

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT:	ITEM #:	<u>2018/2019-001</u>
Public Comments	Enclosure:	<u>No</u>
	Action Item	<u>No</u>

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

The public may address the Retirement Board of Authority on any matter pertaining to the Board that is not on the agenda.

RECOMMENDATION:

The Chair reserves the right to limit the time of presentations by individual or topic.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-002
Approval of Agenda Enclosure: Yes
Action Item Yes

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

Under California Government Code Section §54950 (The Ralph M. Brown Act) the “Legislative Body” is required to post an agenda detailing each item of business to be discussed. The Authority posts the agenda in compliance with California Government Code Section §54954.2.

STATUS:

Unless items are added to the agenda according to G.C. §54954.2 (b) (1) (2) (3) the agenda is to be approved as posted.

RECOMMENDATION:

Subject to changes or corrections, the agenda is to be approved.

AGENDA

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

**October 30, 2018
10:00 AM – 12:00 PM**

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**Building 10, Room 10-421
3401 CSM Drive
San Mateo, CA. 94402
(650) 358-6828**

I. CALL TO ORDER

II. ROLL CALL

MEMBERS

Chief Financial Officer	Bernata Slater
Interim Vice Chancellor of Human Resources & Employee Relations	Harry Joel
Controller	Nicole Wang
Classified Representative	Kathy McEachron
Academic Representative	Bruce Maule

PROGRAM COORDINATOR

Senior Account Manager	Roslyn Washington
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CONSULTANTS

Morgan Stanley (MS)	Cary Allison
Benefit Trust Company (BTC)	Scott Rankin

GUESTS

OTHER

None

III. PUBLIC COMMENTS

**Information
2018/2019-001**

The public may address the Retirement Board of Authority (RBOA) on any matter pertaining to the Retirement Board that is not on the agenda. The Chair reserves the right to limit the time of presentations by individual or topic.

IV. APPROVAL OF AGENDA

**Action
2018/2019-002**

The Retirement Board of Authority (RBOA) retains the right to change the order in which agenda items are discussed. Subject to review by the Retirement Board, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2.

PUBLIC COMMENTS:

V. APPROVAL OF MINUTES

**Action
2018/2019-003**

The Retirement Board of Authority (RBOA) will review the Minutes from the previous meeting on **April 25, 2018**, for any adjustments and adoption.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VI. INVESTMENTS

PORTFOLIO PERFORMANCE REVIEW

**Action
2018/2019-004**

Morgan Stanley (MS) will review the overall performance of the District's Public Entity Investment Trust Portfolio.

PUBLIC COMMENTS:

MARKET OVERVIEW

**Information
2018/2019-005**

Morgan Stanley (MS) will provide an overview of the actions of the capital markets since the last Retirement Board of Authority (RBOA) meeting.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VII. ADMINISTRATION

ANNUAL REPORTING ON THE STATUS OF THE TRUST

**Action
2018/2019-006**

California Government Code 53216.4 requires an annual reporting of the funds held in the Investment Trust to participants and their beneficiaries. The Retirement Board of Authority should acknowledge annual reporting protocols for fiscal year ending June 30, 2018.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

DISBURSEMENT REPORT

**Action
2018/2019-007**

The Retirement Board of Authority (RBOA) members will ratify "reasonable fees" associated with GASB compliance and the Management/Operational duties of the District's OPEB Investment Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

**UPDATES TO THE COMPREHENSIVE COMPLIANCE PLAN,
INCLUDING THE “SUBSTANTIVE PLAN”**

**Information
2018/2019-008**

Updating the “Substantive Plan” is a dynamic process that requires an annual review protocol to incorporate modifications to program provisions or changes to cost arrangements. The Retirement Board of Authority (RBOA) shall review updates to the “Substantive Plan” and “e-Library” reflecting compliance with GASB 74/75 protocols and applicable Regulatory standards for fiscal year ending June 30, 2018.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

ACTUARIAL VALUATION STUDY REVIEW

**Information
2018/2019-009**

The Retirement Board of Authority (RBOA) membership will review and analyze the status of updates to the Actuarial Valuation Study to maintain compliance with GASB 74/75 standards.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

FUTURE TRANSFER OF ASSETS INTO THE TRUST

**Information
2018/2019-010**

Based on the current Actuarial Valuation Study, the Retirement Board of Authority (RBOA) will discuss the OPEB deposits scheduled by the District to be transferred into the Investment Trust.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

REPORT TO THE GOVERNING BOARD OF TRUSTEES

**Information
2018/2019-011**

The Retirement Board of Authority will receive an update on the presentation given to the San Mateo County CCD Governing Board of Trustees on **August 23, 2018**.

PUBLIC COMMENTS:

BOARD CONSIDERATION:

VIII. INFORMATION REPORTS

RETIREMENT BOARD OF AUTHORITY COMMENTS

**Information
2018/2019-012**

Each member may report about various matters involving the Retirement Board of Authority. There will be no Retirement Board discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

PROGRAM COORDINATOR/CONSULTANT COMMENTS

**Information
2018/2019-013**

The Program Coordinator and Consultants will report to the Retirement Board of Authority about various matters involving the Authority. There will be no Authority discussion except to ask questions, and no action will be taken unless listed on a subsequent agenda.

**AGENDA -- San Mateo County Community College District
Retirement Board of Authority Meeting
October 30, 2018
Page 4**

IX. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

**Information
2018/2019-014**

In addition to standing Agenda items, members and visitors may suggest additional items for consideration at the next Retirement Board of Authority meeting.

PUBLIC COMMENTS:

X. ADJOURNMENT

Americans with Disabilities Act The San Mateo County 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 Mateo County Community College District Retirement Board of Authority meeting, shall be made to: Bernata Slater, Chief Financial Services, San Mateo County Community College District, 3401 CMS Drive, San Mateo, CA 94402.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO:
Retirement Board of Authority

DATE: 10/30/2018

SUBJECT:
Approval of Minutes

ITEM #: 2018/2019-003

Enclosure: Yes

Action Item: Yes

Prepared by: Keenan Financial Services

Requested by: Retirement Board of Authority

BACKGROUND:

As a matter of record and in accordance with the Brown Act, minutes of each meeting are kept and recorded.

STATUS:

The Retirement Board of Authority will review the Minutes from the previous meeting on **April 25, 2018**.

RECOMMENDATION:

Subject to changes or corrections, the minutes are to be approved.

MINUTES

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT BOARD OF AUTHORITY MEETING

April 25, 2018
1:00 PM–3:00 PM

I. CALL TO ORDER

1. The meeting was called to order at 1:19 PM by Roslyn Washington.

II. ROLL CALL

1. All Retirement Board of Authority (RBOA) members were present:
2. Bernata Slater, Chief Financial Officer,
Eugene Whitlock, Vice Chancellor of Human Resources & Employee Relations,
Nicole Wang, Controller,
Kathy McEachron, Classified Representative,
Bruce Maule, Academic Representative.

3. **Coordinators/Consultants present:**

Roslyn Washington, Senior Account Manager, Keenan Financial Services,
Cary Allison, Senior Vice President, Morgan Stanley,
Scott Rankin, Senior Vice President, Benefit Trust Company.

Coordinators/Consultants not present:

Gail Beal, Senior Vice President, Keenan Financial Services.

III. PUBLIC COMMENTS

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

IV. APPROVAL OF AGENDA

1. Bruce Maule moved to approve the agenda as presented. Motion was seconded by Kathy McEachron and was unanimously approved by all of the RBOA members present.

V. APPROVAL OF MINUTES

1. Bruce Maule moved to approve the minutes as presented. Motion was seconded by Eugene Whitlock and was unanimously approved by all of the RBOA members present.

VI. INVESTMENTS

1. **Portfolio Performance Review**

- a. Cary Allison of Morgan Stanley (MS) reviewed the performance of the Trust's accounts as of March 31, 2018.
- b. The Portfolio Value as of 03/31/2018 was **\$104,997,688**.

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
-0.24	-0.52	-0.52	8.13	4.86	5.64	6.65

- c. We are down approximately 1/2% for the first quarter.
- d. CalPERS portfolios are down 1.5% across the board.
- e. Bruce Maule asked if a more comparable benchmark can be added?
- f. Scott Rankin asked that a 45/55 benchmark be added to the report to reflect a more detailed comparison to the portfolio.
- g. Rising interest rates and tax reform are the things that are changing the market and creating a little volatility.
- h. Bruce Maule moved to approve the report as given. Motion was second by Bernata Slater.

2. Market Overview

Cary Allison gave an overview of the Markets since the last RBOA meeting.

- a. We may set a 3% growth this year. The highest since 2004, but with growth comes higher interest rates.
- b. Interest rates have already been raised twice this year, and there will be another hike to come.
- c. 10-year treasury closed at 3.03% today. This is the first time it's closed over 3% since 2013.
- d. Inflation is scaring everyone right now. Rates have come up, but we don't think they will top 3.5%
- e. The Feds have purchased about 3.5 trillion in bonds because they don't want rates to go up too much.
- f. We (Morgan Stanley) think long term bond rated will stay in the two-ish range.
- g. Short term bond rates will probably go up two more times.
- h. Unemployment rates are low and the GDP is good.
- i. Earnings are up this year 15% over last year and next year is expected to be 10% over this year.
- j. This is an informational item only.

3. Investment Policy Statement Review

- a. Cary Allison presented the Risk Tolerance Questionnaire to the RBOA.
- b. After the RTQ was reviewed the board was between conservative and moderate growth.
- c. Bruce Maule moved to approve and reaffirm the IPS. Motion was seconded by Kathy McEachron and was unanimously approved by all of the RBOA members present.
- d. Cary discussed page 21 of the meeting materials in regards to rolling returns history.

VII. EDUCATION

- a. Cary Allison provided the Retirement Board of Authority with additional market information by presenting them with the market material and outlook from Lisa Shalett, head of Wealth Management Investment Resources at Morgan Stanley.

- b. This is an informational item only.

VIII. ADMINISTRATION

4. 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 February 1, 2018 – March 15, 2018.
- b. Bruce Maule Moved to ratify the Disbursement Report as presented; Motion was seconded by Bernata Slater and was unanimously carried by all RBOA members present.

5. Future Transfer of Assets into the Trust

- a. \$1.9M will be transferred into the Trust before June 30, 2018 for a total of \$12.2M for the fiscal year.
- b. This item is information only.

6. Update of Retirement Board of Authority Bylaws

- a. Roslyn Washington presented the bylaws with red line changes that were suggested by Keenan Legal Dept to remove any reference to GASB 43/45 and replace with the new GASB Statements 74/75.
- b. Bernata Slater Moved to accept the Bylaws as presented. Motion was seconded by Nicole Wang and was unanimously approved by all of the RBOA members present.

7. Report to the Governing Board of Trustees

- a. This item was tabled until a definite date of the Board of Trustee meeting will occur.

IX. INFORMATION REPORTS

8. Retirement Board of Authority Comments

- a. There were no RBOA comments.
- b. This is information only.

9. Program Coordinator/Consultant Comments

- a. There were no Coordinator/Consultant comments.
- b. This is information only.

X. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. October 30th 10AM to 12PM.
- b. This is information only.

XI. ADJOURNMENT

- a. The meeting was adjourned at 3:28PM.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-004
Portfolio Performance Review Enclosure: Yes
Action Item Yes

Prepared by: Morgan Stanley
Requested by: Retirement Board of Authority

BACKGROUND:

As Board members of the Retirement Board of Authority you have a fiduciary responsibility as described in Government Code section 53215, et seq. As part of fulfilling your fiduciary responsibility, it is important to periodically review the District's OPEB Trust Portfolio.

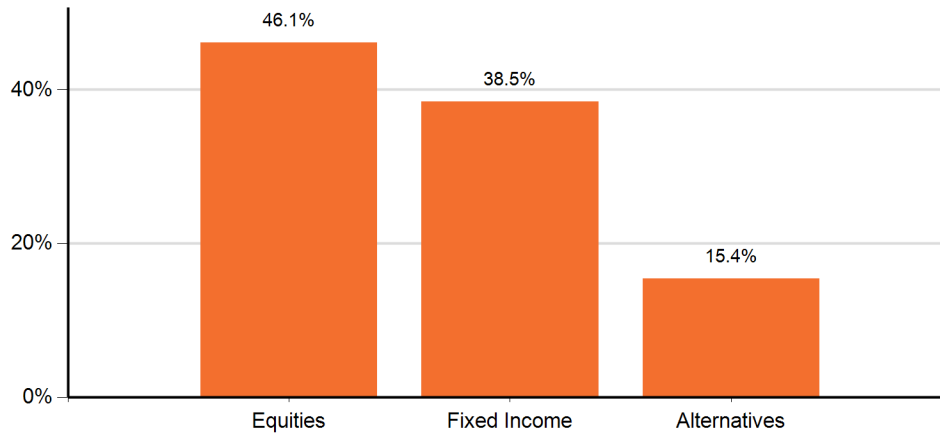
STATUS:

Morgan Stanley (MS) will provide a review of the District's OPEB Trust Portfolio Performance Report.

RECOMMENDATION:

The Retirement Board of Authority should review and accept the District's Public Entity Investment Trust Portfolio Report and file as appropriate.

Asset Allocation



Portfolio Summary

	Year to Date
Beginning Value	\$ 102,507,563.16
Net Contributions	12,200,000.00
Interest	-
Dividends	1,536,348.24
Change in Market Value	1,161,044.81
Management Fees	(296,537.58)
Ending Value	\$ 117,108,418.63

YTD: 12/31/2017 - 9/30/2018

Performance

	Market Value	Current Yield	Month to Date	Quarter to Date	Year to Date	Last 12 Months	Last 3 Years	Last 5 Years	Inception* to Date
Fixed Income	45,044,402.56	3.0	-0.42	-0.02	-1.23	-0.55	2.74	2.54	3.99
Equities	54,029,138.38	0.8	0.11	4.01	5.79	10.75	13.24	9.22	9.60
Alternatives	18,034,877.69	3.3	-0.62	0.74	1.14	3.34	-	-	-
Total Account	117,108,418.63	2.0	-0.21	1.94	2.34	5.09	8.08	6.01	6.94
Total Account (Net of Fees)		2.0	-0.24	1.85	2.06	4.71	7.70	5.64	6.57
<i>S&P 500 TR</i>			0.57	7.71	10.57	17.91	17.32	13.96	14.07
<i>MSCI EAFE</i>			0.87	1.35	-1.43	2.74	9.23	4.42	5.64
<i>MSCI ACWI Ex US Net</i>			0.46	0.71	-3.08	1.77	10.01	4.14	5.03
<i>Barclays Aggregate</i>			-0.64	0.02	-1.60	-1.22	1.32	2.17	2.91
<i>Barclays Global Agg Bd Unhedged</i>			-0.86	-0.93	-2.38	-1.33	1.97	0.75	1.45
<i>45% MSCI ACWI / 55% Bloomberg Barclays Agg</i>									

* Inception date: 11/30/2009

Performance for periods greater than one year are annualized.

PORTFOLIO APPRAISAL
SAN MATEO COUNTY COMMUNITY COLLEGE FUTURIS PUBLIC ENTITY INVESTMENT TR
BENEFIT TRUST ACCOUNT 0382

September 30, 2018

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
FIXED INC MUTUAL FUNDS								
Taxable Funds								
824,438.722	BLACKROCK TOTAL RETURN FD BD FD BLKRK CL	MPHQ.X	11.81	9,740,703.72	11.21	9,241,958.07	7.9	3.0
506,032.117	GUGGENHEIM FDS TR INVNT GD BD INSTL	GIUS.X	18.35	9,284,408.20	18.30	9,260,387.74	7.9	3.7
433,463.288	HARTFORD WORLD BOND Y	HWDY.X	10.41	4,514,336.99	10.71	4,642,391.81	4.0	0.2
335,422.258	LEGG MASON BW GLOBAL OPPS BD IS	GOBS.X	10.82	3,628,774.44	10.15	3,404,535.92	2.9	0.0
661,691.684	PRUDENTIAL TOTAL RETURN BD FD	PTRQ.X	14.49	9,586,293.34	13.96	9,237,215.91	7.9	3.0
825,125.945	WESTERN ASSET FDS INC	WAPS.X	11.77	9,711,475.62	11.22	9,257,913.10	7.9	4.8
				46,465,992.30		45,044,402.56	38.5	3.0
				46,465,992.30		45,044,402.56	38.5	3.0
DOMESTIC EQUITY FUNDS								
Large Cap Funds								
188,367.539	ALGER FUNDS CAP APP FOCY Y	ALGY.X	36.92	6,954,529.56	38.53	7,257,801.28	6.2	0.0
174,431.513	COLUMBIA FDS SER TR I	COFY.X	23.28	4,060,532.11	28.12	4,905,014.15	4.2	0.9
123,987.146	OAKMARK SELECT INSTITUTIONAL	OANL.X	44.52	5,519,455.89	45.91	5,692,249.87	4.9	0.5
71,449.099	PRUDENTIAL WORLD FD INC JENNISON GBL Q	PRJQ.X	22.66	1,619,041.12	24.82	1,773,366.64	1.5	0.0
				18,153,558.68		19,628,431.93	16.8	0.4
Mid Cap Funds								
88,399.246	HARTFORD MIDCAP Y	HMDY.X	27.75	2,452,731.05	40.19	3,552,765.70	3.0	0.0
Small Cap Funds								
231,360.153	ALGER FDS SMALL CP FOCUS Z	AGOZ.X	12.47	2,884,102.43	22.59	5,226,425.86	4.5	0.0
46,749.374	UNDISCOVERED MANAGERS FDS BEHAVR VAL R6	UBVF.X	59.46	2,779,853.57	74.61	3,487,970.79	3.0	0.9
				5,663,956.00		8,714,396.65	7.4	0.4
				26,270,245.73		31,895,594.28	27.2	0.3
INTERNATIONAL FUNDS								
Small Cap Funds								
185,527.677	BRANDES INTERNATIONAL SMALL CAP R6	BISR.X	13.33	2,473,143.26	12.15	2,254,161.28	1.9	3.0

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PORTFOLIO APPRAISAL
SAN MATEO COUNTY COMMUNITY COLLEGE FUTURIS PUBLIC ENTITY INVESTMENT TR
BENEFIT TRUST ACCOUNT 0382

September 30, 2018

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
International								
51,099.356	AMERICAN FUNDS NEW PERSPECTIVE F2	ANWF.X	38.73	1,978,859.07	46.75	2,388,894.89	2.0	0.8
276,970.729	HARTFORD INTERNATIONAL VALUE Y	HILY.X	14.62	4,049,829.13	16.96	4,697,423.56	4.0	2.1
102,689.971	JOHN HANCOCK FDS III INTL GROWTH R6	JIGT.X	28.53	2,929,896.13	28.37	2,913,314.48	2.5	0.6
129,581.749	OAKMARK INTERNATIONAL INVESTOR	OANL.X	29.12	3,773,338.30	26.19	3,393,746.01	2.9	1.7
218,293.168	THORNBURG INVESTMENT INCOME BUILDER	TIBO.X	20.98	4,579,885.92	21.89	4,778,437.45	4.1	1.0
				17,311,808.56		18,171,816.39	15.5	1.3
Emerging Markets								
26,726.662	AMERICAN FUNDS NEW WORLD F-2	NFFF.X	58.63	1,567,057.56	63.89	1,707,566.44	1.5	1.0
				21,352,009.38		22,133,544.10	18.9	1.5
ALTERNATIVE INVESTMENT FUNDS								
185,217.897	COHEN & STEERS RLTY INCM NEW SHS CL Z	CSZLX	15.48	2,867,978.41	15.56	2,881,990.48	2.5	2.8
352,457.525	GUGGENHEIM MACRO OPPORTUNITIES INSTL	GIOLX	26.41	9,308,527.76	26.57	9,364,796.44	8.0	3.6
338,797.298	LEGG MASON BW ALT	LMAM.X	10.31	3,494,537.37	10.30	3,489,612.17	3.0	3.7
95,135.704	PRUDENTIAL GLOBAL REAL ESTATE	PGRQ.X	24.84	2,363,498.64	24.16	2,298,478.61	2.0	2.4
				18,034,542.19		18,034,877.69	15.4	3.3
TOTAL PORTFOLIO				112,122,789.61		117,108,418.63	100.0	2.0

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**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-005
Market Overview Enclosure: Yes
Action Item: No

Prepared by: Morgan Stanley
Requested by: Retirement Board of Authority

BACKGROUND:

As Board members of the Retirement Board of Authority you have a fiduciary responsibility as described in Government Code section 53215, et seq. In fulfilling your fiduciary responsibility, it is important to understand the impact of market conditions on the assets in the Investment Trust.

STATUS:

Morgan Stanley (MS) will provide an overview of current capital market conditions.

RECOMMENDATION:

The Retirement Board of Authority should receive the information and file accordingly.



Portfolio Update – 3rd Quarter 2018

Cary M. Allison, CIMA®
Senior Institutional Consultant
U.S. Government Entity Specialist

Morgan Stanley

Portfolio Returns

As of September 30th, 2018

<i>Portfolio</i>	<i>3 Mo</i>	<i>1-Yr</i>	<i>3-Yr</i>	<i>5-Yr</i>	<i>10-Yr</i>
Fixed Income	0.18%	0.16%	3.17%	3.07%	6.30%
<i>Benchmark (Barclay's Aggregate)</i>	<i>0.02%</i>	<i>-1.22%</i>	<i>1.31%</i>	<i>2.16%</i>	<i>3.77%</i>
Conservative	0.66%	1.48%	4.59%	3.75%	6.67%
<i>Benchmark (15% ACWI / 85% BC Agg)</i>	<i>0.59%</i>	<i>0.38%</i>	<i>3.12%</i>	<i>3.18%</i>	<i>4.65%</i>
Moderate	1.43%	3.28%	6.39%	4.92%	7.32%
<i>Benchmark (30% ACWI / 70% BC Agg)</i>	<i>1.16%</i>	<i>1.99%</i>	<i>4.93%</i>	<i>4.19%</i>	<i>5.46%</i>
Moderate Growth	1.93%	4.83%	7.75%	5.80%	7.79%
<i>Benchmark (45% ACWI / 55% BC Agg)</i>	<i>1.73%</i>	<i>3.61%</i>	<i>6.75%</i>	<i>5.19%</i>	<i>6.23%</i>
Growth	2.43%	6.45%	9.45%	6.80%	8.31%
<i>Benchmark (60% ACWI / 40% BC Agg)</i>	<i>2.30%</i>	<i>5.23%</i>	<i>8.58%</i>	<i>6.16%</i>	<i>6.93%</i>
Aggressive Growth	3.05%	8.70%	11.33%	7.91%	8.86%
<i>Benchmark (75% ACWI / 25% BC Agg)</i>	<i>2.87%</i>	<i>6.85%</i>	<i>10.42%</i>	<i>7.13%</i>	<i>7.58%</i>

NOTE: The portfolios listed above are sample representations only and may be altered from time to time at the discretion of the trustee.

Quarter	Fixed Income	Conservative	Moderate	Moderate Growth	Growth	Aggressive Growth
Quarterly Returns						
3/31/2008	0.72%	-0.37%	-1.49%	-3.40%	-5.13%	-6.50%
6/30/2008	-1.51%	-1.76%	-1.75%	-1.47%	-1.25%	-0.97%
9/30/2008	-3.19%	-4.12%	-5.53%	-7.08%	-8.88%	-11.99%
12/31/2008	0.28%	-2.90%	-6.76%	-9.65%	-13.11%	-17.53%
3/31/2009	-0.34%	-2.21%	-4.38%	-5.50%	-7.11%	-9.17%
6/30/2009	7.63%	9.64%	12.08%	13.79%	15.91%	19.16%
9/30/2009	8.04%	9.48%	11.18%	12.23%	13.84%	15.75%
12/31/2009	2.06%	2.26%	2.60%	2.90%	3.18%	3.67%
3/31/2010	3.31%	3.59%	3.83%	3.97%	4.23%	4.46%
6/30/2010	1.74%	-0.35%	-2.38%	-3.89%	-5.73%	-7.85%
9/30/2010	4.69%	6.20%	7.61%	8.68%	9.87%	11.45%
12/31/2010	-0.30%	0.98%	2.45%	3.57%	5.03%	6.92%
3/31/2011	1.50%	1.88%	2.26%	2.58%	3.09%	3.58%
6/30/2011	2.15%	1.93%	1.61%	1.28%	0.91%	0.49%
9/30/2011	0.17%	-2.89%	-5.81%	-7.78%	-10.68%	-13.70%
12/31/2011	1.52%	2.35%	3.30%	3.98%	4.96%	6.08%
3/31/2012	2.75%	4.06%	5.37%	6.27%	7.62%	9.09%
6/30/2012	1.89%	0.57%	-0.66%	-1.62%	-2.93%	-4.29%
9/30/2012	3.75%	4.14%	4.37%	4.57%	4.92%	5.18%
12/31/2012	1.52%	1.89%	2.22%	2.39%	2.63%	2.83%
3/31/2013	0.60%	1.47%	2.55%	3.32%	4.37%	5.57%
6/30/2013	-2.99%	-2.48%	-1.80%	-1.36%	-0.74%	-0.09%
9/30/2013	0.94%	1.64%	2.58%	3.30%	4.29%	5.24%
12/31/2013	0.94%	1.90%	2.85%	3.43%	4.36%	5.33%
3/31/2014	2.14%	2.04%	1.97%	2.05%	1.89%	1.85%
6/30/2014	2.52%	2.87%	3.30%	3.65%	4.02%	4.37%
9/30/2014	-0.04%	-0.60%	-1.11%	-1.56%	-2.17%	-2.61%
12/31/2014	0.83%	0.59%	0.91%	1.18%	1.50%	1.61%
3/31/2015	1.54%	1.63%	1.89%	2.15%	2.37%	2.48%
6/30/2015	-1.70%	-1.40%	-1.03%	-0.87%	-0.60%	-0.30%
9/30/2015	-0.38%	-1.97%	-3.16%	-3.99%	-5.19%	-6.33%
12/31/2015	-0.42%	0.57%	1.53%	2.06%	2.89%	3.74%
3/31/2016	2.62%	2.10%	1.76%	1.64%	1.36%	1.05%
6/30/2016	2.26%	1.92%	1.75%	1.68%	1.54%	1.42%
9/30/2016	1.27%	2.05%	2.89%	3.48%	4.27%	5.05%
12/31/2016	-1.78%	-1.20%	-0.85%	-0.55%	0.08%	0.47%
3/31/2017	1.95%	2.52%	3.32%	3.85%	4.41%	5.12%
6/30/2017	2.05%	2.35%	2.73%	3.00%	3.32%	3.67%
9/30/2017	1.37%	1.82%	2.44%	2.79%	3.33%	3.81%
12/31/2017	0.80%	1.32%	1.95%	2.43%	3.03%	3.69%
3/31/2018	-0.24%	-0.33%	-0.33%	-0.22%	-0.24%	-0.18%
6/30/2018	-0.57%	-0.17%	0.21%	0.63%	1.11%	1.91%
9/30/2018	0.18%	0.66%	1.43%	1.93%	2.43%	3.05%

Quarter	Fixed Income	Conservative	Moderate	Moderate Growth	Growth	Aggressive Growth
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Annualized Rolling Returns (per year)

1 Year	0.16%	1.48%	3.28%	4.83%	6.45%	8.70%
2 Years	1.86%	3.50%	5.52%	7.07%	8.97%	11.15%
3 Years	3.17%	4.59%	6.39%	7.75%	9.45%	11.33%
4 Years	2.43%	3.11%	4.37%	5.33%	6.45%	7.63%
5 Years	3.07%	3.75%	4.92%	5.80%	6.80%	7.91%
6 Years	2.55%	3.53%	5.03%	6.13%	7.47%	8.92%
7 Years	3.62%	4.64%	6.12%	7.17%	8.52%	9.98%
8 Years	3.61%	4.29%	5.37%	6.15%	7.09%	8.13%
9 Years	4.54%	5.13%	6.07%	6.76%	7.56%	8.47%
10 Years	6.30%	6.67%	7.32%	7.79%	8.31%	8.86%

Annual Returns

2008	-3.70%	-8.88%	-14.75%	-20.09%	-25.83%	-32.79%
2009	18.28%	20.03%	22.25%	24.18%	26.47%	29.88%
2010	9.71%	10.70%	11.74%	12.48%	13.39%	14.71%
2011	5.44%	3.21%	1.10%	-0.38%	-2.47%	-4.71%
2012	10.27%	11.05%	11.67%	11.94%	12.49%	12.93%
2013	-0.56%	2.49%	6.25%	8.89%	12.75%	16.92%
2014	5.54%	4.95%	5.11%	5.35%	5.24%	5.19%
2015	-0.98%	-1.21%	-0.85%	-0.78%	-0.74%	-0.72%
2016	4.38%	4.92%	5.63%	6.36%	7.40%	8.17%
2017	6.31%	8.25%	10.85%	12.62%	14.85%	17.30%
2018 YTD	-0.63%	0.16%	1.31%	2.35%	3.32%	4.83%

Statistics

Worst Quarter	-3.19%	-4.12%	-6.76%	-9.65%	-13.11%	-17.53%
Average Quarter	1.29%	1.33%	1.37%	1.38%	1.40%	1.43%
Best Quarter	8.04%	9.64%	12.08%	13.79%	15.91%	19.16%
Worst 1-Year Period	-4.71%	-10.56%	-17.25%	-21.83%	-27.37%	-34.71%
Average 1-Year Period	5.51%	5.72%	6.20%	6.52%	6.96%	7.44%
Best 1-Year Period	22.61%	27.15%	32.75%	36.63%	41.91%	49.37%
Worst 3-Year Rolling Period	1.30%	2.09%	3.29%	3.73%	2.12%	0.04%
Average 3-Year Rolling Period	5.82%	6.19%	6.89%	7.36%	7.95%	8.60%
Best 3-Year Rolling Period	13.68%	15.32%	17.40%	18.83%	20.68%	23.50%
Worst 5-Year Rolling Period	2.87%	3.71%	4.88%	4.89%	3.34%	1.55%
Average 5-Year Rolling Period	5.89%	6.43%	7.37%	8.03%	8.88%	9.82%
Best 5-Year Rolling Period	10.75%	12.57%	14.95%	16.63%	18.91%	22.03%

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-006
Annual Reporting on the Status of the Trust Enclosure: Yes
Action Item: Yes

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

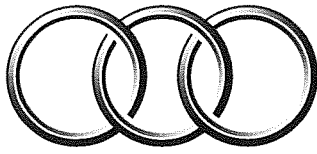
California Government Code 53216.4 requires an Annual Reporting of the funds held in the Investment Trust to beneficiaries of the District's OPEB Plan.

STATUS:

The Retirement Board of Authority (RBOA) has approved the method of how the Annual Reporting on the Status of Funds held in the Trust will be made in compliance with California Government Code 53216.4. The Retirement Board of Authority shall ratify promulgation of the Annual Report on the Status of the Investment Trust to the District's OPEB Plan beneficiaries for fiscal year ending June 30, 2018.

RECOMMENDATION:

The Retirement Board of Authority will review the Annual Report and take appropriate action as deemed necessary.



**ANNUAL REPORT FOR THE
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
FUTURIS TRUST
AUGUST 2018**

The San Mateo County Community College District has established the Futuris Public Entity Investment Trust. This Trust is an IRS Section 115 Trust that is used for the purposes of investment and disbursement of funds irrevocably designated by the District for the payment of its obligations to eligible employees and former employees of the District and their eligible dependents and beneficiaries for life, sick, hospitalization, major medical, accident, disability, dental and other similar benefits (sometimes referred to as “other post-employment benefits,” or “OPEB.”) This Trust was established and is managed in compliance with the applicable Governmental Accounting Standards Board (GASB) standards for OPEB. GASB Statements 74 and 75 set the accounting standard for public sector employers to identify and report their (OPEB) liabilities.

The District has created a Retirement Board of Authority consisting of District Personnel to oversee and run the Futuris Trust. Benefit Trust Company is the qualified Discretionary Trustee for asset and fiduciary management and investment policy development. Keenan & Associates is the Program Coordinator for the Futuris Trust providing oversight of the Futuris program and guidance to the District.

Attached to this notice is the most recent annual statement for the Trust. This statement shows (as of the date of the statement); the total assets in the Trust, the market value, the book value, all contribution and distribution activity (including all fees and expenses associated with the Trust), income activity, purchase activity, sale activity, and realized gains and losses. Please note that the Trust is not itself an employee benefit plan. Rather, the assets in the Trust are irrevocably designated for the funding of employee benefit plans. You are being provided this information pursuant to California Government Code Section 53216.4.

For more information regarding the Futuris Public Entity Investment Trust, please contact Bernata Slater, Chief Financial Officer at (650) 358-6742 with the San Mateo County Community College District.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-007
Disbursement Report Enclosure: Yes
Action Item Yes

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

The District's OPEB Trust is positioned to make withdrawals for the reimbursement of retiree benefits for eligible participants and for the "reasonable fees" associated with the management and operation of the Trust.

STATUS:

The Retirement Board of Authority (RBOA) shall ratify the "reasonable fees" associated with GASB 74/75 compliance and the Management/Operational duties of the District's Investment Trust.

RECOMMENDATION:

The Retirement Board of Authority will hear the information and take appropriate action as deemed necessary.

San Mateo CCD Disbursements

08/01/2018 – 10/01/2018

DISBURSEMENT TRANSACTIONS		
08/16/2018	MONTHLY FEE TO BENEFIT TRUST COMPANY JULY 2018	(\$11,688.31)
08/16/2018	MONTHLY FEE TO KEENAN AND ASSOCIATES JULY 2018	(\$11,725.81)
08/16/2018	MONTHLY FEE TO MORGAN STANLEY JULY 2018	(\$11,625.81)
09/14/2018	MONTHLY FEE TO BENEFIT TRUST COMPANY EFFECTIVE 09/13/2018 AUGUST 2018	(\$11,797.87)
09/14/2018	MONTHLY FEE TO KEENAN AND ASSOCIATES EFFECTIVE 09/13/2018 AUGUST 2018	(\$11,835.37)
09/14/2018	MONTHLY FEE TO MORGAN STANLEY EFFECTIVE 09/13/2018 AUGUST 2018	(\$11,735.37)
TOTAL FOR DISBURSEMENT		(\$70,408.54)

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-008
Updates to the Comprehensive Compliance, including the
“Substantive Plan”

Enclosure: Yes
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

Under the Futuris program, Keenan Financial Services prepares a written summary of the “Substantive Plan”, as part of an overall Comprehensive Compliance Plan, which acts as both a road map and a record of the Retirement Board of Authority’s compliance with its fiduciary duties.

STATUS:

The Retirement Board of Authority will review District updates to the “Substantive Plan” and “e-Library” reflecting compliance with GASB 74/75 protocols and applicable Regulatory standards for fiscal year ending 2018.

RECOMMENDATION:

The Retirement Board of Authority shall hear and receive the information presented.

Ongoing OPEB Questionnaire & Due Diligence

PUBLIC ENTITY EMPLOYER NAME: _____

PLAN YEAR: _____ July 1, 2017 – June 30, 2018 _____

To help us understand & determine ongoing Other Post Employment Benefits (OPEB) provided for retirees of the Public Entity Employer, please complete the following questionnaire.

1 To determine OPEB ongoing liabilities, has a current Actuarial Valuation Report been produced & updated per GASB mandates? Yes No
Date of most current Actuarial Valuation Report _____

2 Who is the Actuary that completed the Valuation Report?

3 Have there been any changes/modifications to Bargaining Agreements recently (within this past year) that affect Retirees OPEB? Yes No

▪ **Certificated**

Date of most current Bargaining Agreement _____

▪ **Classified**

Date of most current Bargaining Agreement _____

▪ **Management**

Date of most current Bargaining Agreement _____

▪ **Other**

Date of most current Bargaining Agreement _____

4 Have there been modifications of program provisions or changes in insurance carriers of the Health Benefits Program provided to Retirees of the Employer in the past year? Yes No

If the answer to No. 4 is Yes, please list any changes below or on a separate page.

Ongoing OPEB Questionnaire & Due Diligence

5 Are Spouses, Domestic Partners or Dependents covered under the Health Benefits provided to Retirees of the Employer? Yes No

6 Have there been modifications of program provisions or changes in insurance carriers of the Dental Benefits provided to Retirees of the Employer? Yes No

If the answer to No. 6 is Yes, please list the changes below:

7 Are Spouses, Domestic Partners or Dependents covered under Dental Benefits provided to Retirees of the Employer? Yes No

8 Have there been any modifications of any separate Prescription Drug Plan provided for Retirees of the Employer (including benefits for dependents)? Yes No

If the answer to No. 8 is Yes, please indicate all changes below or on a separate page.

9 Are Long Term Care Benefits provided for Retirees of the Employer? Yes No

Ongoing OPEB Questionnaire & Due Diligence

- 10 Are there any changes to other insurance coverage provided for Retirees of the Employer, including their dependents? (i.e., Life Insurance, change of carriers, changes regarding how much of the premium is paid by the Employer versus the Retiree, etc.) Yes No

If the answer to No. 10 is Yes, please list additional insurance coverage and any changes below or on a separate page :

- 11 Within the past year, have there been changes to any other arrangements or commitments for the Employer to pay for the cost of any post retirement benefits (other than pension benefits). This would be applicable to any employee or employee contract or bargaining agreement that may be in place between the employee(s), the bargaining unit and the Employer. Yes No

- 12 Within the past year, have there been changes to any other arrangements or commitments for the Employer to pay for the costs, of any dependent of a retired Employee of the Employer? Yes No

If the answer to No. 12 is Yes, please list additional costs, benefits, etc. below or on a separate page

- 13 There are **NO** updates required at this time.

QUESTIONNAIRE

COMPLETED BY: _____

PUBLIC ENTITY

EMPLOYER

ACKNOWLEDGEMENT: _____

DATE: _____

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-009
Actuarial Valuation Study Update Enclosure: No
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

GASB Statement 74, states that an Actuarial Valuation Study should be performed at least biannually. The Retirement Board of Authority should discuss the need for obtaining an updated Actuarial Valuation Study.

STATUS:

The District's current Actuarial Valuation Study has an effective date of **September 26, 2017**. The RBOA membership will review and analyze the status of updates to the current Actuarial Valuation Study.

RECOMMENDATION:

The Retirement Board of Authority shall hear and receive the information presented.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-010
Future Transfer of Assets into the Trust Enclosure: No
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

The Trust was created for the exclusive purpose of prefunding unfunded retiree OPEB liabilities.

STATUS:

A dollar-cost-averaging strategy is currently used for prefunding the District's OPEB Investment Trust requirements. The RBOA membership shall acknowledge recent prefunding transfers to the Trust and review anticipated future schedules for District transfers.

RECOMMENDATION:

The Retirement Board of Authority shall hear the information file accordingly.

**SAN MATEO COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-011
Report to the Governing Board of Trustees Update

Enclosure: Yes (Separate)
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

The current status of the District's OPEB Investment Trust is periodically presented to the San Mateo Community College District Board of Trustees.

STATUS:

An Annual Report presentation regarding the current status of the District's OPEB Investment Trust was made to the San Mateo Community College District Board of Trustees on **August 23, 2018**.

RECOMMENDATION:

The Retirement Board of Authority shall receive the information presented and file accordingly.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-012
Retirement Board of Authority Comments Enclosure: No
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

Each member may report about various matters involving the Retirement Board of Authority.

RECOMMENDATION:

There will be no Retirement Board of Authority discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-013
Program Coordinator/Consultant Comments Enclosure: No
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

The Program Coordinator may address the Board of Authority on any matter pertaining to the Retirement Board of Authority that is not on the agenda

RECOMMENDATION:

There will be no Retirement Board of Authority discussion except to ask questions or refer matters to staff, and no action will be taken unless listed on a subsequent agenda.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING**

PRESENTED TO: DATE: 10/30/2018
Retirement Board of Authority

SUBJECT: ITEM #: 2018/2019-014
Date, Time and Agenda Items for Next Meeting Enclosure: No
Action Item No

Prepared by: Keenan Financial Services
Requested by: Retirement Board of Authority

BACKGROUND:

Members and visitors may suggest items for consideration at the next Retirement Board of Authority meeting.

RECOMMENDATION:

The Board will determine Agenda Items for the next meeting.