

**MINUTES
INITIAL MEETING**

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
FUTURIS BOARD OF AUTHORITY MEETING**

**February 22, 2007
3:45 P.M. to 5:15 P.M.**

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

**114 South Del Rosa Drive
San Bernardino, CA 92408
(909) 382-4081**

I. CALL TO ORDER

The meeting was called to order by Executive Vice President of Keenan Financial Services, Steve Gedestad, at 3:51 P.M.

II. ROLL CALL

Those in attendance were:

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT:

Business Manager
Director of Fiscal Services
Internal Auditor
Vice Chancellor of Fiscal Services

Ronald P. Gerhard
Crispina R. Ongoco
Steven Sutorus
Robert J. Temple

KEENAN FINANCIAL SERVICES

Executive Vice President
Account Manager
Senior Vice President
Service Coordinator
Senior Vice President

Stephen S. Gedestad
Terry Lytton
Claudia S. Ross
Kylene Smartis
Chuck Thompson

WACHOVIA SECURITIES

Vice President, Investments
*Andrew Fass participated via conference call

Andrew C. Fass*

BENEFIT TRUST COMPANY

Senior Vice President

Scott Rankin

ABSENT

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

Trudy Largent

III. PUBLIC COMMENTS

PUBLIC COMMENTS: There were no public comments.

IV. APPROVAL OF AGENDA

There were no changes made to the Agenda.

A motion was made by Ronald Gerhard, seconded by Steven Sutorus, and unanimously carried to approve the Agenda as presented.

V. CORRESPONDENCE

CORRESPONDENCE PRESENTED: There was no correspondence to present.

VI. ADMINISTRATION

DESIGNATION OF BOARD OF AUTHORITY CHAIRPERSON

The San Bernardino Community College Governing Board has delegated investment authority for the Futuris program to a Board of Authority. The Board of Authority will function similar to that of a Plan Committee who is authorized to carry out certain policies as determined under the Plan. Since this was the first meeting of the Futuris Board of Authority for San Bernardino Community College, Board members need to formally designate a Chairperson to be selected among the members.

The Board of Authority designated the following individual as Chairperson, Ronald Gerhard.

A motion was made by Robert Temple, seconded by Crispina Ongoco, and unanimously carried to approve Chairperson as noted.

VII. WACHOVIA PRESENTATION / COMPLETION OF RISK TOLERANCE QUESTIONNAIRE

Andrew Fass presented the Futuris Investment Platform, reviewing each of the four possible investment portfolios. Mr. Fass explained the Risk Tolerance Questionnaire is to act as a guide to assess the Board's attitude toward risk and determine its risk capacity. Wachovia performs Monte Carol Simulations on each portfolio. These simulations analyze the performance of each investment, utilizing over 1,000 calculations, to determine confidence levels of the portfolio attaining the targeted return.

The Board briefly adjourned at 4:45 P.M. to transfer into an alternate location due to scheduled room commitments.

Upon recommencement at 4:52 P.M., the Board reviewed the Risk Tolerance Questionnaire, compiling the Risk Attitude score of 77, consistent with portfolio Option Three (target return of 6%). Risk Capacity score of 69, consistent with portfolio Option Four (target return of 7%). The combined scores indicate the Board is most comfortable with portfolio Option Three, which targets a return of 6%. Mr. Temple indicated Option Three had been his initial choice.

SELECTION OF THE IRREVOCABLE INVESTMENT OPTION

The Board of Authority selects a portfolio option from the Futuris investment platform that meets its long term investment objectives. This portfolio option is for the irrevocable funds to be contributed to the plan toward the GASB liabilities identified in the most recent actuarial study prepared for the District. The representative from Wachovia Securities discussed the various investment options and answered the questions from the board.

A motion was made by Crispina Ongoco, seconded by Steven Sutorus, and unanimously carried to choose Investment Portfolio Three, compiled of 80% Fixed Income and 20% Equity investments which will meet their long term objective. Scott Rankin will develop an investment policy statement for Board signature.

The District's Board of Trustees will determine the amount of initial investment at a later date. Discussion ensued regarding advantage of front loading amounts between \$1.5 through \$3.5 million. This discussion will continue through the spring.

OPEB BOND DISCUSSION

There was no discussion regarding OPEB Bonds

APPROVAL OF LOCATION SITE FOR POSTING MEETING MINUTES

A motion was made by Robert Temple, seconded by Crispina Ongoco, and unanimously carried to post meeting agendas and minutes on the San Bernardino Community College District Fiscal Services Website at www.sbccd.cc.ca.us.

VII. AGENDA ITEMS NEXT MEETING

The following suggested items will be considered at the next Futuris Board of Authority Meeting:

- A) Investment Resolutions
- B) Risk Tolerance

VIII. DATE AND TIME OF NEXT BOARD OF AUTHORITY MEETING:

The Board of Authority will determine the next meeting date at a later time, as they will be scheduled for once or twice a year.

IX. INFORMATION

VISITOR COMMENTS: There were no visitor comments.

BOARD OF AUTHORITY COMMENTS: There were no Board of Authority comments.

X. ADJOURNMENT

There being no further business to discuss, a motion was made by Robert Temple adjourn the meeting at 5:44 P.M.