



**South
Orange
County**

**Community
College District**

Retirement Board of Authority (RBOA) Meeting

MINUTES

February 15, 2024

10:30 am – 11:30 am

Saddleback College

Chancellor's Conference Room

28000 Marguerite Parkway

Mission Viejo, CA 92692-3635

The Retirement Board of Authority (the “Board”) members: Ann-Marie Gabel; Cindy Vyskocil; Connie Cavanaugh, Davit Khachatryan, and Cory Wathen.

Program Coordinator: Keenan Financial Services: Roslyn Washington.

Consultants: Scott Rankin, Benefit Trust Company; Mark Payne, Morgan Stanley (the registered investment advisor to Benefit Trust Company), Brian Sharpes, Morgan Stanley, Graystone SFO.

Roll Call: The RBOA meeting was called to order at 10:32 am by Connie Cavanaugh.

Roll-call was conducted with all RBOA members reporting their presence except Cindy Vyskocil and Cory Wathen. All the OPEB Trust's consultants indicated their presence.

Retirement Board of Authority (RBOA) Charge: The Retirement Board of Authority is charged with ongoing Governance of the District's OPEB Trust. Effective Governance for the District's OPEB Trust requires the delineation of plan-related roles and responsibilities; the capture of key delegations and appointments in writing; the creation of reporting protocols across all plan-related parties; the use of applicable metrics to monitor and measure investment performance; the management of administration and compliance milestones; the maintenance of robust documentation to support, guide and demonstrate prudence; while RBOA members keep fiduciary skills sharp and investment knowledge current.

01. Public Comments:

No public comments were made.

02. Approval of Agenda for RBOA meeting on February 15, 2024: (Action)

Davit Khachatryan moved to approve the agenda. Motion was seconded by Ann-Marie Gabel and unanimously carried by all RBOA members present.

03. Approval of Minutes from October 5, 2023, RBOA Meeting: (Action)

Ann-Marie Gabel moved to approve the Minutes. Motion was seconded by Davit Khachatryan and unanimously carried by all RBOA members present.

04. Review of Action Items from Previous Meeting on February 15, 2024:

	Actions:	Assigned to:	Deadline:	Status/Comments:
A.	No items were reviewed			

05. Portfolio Performance Review: (Information)

- a. Scott Rankin of BTC stated the Portfolio Value of the Trust as of **December 31, 2023, was \$161,134,719**. He also indicated that as of yesterday's close of business the value of the trust was **\$161,470,499**. This includes the deposit of \$12.7 million dollars made in September 2023.
- b.

Time weighted return net of fees:

Month to Date	Quarter to Date	Year to Date	Last 12 Months	Annualized Latest 3 Year	Annualized Latest 5 Year	Annualized Latest 10 Year	Annualized Inception to Date
4.68	9.79	14.77	14.77	-0.60	5.55	4.43	5.10

06. Market Overview: (Information)

- a. Mark Payne and Brian Sharpes of Morgan Stanley, Investment Consultant to Benefit Trust Company, gave an update on current market conditions.

Economy:

- There was a shift in expectations on Fed rate cuts for 2024 on the back of stickier than expected inflation and strong employment.
 - Anticipate the Fed to hold interest rates at 5.25%-5.50% for long.
 - In January, markets expected six rate cuts in 2024 but are now pricing in three cuts for the year.

Equities & Fixed Income:

- U.S. Equities saw positive returns through most of Quarter 1, with both the S&P 500 and Dow Jones setting new all-time highs.
 - Large Cap Growth, primarily the Magnificent 7, continued to lead the upward rally.
- Fixed Income saw another volatile quarter with yields on the 10-year increasing to above 4.20% (up from 3.88% at the end of the fourth quarter of 2023).

07. Disbursement Report: (Information)

- a. Roslyn Washington presented the Disbursement Report reflecting fees paid to the District's OPEB Trust service entities for the period of October 1, 2023, thru December 31, 2023.
- b. There were no questions or comments from the Retirement Board of Authority members present.

08. Annual Actuarial Valuation Study Update Report (Information)

- a. The current total OPEB Liability as of December 31, 2023, is \$155,331,756. The Actuarial Value of Assets was listed as \$161,134,719.
- b. This leaves the trust with a Net (Accrued) OPEB Liability of (\$5,802,963) and a Funded % Ratio of 104%.
- c. There were no questions or comments from the Retirement Board of Authority members present.

09. The District's Independent Audit Report for Fiscal Year 2022/2023 (Information)

- a. The Independent Audit Report, prepared by Eide Bailly, was presented to the RBOA.
- b. The District received an unmodified opinion ("clean" audit report). There were no findings or adjustments.
- c. There were no questions or comments from the Retirement Board of Authority members present.

10. Transfer of Assets into the Futuris OPEB Trust (Information)

- a. Ann-Marie Gabel stated that the District will be contributing \$6,963,948 for Fiscal Year 2024/2025 in September 2024 which is equal to the Actuarially Determined Contribution (ADC).
- b. This is an information item only.

11. Information Report: RBOA Comments

- a. Ann-Marie Gabel asked if the Morgan Stanley office would still consider providing a tour of their facilities to see the inner workings of the investment team?
- b. Brian Sharpes of MS Graystone SFO replied, they would be happy to host.

12. Information Report: Program Coordinator/Consultant Comments

- a. Roslyn Washington of Keenan will check the calendar of all team members and provide Ann-Marie Gabel, and Connie Cavanaugh with dates in October to select from for the visit to the Morgan Stanley Headquarters. The last week of October is the most likely timeframe.

13. Date, Time, and Agenda Items for Next Meeting

Future Retirement Board of Authority (RBOA) Meetings are scheduled as follows:

- a. September 19, 2024 (10:30am – 11:30am)

Summary of Recommendations/Decisions Made Today (Action Items):

1. Approval of Agenda for RBOA Meeting on February 15, 2024.
2. Approval of Minutes from RBOA Meeting on October 5, 2023.

Action Items (February 15, 2024)

	Action:	Assigned to:	Deadline:	Status/Comments:
1.	None Assigned			

14. Adjournment:

There being no further business to conduct, motion to adjourn the Retirement Board of Authority meeting at 10:28 a.m. was made by Connie Cavanaugh and seconded by Davit Khachatryan; motion unanimously carried by all RBOA members present.