



RETIREMENT BOARD OF AUTHORITY

**Meeting Minutes
Coast Community College District
Chancellors Conference Room
August 10, 2023
1:00 PM**

1. Call to Order

Vice Chancellor, Marlene Drinkwine called the meeting to order at 1:02 p.m.

2. Roll Call

Coast Community College District Retirement Board of Authority (RBOA)

Present

Mary Hornbuckle, Board of Trustees

Jim Moreno, Board of Trustees

Marlene Drinkwine, Vice Chancellor, Finance & Administrative Services

Daniela Thompson, Executive Director, Fiscal Services

Rachel Snell, Director, Internal Audit Service

Maryann Watson, Coast Federation of Educators (CFE) Representative

Quintin Powell, Coast Federation of Classified Employees (CFCE) Representative (arrived at 1:05 p.m.)

Absent

None

Others in Attendance

Coast Community College District

Whitney Yamamura, Chancellor

Maira De La Torre, Internal Audit

Burke, Williams & Sorensen, LLP

Dr. Jack Lipton, Coast Community College District General Counsel

Keenan Financial Services, Futuris Program Coordinator & Plan Advisor

Roslyn Washington, Assistant Vice President

Futuris Program Consultants

Scott Rankin, Discretionary Trustee, Benefit Trust Company

Cary Allison, Registered Investment Advisor, Morgan Stanley

Mark Payne, Financial Consultant, Morgan Stanley

Community College League of California

Lisa Mealoy, Chief Operating Officer

Tim Filla, Managing Principal Consultant, Meketa Investment Group

3. Opportunity for Public Comment

There were no requests to address the Retirement Board of Authority.

4. Approval of Agenda

On a motion by Trustee M. Hornbuckle, seconded by Trustee J. Moreno the agenda was unanimously approved.

5. Approval of Meeting Minutes

On a motion from Trustee M. Hornbuckle, seconded by Trustee J. Moreno, the meeting minutes from February 9, 2022, were unanimously approved.

The motion carried with the following vote:

Ayes:	M. Drinkwine, M. Hornbuckle, J. Moreno, Q. Powell, R. Snell, D. Thompson, M. Watson
Noes:	None
Abstain:	None
Absent:	None

6. Comments from the Vice Chancellor (M. Drinkwine)

Vice Chancellor Drinkwine welcomed the committee members along with the Community College League and Keenan.

7. Keenan Financial Services (KFS)

a. Acknowledgment of Morgan Stanley [Graystone Consulting] (S. Rankin, Benefit Trust Company)

Scott Rankin reviewed the new requirement from Morgan Stanley that Coasts' Retirement Board of Authority affirms and acknowledges that Graystone Consulting Institutional Services, a division of Morgan Stanley, is contracted to provide investment education ONLY and not investment advice to the Board. Additional language states that Graystone provides investment advice solely to Benefit Trust Company.

Trustee Hornbuckle moved to approve the Morgan Stanley Acknowledgement, seconded by D. Thompson.

The motion carried with the following vote:

Ayes:	M. Drinkwine, R. Snell, D. Thompson, J. Moreno, M. Hornbuckle, Q. Powell, M. Watson
Noes:	None
Abstain:	None
Absent:	None

b. Portfolio Performance Report (C. Allison, Morgan Stanley)

In the performance period YTD (1/1/23 – 6/30/23), Coasts' beginning account value of \$39,747,185 increased to an ending value of \$43,096,092.

Total Account (Net of Fees)

Last 3 Months	Last 6 Months	Last 12 Months	3YR	5YR	Annualized Inception (6/30/2017) to Date
3.03%	8.43%	7.08%	2.15%	3.07%	3.49%

Comments on the Portfolio Performance

- We witnessed the quickest rate hike in 40 years from 0% in 2021 to 5.5% currently.
- In 2022 bonds were down 13-14% due to inflation, however, yields increased.
- In 2023 Morgan Stanley is predicting that the Feds are done raising interest rates; they are expecting a soft landing with a cyclical slowdown in economic growth.
- Short-term rates are expected to be in the 3s by year's end.
- July performance is currently showing 10.5% YTD for bonds.

Trustee Hornbuckle moved to accept Keenan's Portfolio Performance Report, seconded by D. Thompson.

The motion carried with the following vote:

Ayes: M. Drinkwine, R. Snell, D. Thompson, J. Moreno, M. Hornbuckle, Q. Powell, M. Watson
Noes: None
Abstain: None
Absent: None

c. Market Overview (C. Allison, Morgan Stanley)

- Cary Allison, Investment Consultant to BTC gave a market commentary update for the 2nd quarter of 2023 since we last met in March.
- An overview of the macroeconomy as well as the best and worst performing sectors of the S&P 500 this year were given.
- Updates on short-term interest rates and the review of current Federal Reserve decisions were discussed.
- Morgan Stanley's outlook for longer-term interest rates and the overall bond market was provided.

d. Disbursement Report (R. Washington, Keenan)

The Disbursement Report for the fiscal year-to-date was presented with management fees totaling \$173,680. A breakdown of expenses shows the fees for BTC of \$57,758; \$59,872 for Keenan, and \$56,050 for Morgan Stanley.

Q. Powell moved to ratify Keenan's Disbursement Report, seconded by Trustee M. Hornbuckle.

The motion carried with the following vote:

Ayes: M. Drinkwine, R. Snell, D. Thompson, J. Moreno, M. Hornbuckle, Q. Powell, M. Watson

Noes: None

Abstain: None

Absent: None

e. Review of Investment Policy Statement (S. Rankin, Benefit Trust Company)

The Investment Policy Statement (IPS) was presented to the committee for review and is an informational item. The statement provides general investment goals and objectives describing the strategies employed to meet these objectives. There are no changes to the current IPS.

Trustee Moreno moved to reaffirm the Investment Policy Statement that was originally adopted by the Retirement Board of Authority on August 12, 2021, seconded by Q. Powell.

The motion carried with the following vote:

Ayes: M. Drinkwine, R. Snell, D. Thompson, J. Moreno, M. Hornbuckle, Q. Powell, M. Watson

Noes: None

Abstain: None

Absent: None

f. OPEB Questionnaire

The OPEB and Due Diligence Questionnaire for the plan year July 1, 2022 - June 30, 2023, was presented and reviewed for informational purposes. Except for an updated Actuarial Report, that includes GASB mandates, the OPEB and Due Diligence questionnaire has been completed. An updated Actuarial Report will be sent to Keenan upon Coasts' receipt of the document which is expected in late October.

Q. Powell moved to accept the OPEB and Due Diligence Questionnaire, seconded by Trustee M. Hornbuckle.

The motion carried with the following vote:

Ayes: M. Drinkwine, R. Snell, D. Thompson, J. Moreno, M. Hornbuckle, Q. Powell, M. Watson

Noes: None

Abstain: None

Absent: None

8. Community College League of California (CCLC)

a. Portfolio Performance Report (T. Filla, Meketa)

Performance Report

As of 3/31/2023 (4th quarter of the fiscal year), Coasts' portfolio was valued at \$48,004,681. The portfolio value increased to \$49,271,646 which reflects a market value change of \$938,878.

Trailing Period Performance as of 6/30/2023 (net of fees)

Last 3 Months	Last 6 Months	Last 12 Months	3YR	5YR	Annualized Inception (7/1/2006) to Date
2.6%	*	7.9%	4.4%	4.7%	5.4%

* Meketa did not report on the 6 month performance at this meeting; this will be included in future reports for consistency.

Comments on the Portfolio Performance

- The CCCD portfolio returned 2.6% for the quarter, performing in line with the Policy Benchmark.
 - Top-performing asset class was Global Equities, returning 6.1%
 - TIPS showed the weakest performance with a decline of -1.6%
- For the 2023 fiscal year (last 12 months), the portfolio returned 7.9%, underperforming the Policy Benchmark by 30 basis points.
 - Fiscal year top performers were Global Equities at 15.7% and Natural Resources at 15.5%.
 - Lesser performers were noted with TIPS and Investment Grade Bonds.

Quintin Powell moved to accept the CCLC Portfolio Performance Report, seconded by Trustee Hornbuckle.

The motion carried with the following vote:

Ayes: M. Drinkwine, M. Hornbuckle, J. Moreno, Q. Powell, R. Snell, D. Thompson

Noes: None

Abstain: None

Absent: M. Watson

b. Disbursement Report (T. Filla, Meketa)

The Disbursement Report for fiscal year-to-date was presented to the committee with management fees totaling \$62,042. A breakdown of expenses shows fees for JPA of \$17,817, \$30,892 for Meketa, and \$13,333 for U.S. Bank.

Trustee Hornbuckle moved to ratify the CCLC Disbursement Report, seconded by Q. Powell.

The motion carried with the following vote:

Ayes:	M. Drinkwine, M. Hornbuckle, J. Moreno, Q. Powell, R. Snell, D. Thompson
Noes:	None
Abstain:	None
Absent:	M. Watson

9. Next Meeting Date and Time

February 8, 2023, at 1:00 p.m., District Office, Board Room

10. Adjournment

The meeting was adjourned at 2:10 p.m.