



## Board of Trustees Finance Committee (BFC)

Meeting Minutes – April 14, 2022, 2:00 p.m.

**Members Present:** Trustee Williams, Chair; Trustee Harrison

**Members Absent:** Trustee Houston

**Other Board Members Present:** Trustees Reyes and Viricel

**Staff Present:**

- Chancellor Diana Rodriguez
- President Kevin Horan and Interim President Scott Thayer
- Vice Presidents of Administrative Services Mike Strong and Tenille Norris
- Executive Vice Chancellor Jose Torres
- Director of Fiscal Services Larry Strong
- Vice Chancellor of Educational & Student Support Services Nohemy Ornelas

I. WELCOME & INTRODUCTIONS

*Trustee Williams called the meeting to order at 1:59 p.m. Self-introductions were made.*

II. PUBLIC COMMENT

*There were no public comments.*

III. APPROVAL OF MINUTES

A. February 10, 2022

B. March 31, 2022

*Trustee Harrison moved to approve the minutes from February 10 and March 31. Trustee Williams seconded the motion, which was approved by the following vote.*

*Ayes: Trustees Williams, Harrison*

*Noes: None*

*Abstentions: None*

*Absent: Houston*

IV. CURRENT TOPICS

A. Annual Affirmation of Membership & Charge

*Trustee Harrison moved to affirm the committee membership and charge. Trustee Williams seconded the motion, which was approved by the following vote.*

*Ayes: Trustees Williams, Harrison*

*Noes: None*

*Abstentions: None*

*Absent: Houston*

B. Pension Rate Stabilization Program (PRSP) Trust Client Review (Maureen Toal, Executive Vice President, PARS)

*The committee received a presentation from Maureen Toal who was joined virtually by Val Dion from Vanguard.*

*Trustee Williams expressed a desire for further training on the retirement systems and how they affect SBCCD.*

*Trustee Harrison recalled that the Board had previously chosen a conservative strategy, stating that the District has a fiduciary responsibility for public funds and its role is not to encounter high risk. She is very comfortable with the current strategy.*

*Executive Vice Chancellor Torres confirmed that SBCCD receives a presentation on the holdings twice per year and that recommendations can be made any time. Trustee Viricel commented that the conservative strategy appears to be working well and questioned changing it during the current volatile market.*

*Trustee Williams questioned if the customized approach might have mitigated the \$1.7 million dip in February. Ms. Dion commented that markets do go up and down and that volatility affects all accounts, whether they're managed with a customized approach or not. Returns cannot be guaranteed over time. SBCCD's account has had a return of 23.8% since inception. A customized approach would increase fees by approximately \$100,000 annually.*

*Executive Vice Chancellor Torres recommended that the current strategy remain in place for the time being. SBCCD has significantly surpassed its goal of 5% per year, which was established as a long-term strategy to protect the principle and the public's money.*

*Trustee Williams commented that he would like further education on investments and cited the Irvine Foundation's ability to grow to \$3 billion.*

*No other topics were discussed.*

V. UPDATES

- A. PARS Report
- B. Measure CC Timeline & Org Chart
- C. Budget Revenue & Expenditure Report
- D. 2021-22 Board of Trustees Budget

VI. FUTURE TOPICS

*The BFC would like professional development on retirement systems and investing.*

VII. NEXT MEETING DATE & ADJOURNMENT

*The meeting adjourned at 3:08 p.m. The next meeting is scheduled for Thursday, May 12, at 2:00 p.m. in the Boardroom Extension.*