

# MINUTES

## EL CAMINO COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

February 14, 2024

1:00 PM– 2:00 PM

### **I. CALL TO ORDER**

1. The meeting was called to order at 1:07 PM by Roslyn Washington of Keenan Financial Services.

### **II. ROLL CALL**

#### **1. All Retirement Board of Authority (RBOA) members were present:**

Robert Suppelsa, Vice-President, Administrative Services  
Rita McCullum, Director, Procurement Services,  
Jane Miyashiro, Vice-President, Human Resources,  
Maria Smith, Director of Human Resources,  
Jeffrey Hinshaw, Business Manager, Fiscal Services.

#### **2. All Coordinators/Consultants were present:**

Roslyn Washington, Assistant Vice President, Keenan Financial Services  
Scott Rankin, Senior Vice President, Benefit Trust Company (BTC)  
Brian Sharpes, Morgan Stanley, Graystone SFO, Investment Consultant to BTC

### **III. PUBLIC COMMENTS**

1. There were no public comments.

### **IV. APPROVAL OF AGENDA**

1. A motion was made by Robert Suppelsa and seconded by Jeffrey Hinshaw to approve the agenda as presented; motion unanimously carried.

### **V. APPROVAL OF MINUTES**

1. Jayne Miyashiro made the correction to the spelling of her last name.
2. A motion was made by Robert Suppelsa and seconded by Maria Smith to approve the minutes with this correction; motion unanimously carried.

### **VI. ADMINISTRATION**

#### **1. Disbursement Report**

- a. Roslyn Washington presented a Trust Disbursement Report reflecting fiduciary withdrawals and fees paid to Keenan, & Benefit Trust Company for services rendered between September 2023-December 2023. Morgan Stanley fees are paid directly by BTC.
- b. Bob suggested that we add “BTC is responsible for Morgan Stanley fees” to the bottom of the disbursement report for clarification purpose.
- c. The fees are based on the individual fee schedule of each consulting firm.
- d. This item is information only.

**2. Actuarial Valuation Study Update**

- a. The RBOA was presented with the most current Actuarial Study dated October 10, 2023, using an assumption date of June 2022.
- b. The total liability (TOL) is \$26,380,742. The Fiduciary Net Position (FNP) is listed as \$24,385,999. The Net OPEB Liability (NOL) is listed as **(\$1,994,743)**.
- c. The district is currently in compliance with GASB 74/75.
- d. This item is information only.

**3. Report to the El Camino CCD Governing Board of Trustees**

- a. Roslyn Washington of Keenan Financial Services presented the Retirement Board with a corrected version of the presentation that was presented in December to the governing board.
- b. The calculated information did not included data from the most current Actuarial Valuation Study. It also did not include the information regarding the \$2mil withdrawal the district requested in Fall of 2017.
- c. Robert Suppelsa asked if anyone knew why the district requested funds to cover the OPEB expenses for that year? To which Roslyn & Scott Rankin replied, no, we do not ask the reasoning for the withdrawal other than to note it is specifically for retiree health benefits.

**VII. INVESTMENTS**

**1. Investment Training 101**

- a. Brian Sharpes of Morgan Stanley (MS), Investment Consultant to BTC provided a basic overview on Mutual Funds, Equities vs. Bonds, and how the Morgan Stanley team makes recommendations to Benefit Trust Company (BTC) as to which mutual funds should go into the portfolio.
- b. Once the recommendations are received and approved by BTC Investment committee, they are added to the portfolio mixes.
- c. The members of the Retirement Board of Authority stated this was the most informative meeting they have had.
- d. Brian Sharpes advised that we could have a new education/training item added to the agenda of every meeting if the RBOA desires.

**2. Portfolio Performance Review**

- a. Scott Rankin of BTC reviewed the performance of the Trust's accounts as of January 31, 2023.
- b. The Portfolio Value as of **December 31, 2023, was \$27,561,949.23.**
- c. The value of the trust as of today is \$27,471,913.57.

**Time weighted return net of fees:**

Month to Date	Quarter to Date	Year to Date	Latest 12 Months	Annualized latest 3 Years	Annualized latest 5 Years	Annualized latest 10 Years	Annualized Inception to Date
4.70	9.72	14.52	14.52	-0.83	5.29	3.19	3.19

- d. Brian Sharpes stated, November 2023 was the best month in over 100 years.
- e. Scott Rankin advised that the negative 3-year return is considering the huge

- losses of 2022.
- f. This item is information only.

### **3. Market Overview**

#### **Economy:**

- a. The Federal Reserve have paused their interest rate hikes holding the Fed rate at 5.25%-5.50% primarily because of soft inflation and tighter financial conditions.
- b. October CPI came in below expectations at 3.2% year over year.
- c. The consumer remains strained as credit card balances, delinquencies, and unemployment increased.

#### **Equities**

- d. Equities saw a technical 10% correction by the end of October but have continued to outperform Bonds.
- e. US Equity breadth remains narrow as the “Magnificent 7” have led equity performance and outperformed S&P 500 by 45%+ YTD (as of Nov. 8) US Equities are up ~12% while the NASDAQ is up ~28%.

#### **Fixed Income:**

- f. Treasury market volatility has been extreme with 10-year yields fluctuating between 5.0% (October) - 4.45% (November).
- g. A more benign Treasury borrowing schedule and signs of economic slowing and extreme short covering caused the decrease in yields from October to November
- h. This is an information item only.

## **VIII. INFORMATION REPORTS**

### **1. Retirement Board of Authority Comments**

- a. None 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. Roslyn will coordinate with Shobhana to set new meeting dates.
- b. Bob Suppelsa has requested the board meet in May, August, & November.
- c. Bob also requested to include the Investment Policy Statement on every Agenda going forward.
- d. Next meeting we will discuss the obligation and oversight roles & responsibility of the RBOA.

## **X. ADJOURNMENT**

- a. Roslyn Washington adjourned the meeting at 2:23 PM.