

The Retirement Board of Authority (RBOA) members shall review the results of Benefit Trusts Company's (BTC) Due Diligence meeting with Morgan Stanley in New York on June 5, 2015.

PUBLIC COMMENTS:

BOARD CONSIDERATION:



**VIII. ADMINISTRATION**

**RETIREMENT BOARD OF AUTHORITY – ELECTION OF CHAIR**

**Action  
2015/2016-007**

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 – ELECTION OF VICE-CHAIR**

**Action  
2015/2016-008**

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  
2015/2016-009**

California Government Code 53216.4 requires an annual reporting of the funds held in the District's OPEB Trust to beneficiaries of the Trust. The Retirement Board of Authority shall acknowledge District procedures for Annual Report promulgation to Trust beneficiaries for fiscal year ending June 30, 2015.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**DISBURSEMENT REPORT**

**Action  
2015/2016-010**

The Retirement Board of Authority (RBOA) membership shall analyze and ratify annual reimbursement expenses, provider remittance, account transfers and fiduciary governance fees associated with GASB 43/45 compliance and the Management/Operation of the District's OPEB Investment Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**UPDATING THE "SUBSTANTIVE PLAN" ANNUALLY, AN ESSENTIAL COMPONENT OF THE COMPREHENSIVE COMPLIANCE PLAN**

**Information  
2015/2016-011**

The Comprehensive Compliance Plan is a summary of the State of California regulatory mandates and GASB requirements applicable to the District's Public Entity Investment program. As an essential protocol of this framework, Keenan Financial Services provides a written summary of the "Substantive Plan" for fiscal 2014/2015 which acts as both a road map and a record of the Retirement Board of Authority's compliance with its governance and fiduciary duties.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**TRANSFER OF ASSETS**

**Action**  
**2015/2016-012**

A key element in the Investment Trust administrative process is the District's OPEB reimbursement and expense requirements. In this connection, the Retirement Board of Authority (RBOA) will act to transfer fiduciary assets from the Trust's Long-Term Account to the Short-Term Account to meet the District's refund and expense schedules.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**ACTUARIAL VALUATION STUDY UPDATE**

**Information**  
**2015/2016-013**

Ms. Marilyn Jones of Nyhart/Epler will present the Actuarial Valuation Study with an effective date of June 30, 2015 to the Retirement Board of Authority membership.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**ANNUAL REPORT TO THE GOVERNING BOARD OF TRUSTEES UPDATE**

**Information**  
**2015/2016-014**

An Annual Report regarding the current status of the District's Public Entity Investment Trust shall be presented to the San Jose/Evergreen Community College Board of Trustees at their meeting of May 12, 2015. Cary Alison will provide an update to the RBOA membership regarding the receipt of the Annual Report by the Board of Trustees.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**GASB ISSUES FINAL OPEB STATEMENTS**

**Information**  
**2015/2016-015**

The Governmental Accounting Standards Board (GASB) has issued two final Statements detailing how state and local governments should account for and report their OPEB liabilities. Statement No.74, *Financial Reporting for Postemployment Benefits Other than Pension Plans* addresses financial reporting by plans that administer OPEB benefits and replaces the Statement No. 43. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for accounting and financial reporting by governments that provide OPEB to their employees or employees of other governmental units and replaces Statement No. 45.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

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**IX. INFORMATION REPORTS**

**RETIREMENT BOARD OF AUTHORITY COMMENTS**

**Information**  
**2015/2016-016**

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**  
**2015/2016-017**

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.

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**X. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING**

**Action**  
**2015/2016-018**

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.

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**XI. ADJOURNMENT**

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**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.