

# **District Retirement Board**

## **2015 Minutes**

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April 30, 2015

October 8, 2015

# MINUTES

**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

The Retirement Board of Authority (RBOA) meeting was called to order at 1:07 PM by RBOA Chair Peter Fitzsimmons.

RBOA Chair Peter Fitzsimmons conducted roll-call with all members of the Retirement Board of Authority (RBOA) affirming their presence except **Barbara Hanfling**, Faculty and member AFT 6157 San Jose/Evergreen Federation of Teachers (Alternate) who was not in attendance. All Service Organization representatives indicated their presence except **Gail Beal** of Keenan Financial Services (KFS) and **Scott Rankin** of Benefit Trust Company (BTC) was unable to attend the meeting.

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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

Account Manager, Keenan Financial Services

Roslyn Washington

### CONSULTANTS

Morgan Stanley Wealth Management (MS)

Cary Allison

### GUESTS

Staff and Member CSEA, Chapter 363, SJECCD (Alternate)

Elaine Chapman

Senior Vice President, Keenan & Associates

Bob Schoehnerr

Benefit Analyst, San Jose/Evergreen CCD

Michelle McKay

**OTHER**

San Jose Evergreen CCD Controller

Linda Wilczewski

**ABSENT**

Faculty and Member AFT 6157 (Alternate)  
Benefit Trust Company (BTC)  
Keenan Financial Services

Barbara Hanfling  
Scott Rankin  
Gail Beal

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**III. PUBLIC COMMENTS**

There were no Public Comments or inquiries.

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**IV. APPROVAL OF AGENDA**

A motion was made by RBOA Vice-Chair David Yancey to accept the Agenda as presented. The motion was seconded by RBOA member Douglas Smith and was unanimously carried by a roll-call of the RBOA membership present.

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**V. APPROVAL OF MINUTES**

A motion was made by RBOA Vice-Chair David Yancey to approve the Minutes of the previous meeting on October 16, 2014 as presented. The motion was seconded by RBOA member Yolanda Talavera and was unanimously carried by a roll-call of the RBOA membership present. RBOA member Douglas Smith abstained.

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**VI. INVESTMENTS**

**PORTFOLIO PERFORMANCE REVIEW**

Cary Allison of Morgan Stanley Wealth Management (MS) reviewed the Performance Reports for the Investment Trust's portfolio Long-Term and Short-Term fiduciary accounts. Cary also provided an overview of the District's Public Entity Investment Trust Change in Portfolio, Asset Allocation, and Time Weighted Return (Gross and Net of Fees) for period ended March 31, 2015.

**1. The District's Short-Term Public Entity Investment Trust.**

As of March 31, 2015 the District's Short-Term Public Entity Trust Portfolio had an allocation of 73.4% in fixed income funds and 26.6% in equity funds (equity funds comprised 14.0% in domestic equity and 12.6% in international equity). The value of the portfolio as of December 31, 2014 was \$3,424,288.18 and with retiree healthcare reimbursement withdrawals of \$1,120,918.28, the portfolio value as of March 31, 2015 is \$2,365,070.27. The March 31, 2015 portfolio value represents an annualized inception to date net rate of return of 12.76% compared to the Barclays Aggregate of 4.95%; the Barclays Global Agg Bd Unhedged of 3.47%; the MSCI EAFE of 10.91; the MSCI ACWI Ex US Net of 10.36%; the S&P 500 Adj for Divs of 18.17% and the 50% MSCI ACWI/50% Barclays Agg of 9.56%. The investment results for the last (1) year show a net increase of 4.49% versus the Barclays Aggregate of 5.70%; the Barclays Global Agg Bd Unhedged of -3.66%; the MSCI EAFE of -0.92%; the MSCI ACWI Ex US Net of -1.05%; the S&P 500 Adj for Divs of 12.74% and the 50% MSCI ACWI/50% Barclays Agg of 5.66%. The annualized latest three (3)

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year results reflect a net increase of 5.39% versus the Barclays Aggregate of 3.11%; the Barclays Global Aggr Bd Unhedged of -0.20%; the MSCI EAFE of 9.02%; the MSCI ACWI Ex US Net of 6.40%; the S&P 500 Adj for Divs of 16.11% and the 50% MSCI ACWI/50% Barclays Agg of 7.03%. The annualized latest five (5) year results reflect a net increase of 11.08% versus the Barclays Aggregate of 4.42%; the Barclays Global Agg Bd Unhedged of 2.29%; the MSCI EAFE of 6.16%; the MSCI ACWI Ex US Net of 4.81%; the S&P 500 Adj for Divs of 14.47% and the 50% MSCI ACWI/50% Barclays Agg of 6.99%. The current dividend yield on the District's Short-Term Public Entity Trust Portfolio fixed income investments was 4.0% while the current dividend yield on the aggregated portfolio was 3.3%.

**2. The District's Long-Term Public Entity Investment Trust.**

As of March 31, 2015 the District's Long-Term Public Entity Investment Trust Portfolio had an allocation of 31.1% in fixed income funds and 68.9% in equity funds (equity funds comprised 41.9% in domestic equity and 27.0% in international equity). The value of the portfolio as of December 31, 2013 was \$45,821,842.81 and the portfolio value as of March 31, 2015 was \$46,954,616.90. The March 31, 2015 portfolio value represents an annualized inception to date net rate of return of 10.96% compared to the Barclays Aggregate of 4.95%; the Barclays Global Agg Bd Unhedged of 3.47%; the MSCI EAFE of 10.91%; the MSCI ACWI Ex US Net of 10.36%; the S&P 500 Adj for Divs of 18.17% and the 50% MSCI ACWI/50% Barclays Agg of 9.56%. The investment results for the last (1) year show a net increase of 5.34% versus the Barclays Aggregate of 5.70%; the Barclays Global Agg Bd Unhedged of -3.66%; the MSCI EAFE of -0.92%; the MSCI ACWI Ex US Net of -1.05%; the S&P 500 Adj for Divs of 12.74% and the 50% MSCI ACWI/50% Barclays Agg of 5.66%. The annualized latest three year (3) results reflect a net increase of 8.41% versus the Barclays Aggregate of 3.11%; the Barclays Global Agg Bd Unhedged of -0.20%; the MSCI EAFE of 9.02%; the MSCI ACWI EX US Net of 6.40%; the S&P 500 Adj for Divs of 16.11% and the 50% MSCI ACWI/50% Barclays Agg of 7.03%. The annualized latest five year (5) results reflect a net increase of 7.68% versus the Barclays Aggregate of 4.42%; the Barclays Global Agg Bd Unhedged of 2.29%; the MSCI EAFE of 6.16%; the MSCI ACWI Ex US Net of 4.81%; the S&P 500 Adj for Divs of 14.47% and the 50% MSCI ACWI/50% Barclays Agg of 6.99%. The current dividend yield on the District's Long-Term Public Entity Investment Trust Portfolio fixed income investments was 4.2% while the current dividend yield on the aggregated portfolio was 2.3%.

In response to RBOA membership questions, Cary briefly reviewed indices used in evaluating the performance metrics of selected sectors of the global capital markets i.e. the MSCI EAFE; the MSCI ACWI Ex US; the Barclays Global Aggregate Bd. Unhedged and the S&P 500. Cary notified the RBOA membership of the Public Entity Model Portfolio Fund changes and advised that he will detail these modifications to the Trust's Portfolio Equity & Fixed Income platforms at the next meeting. Cary explained that in the U.S. the Fed is setting a course for higher short-term rates while the European Central Bank (ECB) and Bank of Japan (JOP) are doing the opposite. In this connection, he advised that while European economies are responding well to ECB accommodations, nowhere do we see economic growth in the range of 3%-4%. Cary identified additional economic takeaways as follows:

**Domestic Preferred over International Equities:** He advised that while international stocks are doing well relative to domestic equities, Morgan Stanley analysts continue to prefer domestic over international equities. Relative to domestic equity valuations, he noted that with S&P 500 trading at 16 times earnings, the economic environment still remains supportive for equities. He noted stock market bargains in Japan while stock friendly actions by the European Central Bank (ECB) will support attractive valuations in the region for 2015.

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**Raise in Interest Rates:** Cary anticipates that in the U.S. the Fed will raise Short-Term rates gradually with an uptick of perhaps .5% in the third quarter of the 2015 calendar year but he expects Long-Term rates to stay low for some time to come. He believes that the Trust's portfolio current balanced position is well suited for anticipated interest rate hikes.

**Inflation:** Cary advised that U.S. gross domestic product (GDP) should be in the range of 2.0% to 2.5% growth and he anticipates that inflation will stay low for now. In this connection, he explained that there is little to no wage growth in the economy.

**A Bumpier Road for Equities:** The past few years have been characterized by unusual calm for equities. Cary advised that 2015 is likely to be marked by a return to more typical levels of volatility. However, he explained that the good news is that current conditions are broadly supportive of stocks and any corrections that volatility brings are not likely to be severe.

A motion was made by RBOA member Mark Newton to accept the Portfolio Performance Review as presented. The motion was seconded by RBOA member Yolanda Talavera and was unanimously carried by a roll-call of the RBOA membership present.

## **MARKET OVERVIEW**

Applicable metrics from Morgan Stanley's Global Investment Committee (GIC) capital markets overview for first quarter 2015 was presented by Cary Allison of Morgan Stanley Wealth Management.

**Introduction:** From a fundamental standpoint, this year has been similar to last year in that the U.S. economy suffered from a harsh winter, leaving first quarter real GDP growth below the already anemic 2% trend-line growth in place since the financial crisis. Market volatility was driven by a decline in commodity prices and the rise in the U.S. dollar. Market performance in the first quarter of 2015 also hung on every utterance of Janet Yellen, chair of the Federal Reserve.

**US Economy:** The Department of Commerce estimated that Gross Domestic Product increased at an annual rate of 2.2% in the fourth quarter of 2014, in comparison to 5.0% increase in the third quarter of 2014. Morgan Stanley economists forecast U.S. Real GDP will be 2.4% in 2014 and 3.3% in 2015. The seasonally adjusted unemployment rate fell from 5.6% for December 2014 to 5.5% for February 2015. Inflation also remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index decreased 0.7% in January and increased 0.2% in February. The Census Bureau reported that private-sector housing starts in February 2015 were at a seasonally adjusted annual rate of 897,000 – 3.3% below 2014 housing starts. The rise in housing starts over the past several years indicates that the housing market is rebounding despite some intermittent setbacks.

**US Equity Markets:** The Dow Jones Industrial Average rose 0.3% in the first quarter. The NASDAQ Composite Index advanced 3.9% for the quarter. The S&P 500 Index rose 1.0% for the quarter, its ninth consecutive quarterly increase. The large-cap Russell 1000 Growth Index advanced 3.8% while the Russell 1000 Value Index, also a large-cap index, decreased 0.7% for the quarter. The Russell Midcap Growth Index rose 5.4% for the quarter while the Russell Midcap Value Index rose 2.4% for the quarter. The Russell 2000 Growth Index, a small-cap index, increased 6.6% for the quarter while the Russell 2000 Value Index, also a small-cap index, increased 2.0% for the quarter.

**Global Equity Markets:** In the first quarter, emerging markets (EM) and global equities had positive results. The MSCI Index (a benchmark for developed markets) rose 5.0% for U.S.-currency investors and rose 11.0% for local-currency investors, as the U.S. dollar appreciated in relation to the currencies of many nations in the index. The MSCI Emerging Market Index increased 2.3% for U.S.-currency investors and rose 4.9% for local-currency investors, as the U.S. Dollar appreciated in relation to many emerging-market

currencies. The MSCI Europe Index increased 3.6% for U.S.-currency investors and 11.7% for local-currency investors during the quarter.

**US Bond Market:** In the first quarter, bond market returns increased slightly – the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, rose 1.6%. Interest rates declined during the quarter, as the yield on the 10-Year U.S. Treasury note fell to a quarter-end 1.92% from 2.17% at the end of the fourth quarter of 2014.

## **INVESTMENT POLICY STATEMENT REVIEW**

While Investment Policy Statement (IPS) provisions related to permitted and non-permitted investments for the Trust's portfolio and the District's Target Rate of Return (TRR) were reviewed at the last meeting in October 2014, the RBOA membership requested the IPS be brought back again for an additional review of the TRR metrics adopted. Subsequent to a brief discussion, the RBOA membership reaffirmed a TRR of **8.0%** for the Investment Trust's long-term account and a TRR of **5.0%** for the short-term account.

A motion was made by RBOA Vice-Chair David Yancey to reaffirm the Target Rates of Return profiled. The motion was seconded by RBOA member Phil Crawford and was unanimously carried by a roll-call of the RBOA membership present.

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## **VII. ADMINISTRATION**

### **DISBURSEMENT REPORT**

Roslyn Washington of Keenan Financial Services presented the RBOA membership with the Disbursement Report reflecting Retiree Healthcare reimbursements and fees associated with each Service Organization for GASB 43/45 & Regulatory compliance and the Management/Operation of the District's Investment Trust for the accounting period of September 2014 through January 2015.

A motion was made by RBOA member Mark Newton ratifying Retiree Healthcare reimbursements and the expenses associated with GASB 43/45 & Regulatory compliance and the Management/Operation of the District's OPEB Investment Trust for the period of September 2015 through January 2015. The motion was seconded by RBOA Vice-Chair David Yancey and was unanimously carried by a roll-call of the RBOA membership present.

### **RETIREE HEALTH BENEFITS REIMBURSEMENT EXPENSES**

As an informational item, Controller Linda Wilczewski presented a brief report for 2014 reflecting monthly reimbursement and fee schedules associated with each vendor servicing the District's healthcare programs. In response to a question from RBOA member Phil Crawford, the District's Benefit Analyst Michelle McKay advised that fluctuations in monthly schedules were potentially caused by employees moving from active to retiree status and increases in healthcare carrier rates. Relative to District retiree healthcare expenses, RBOA Chair Peter Fitzsimmons explained that remittance to carriers are made from District Fund 81 and the OPEB Investment Trust (Fund 75) provides reimbursements to Fund 81 for the expenses remitted.

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

RBOA Chair Peter Fitzsimmons presented the Independent Auditor's Report provided by Crowe Horwath for year ending June 30, 2014. The Auditor's narrative to the District's Board of Trustees advised that the Audit was conducted in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Auditor's narrative explained that tests were performed as to the Investment Trust's compliance with certain provisions of applicable laws, regulations and contracts to obtain reasonable assurance about whether the Trust financial statements are free of material misstatements. The Report indicated that the results of the tests performed disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

RBOA Chair Peter Fitzsimmons briefly reviewed the **Statement of Trust Net Position** and the **Statement of Change in Trust Net Position**. **In this connection**, the Auditor's financial analysis noted a net position held in the District's Trust OPEB Plan of **\$50,822,471.00** and **\$46,853,657.00** for fiscal years ended June 30, 2014 and June 30, 2013 respectively.

## TRANSFER OF ASSETS

Subsequent to a brief discussion, the RBOA membership authorized repositioning \$2 million in fiduciary assets from the Trust's long-term account to the short-term account as soon as the assets in the Trust's short-term account could no longer accommodate monthly retiree healthcare reimbursement requirements.

A motion was made by RBOA Vice-Chair David Yancey to approve repositioning \$2 million in fiduciary assets from the Trust's long-term account to the short-term account to accommodate District retiree medical reimbursement requirements. The motion was seconded by RBOA member Mark Newton and was unanimously carried by a roll call of the RBOA membership present.

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

Roslyn Washington of Keenan Financial Services (KFS) explained that the "**OPEB Questionnaire & Due Diligence Form**" reflecting updates to the "Substantive Plan" for fiscal 2013/2014 had been executed on October 30, 2014 by the District's Benefit Analyst Michele McKay. Roslyn advised that all changes had been incorporated into the District's "Substantive Plan" for fiscal year ended June 30, 2014. She further advised that the Comprehensive Compliance Plan ("e-Library") reflecting compliance with applicable Regulatory requirements had also been updated for fiscal year ended June 30, 2014 and three (3) copies have been delivered to the District for the constituencies represented i.e. z9AFT 6157; Management and CSEA Chapter 363.

## ACTUARIAL VALUATION STUDY UPDATE

RBOA Chair Peter Fitzsimmons explained the purpose of procuring a new District Actuarial Valuation Study to the new RBOA members and he advised that Marilyn Jones of Nyhart Epler, the District's consulting actuary, will attend the next RBOA meeting in October to present the new Actuarial Valuation Study. RBOA members conducted a detailed discussion as to whether to recommend the District to

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incorporate the 2018 “Cadillac Tax” metrics into the Study.

A motion was made by RBOA Vice-Chair David Yancey to move forward with the District’s procedures and timelines for the procurement of a new Actuarial Valuation Study but without recommending that they incorporate additional actuarial metrics accruing from the “2018 Cadillac Tax”. The motion was seconded by RBOA member Mark Newton and was unanimously carried by the RBOA members present.

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

The District’s Vice Chancellor, Human Resources and RBOA member Kim Garcia and the District’s Benefits Analyst Michelle McKay provided the RBOA membership with information regarding retiree benefit rates for fiscal year 2015-2016 as presented by Alliant Employee Benefits. The Alliant report shows that Anthem Medical PPO original renewal was a 33% increase to Retirees current rates but successful negotiation with Anthem adjusted the renewal increase downward to 24.72%. Relative to Kaiser HMO, the renewal decrease is -2.67% from current rates.

**CADILLAC TAX – “AFFORDABLE CARE ACT”**

The District’s Vice Chancellor, Human Resources and RBOA member Kim Garcia presented the “Cadillac Tax Chart” for both Anthem and Kaiser as illustrated by Alliant Employee Benefits. The Alliant “Cadillac Tax Chart” estimated the 2018 projected tax impact on the District’s healthcare benefits for Anthem full-time; CA. retirees without Medicare and Anthem PPO non-CA retirees without Medicare. The Alliant “Cadillac Tax Chart” also estimated the 2018 projected tax impact for Kaiser full-time; Kaiser part-time and Kaiser early retirees.

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

RBOA Chair Peter Fitzsimmons advised that the District’s Governing Board of Trustees meeting is scheduled for May 12, 2015 and a status report on the District’s OPEB Investment Trust as of March 31, 2015 will be presented. Roslyn Washington of Keenan Financial Services (KFS) will provide support to Peter in structuring and formatting the report materials.

A motion was made by RBOA Vice-Chair David Yancey to accept the Reporting materials on the Status of the Investment Trust. The motion was seconded by RBOA member Yolanda Talavera and was unanimously carried by a roll-call of the RBOA membership present.

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**VIII. INFORMATION REPORTS**

**RETIREMENT BOARD OF AUTHORITY COMMENTS**

There were no Retirement Board of Authority comments.

**PROGRAM COORDINATOR/CONSULTANT COMMENTS**

There were no Program Coordinator/Consultant comments.



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

The next Retirement Board of Authority (RBOA) meeting is scheduled as follows:

- **October 8, 2015: 1:00 PM–3:00 PM.**
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**X. ADJOURNMENT**

A motion was made by RBOA Vice-Chair David Yancey to adjourn the Meeting at 2:59 PM. The motion was seconded by RBOA member Mark Newton and was unanimously carried by a roll-call of the RBOA membership present.

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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.

# MINUTES

**SAN JOSE / EVERGREEN COMMUNITY COLLEGE DISTRICT  
RETIREMENT BOARD OF AUTHORITY MEETING  
OCTOBER 8, 2015  
1:00 PM–3:00 PM**

**I. CALL TO ORDER**

1. The meeting was called to order at 1:08 PM by RBOA Chair Peter Fitzsimmons.

**II. ROLL CALL**

1. All Retirement Board of Authority (RBOA) members were present except Kim Garcia and Arlene Amelia. District staff member Linda Wilczewski was also absent.
2. All Coordinators/Consultants were present except Gail Beal. The District's Consulting Actuary Marilyn K. Jones attended. Keenan consultants Nick Gedestad and Susan Vogt were present in an observatory capacity.

**III. PUBLIC COMMENTS**

1. There were no public comments.

**IV. APPROVAL OF AGENDA**

1. David Yancey Motioned to accept the Agenda as presented, Motion was seconded by Mark Newton.

**V. APPROVAL OF MINUTES**

1. Mark Newton Motioned to accept the Minutes from April 30, 2015 as presented, Motion was seconded by David Yancey.

**VI. INVESTMENTS**

**1. Portfolio Performance Review**

- a. Cary Allison of Morgan Stanley Wealth Management (MS) reviewed the performance of the Trust's Long-Term and Short-Term fiduciary accounts as of Sept. 30, 2015.

Time weighted return net of fees – Long-term Fiduciary Account

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized latest 3 Year	Annualized latest 5 Year	Annualized Inception to Date
-2.34	-5.85	-3.86	-2.54	5.77	5.72	8.98

Time weighted return net of fees – Short-term Fiduciary Account

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized latest 3 Year	Annualized latest 5 Year	Annualized Inception to Date
-1.12	-2.90	-2.19	-1.63	2.81	9.10	10.98

- b. As to the Trust's portfolio near-term negative performance results, Cary

pointed to the recent financial events in China as the main catalyst for the August 12% correction in the capital markets.

- c. MS anticipates the Fed will raise Short-Term rates perhaps .5% towards the end of 2015, but Cary expects Long-Term rates to stay low.

## **2. Market Overview**

- a. Cary Alison presented Morgan Stanley's Global Investment Committee capital markets overview. Cary advised that we are on a 2.5% slow growth track but he does not see a recession in the U.S. or globally.

## **VII. EDUCATION**

An overview of BTC's due diligence of Morgan Stanley's fund manager selection processes and monitoring disciplines was presented by Scott Rankin of BTC

## **VII. ADMINISTRATION**

### **1. Retirement Board of Authority-Election of Chair**

Mark Newton Motioned to reaffirm Peter Fitzsimmons as Chair, Motion was seconded by David Yancey.

### **2. Retirement Board of Authority-Election of Vice-Chair**

David Yancey Motioned to nominate Mark Newton as Vice-Chair, Motion was seconded by Douglas Smith.

### **3. Annual Report on the Status of the Trust**

The Annual Report was presented by Roslyn Washington. David Yancey Motioned to ratify the District's annual report promulgation process, Motion was seconded by Mark Newton.

### **4. Disbursement Report**

A Trust disbursement report reflecting fiduciary withdrawals and fees paid to Keenan, BTC & Morgan Stanley for the period February 2015-July 2015 was presented. A Motion was made by Mark Newton to ratify the fee and withdrawal schedules for the period; Motion was seconded by David Yancey.

### **5. Updates to the Comprehensive Compliance Plan, Including the Substantive Plan.**

- a. Roslyn Washington, Keenan reviewed the updated District OPEB data for fiscal year ended June 30, 2015. Updated e-Libraries were presented to each constituency representative on the RBOA.

### **6. Transfer of Assets**

- a. The RBOA discussed the status of repositioned funds between the Trust's fiduciary accounts. David Yancey Motioned to reposition an additional \$1 million to the \$2 million repositioned at the last RBOA meeting in anticipation of retiree healthcare reimbursement requirements. The motion was seconded by Mark Newton.

### **7. Actuarial Valuation Study Update**

- a. Consulting Actuary Marilyn K. Jones of Nyhart presented the District's current Actuarial Valuation Study reflecting current actuarial metrics and demographic assumptions as of June 30, 2015. The unfunded actuarial accrued liability/ (surplus) are (\$7,536,642.00) showing a funded ratio of 119%.

**8. Annual Report to the Governing Board of Trustees Update**

- a. Peter Fitzsimmons advised that Cary Allison of Morgan Stanley reported the status of the Trust to the District's Governing Board on May 12, 2015. David Yancey reported that the Meeting went very well and Cary's Status Report was accepted by all the Governing Board members.

**9. GASB Issues Final OPEB Statements**

Roslyn Washington reviewed Keenan & Associates Briefing on GASBs Final OPEB Standards. Roslyn explained that GASB Statement No 74 will replace Statement No. 43 effective on June 15, 2016 and GASB Statement No 75 will replace Statement No 45 effective on June 15, 2017.

**VIII. INFORMATION REPORTS**

**1. Retirement Board of Authority Comments**

- a. No comments

**2. Program Coordinator/Consultant Comments**

- a. No comments

**3. Date, Time and Agenda Items for Next Meeting**

- a. April 28, 2015 1:00 PM-3:00 PM.
- b. Items positioned on the Agenda platform for the next meeting shall include: Investment Policy Statement (IPS); 2016/2017 Retiree Benefit Rates/Cadillac Tax Implications; Draft Annual Report to the Board of Trustees; Independent Auditors Report; Transfer of Assets, and IRS Tax Ruling update.

**4. Adjournment**

- a. Motion to adjourn the meeting was made by David Yancey at 2:58 PM; Motion was seconded by Mark Newton.