

MINUTES

EL CAMINO COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

October 10, 2017
10:00 AM–11:30 AM

I. CALL TO ORDER

1. The meeting was called to order at 10:18 AM by Brian Fahnestock.

II. ROLL CALL

1. **All Retirement Board of Authority (RBOA) members were present:**
Brian Fahnestock, Vice President, Administrative Services & Board Chair
Rocky Bonura, Director, Purchasing and Business Services
Jane Myashiro, Vice President, Human Resources
Maria Smith, Director of Human Resources
Janice Ely, Business Manager, Fiscal Services
2. **All Coordinators/Consultants were present, except Gail Beal:**
Roslyn Washington, Senior Account Manager, Keenan Financial Services
Cary Allison, Senior Vice President, Morgan Stanley
Scott Rankin, Senior Vice President, Benefit Trust Company
3. **Others:**
Jordan Scaffa, Trust Officer, Benefit Trust Company

III. PUBLIC COMMENTS

1. There were no public comments.
2. This item is information only.

IV. APPROVAL OF AGENDA

1. Janice Ely Motioned to approve the Agenda as presented; Motion was seconded by Rocky Bonura and was unanimously approved by all of the RBOA members present.

V. APPROVAL OF MINUTES

1. Janice Ely Motioned to approve the Agenda as presented; Motion was seconded by Rocky Bonura and was approved by the RBOA members. Brian Fahnestock abstained.

VI. INVESTMENTS

1. **Portfolio Performance Review**
 - a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the Trust's accounts as of August 31, 2017.
 - b. The Portfolio Value as of **August 31, 2017 was \$24,848,200.84.**

Time weighted return net of fees

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized latest 3 Year	Annualized latest 5 Year	Annualized Inception to Date
0.60	1.54	6.26	4.79	2.50	-	3.42

- c. The Portfolio Value as of **October 9, 2017 was \$22,777,674.**
- d. Rocky Bonura Motioned to approve the Portfolio Performance Review as presented; Motion was seconded by Janice Ely and was unanimously carried by all RBOA members present.

2. Market Overview

- a. Cary Allison gave an overview of the Markets since the last RBOA meeting.
- b. Global equity markets have continued to simply work their way higher this year with no more than a 2% to 3% correction. Economic data remain solid, with the second quarter recording the fastest global GDP growth in more than five years,
- c. We have an initial tax plan from the Republicans that our folks in Washington believe has an 80% chance of getting signed into law in some form.
- d. Equity prices are making all-time highs, with procyclical tilts leading the way – bank, small/mid caps, energy and technology stocks.
- e. Earnings are still up and is the primary reason the market is doing well.
- f. Following a rate hike in December we now see the Federal Reserve raising rates three times in 2018, versus four previously stated.
- g. We see technology as a longer-term disinflationary force. The rise of online retail for a host of goods and services has kicked off price wars and lowered sellers’ pricing power. Services line Uber, Amazon and Airbnb have allowed consumers to purchase goods and services at a lower cost but similar quality.
- h. Measures of inflation expectations have fallen in recent years – which we estimate may be weighing on year-over-year growth in core consumer inflation to the tune of about 0.1 percentage points per year.
- i. Japan is where Morgan Stanley & Co.’s economic and strategy forecasts most differ from market consensus – and it is the region where global investor focus and interest appear the lowest.
- j. This item is information only.

VII. ADMINISTRATION

1. Designation of New Retirement Board of Authority Member

- a. The RBOA acknowledged and welcomed VP, Administrative Services, Brian Fahnstock and VP, Human Resources, Jane Myashiro as new members of the Retirement Board of Authority.
- b. This item is information only.

2. Annual Reporting on the Status of the Trust

- a. Rocky Bonura Motioned to accept the Annual Report as presented; Motion was seconded by Jane Myashiro and was unanimously approved by all of the RBOA members present.

3. Disbursement Report

- a. Roslyn Washington presented a Trust Disbursement Report reflecting fiduciary withdrawals and fees paid to Keenan, BTC & Morgan Stanley for their services for the period December 7, 2016 – September 25, 2017.
- b. Janice Ely Motioned to ratify the Disbursement Report as presented; Motion was seconded by Rocky Bonura and was unanimously approved by all RBOA members present.

4. Updating the “Substantive Plan” Annually is a Key Component of the Comprehensive Compliance Plan

- a. Roslyn Washington addressed the RBOA and advised that the Service Rep. worked with the District to gather information to update the Substantive Plan for the fiscal year ended June 30, 2017.
- b. This is information only.

5. Actuarial Valuation Study Update

- a. The Actuarial Valuation Study is currently in draft format.
- b. This item is information only.

VIII. INFORMATION REPORTS

1. Retirement Board of Authority Comments

- a. No comments.
- b. This item is information only.

2. Program Coordinator/Consultant Comments

- a. No comments.
- b. This item is information only.

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. May 15, 2018 ___ AM- _____ AM.
- b. Include the IPS with RTQ.
- c. This item is information only.

X. ADJOURNMENT

- a. Brian Fahnestock adjourned the meeting at 11:16 AM.