

**MINUTES**

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
RETIREMENT BOARD OF AUTHORITY MEETING  
April 28, 2009**

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
114 South Del Rosa Drive  
San Bernardino, CA 92408**

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**I. CALL TO ORDER**

The meeting called to order at 10:20 a.m.

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**II. ROLL CALL**

Those in attendance were:

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT:**

Business Manager	Ronald P. Gerhard
Director of Fiscal Services	Crispina R. Ongoco
Internal Auditor	Steven Sutorus
Vice Chancellor of Fiscal Services	Robert J. Temple
Vice Chancellor of Human Resources	Renée Brunelle

**KEENAN FINANCIAL SERVICES**

Senior Vice President	Claudia S. Ross
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**MORGAN STANLEY**

Senior Vice President	Cary M. Allison
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**CONSULTANTS**

Benefit Trust Company	Scott Rankin
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**III. APPROVAL OF AGENDA**

**Action  
2008/2009-001**

A motion was made by Bob Temple seconded by Steve Sutorus and unanimously carried to approve the agenda as presented.

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**IV. APPROVAL OF MINUTES**

**Action  
2008/2009-002**

A motion was made by Bob Temple, seconded by Crispina Ongoco and unanimously carried to approve the minutes as presented.

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**V. CORRESPONDENCE**

**Information  
2008/2009-003**

Cary Allison spoke about the purchase of Smith Barney. Very excited to be part of the joint venture. SBCCD will experience no change in level of service. They have combined the best of both firms into one.

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**VI. INVESTMENTS**

**MARKET OVERVIEW**

**Information  
2008/2009-004**

Morgan Stanley provided an overview of current market conditions. The overview supplied eight month history and confirmed the original investment decisions.

Much has happened over eight months, but the board is interested in focusing on the future. Reasons to invest remain unchanged. Additionally, the Feds' actions for this downturn compared to the Great Depression are entirely the opposite.

Cary Allison shared many examples, including Bond Market as optimistic recovery signs in the market. Cary reminded us the money managers and Wall Street look 6-12 months ahead. The market can rally while economy lags.

Ronald Gerhard questioned inflation issue. Cary agrees it could be serious for years down the road as government keeps printing money.

**PORTFOLIO REVIEW**

**Action  
2008/2009-005**

Cary Allison, Morgan Stanley reviewed the overall performance of the portfolio. The portfolio confirms bonds are performing well and equities have decreased in value.

Cary reiterated each fund manager is thoroughly researched before being recommended. We are looking for returns with no major mistakes.

A motion was made by Bob Temple, seconded by Steve Sutorus and unanimously carried to approve the portfolio presented.

**RISK TOLERANCE DISCUSSION**

**Action**  
**2008/2009-006**

The Retirement Board re-affirmed the 7% risk tolerance survey. Scott Rankin inquired about changes regarding risk tolerance. Bob Temple expressed this is not the time to change the mix of investments.

Scott also inquired if there were going to be any requests for cash so they could plan for liquidity by harvesting bond gains.

Board indicated they probably will not invest this year, although it is a great time. More problematic with Ron Gerhard and Bob Temple leaving the District.

Discussion ensued regarding goal to fully fund OPEB obligations, although they could certainly pay for current retiree obligations.

A motion was made by Bob Temple, seconded by Crispina Ongoco and unanimously carried to continue with the current Risk Tolerance Questionnaire responses.

**DISCUSSION OF INVESTMENT POLICY STATEMENT**

**Action**  
**2008/2009-007**

Government code indicates we should hold Periodic Reviews of investment policies affirming there are no changes.

A motion was made by Bob Temple, seconded by Crispina Ongoco and unanimously carried to continue with the current Investment Policy Statement.

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**VII. EDUCATION**

**REPORT ON TRUST STATEMENT**

**Information**  
**2008/2009-008**

Last meeting Steve Gedestad reviewed the Governor's Committee on OPEB Accommodation from that the meeting was regular education meetings on Fiduciary responsibilities.

Scott presented a white paper commissioned by Keenan and written by Bruce Ashton of Reish Luftman Reicher & Cohen that discusses the fiduciary liabilities of investing and how Futuris helps meet those fiduciary obligations for the College.

**VIII. FINANCIALS**

**REPORT OF TRUST STATEMENT**

**Action**  
**2008/2009-009**

Board has authorization over funds held in trust. Assets are exclusively held for retiree benefits, sole & exclusive, and paying expenses. Fiduciary law also requires trustees to retain consultants who possess the skills and experience to invest and minimize risks.

While the Board has retained Benefit Trust Morgan Stanley and Keenan they still have oversight responsibilities as described by the ERISA in prudent man status.

A motion was made by Bob Temple, seconded by Crispina Ongoco and unanimously carried to accept the report.

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**IX. ADMINISTRATION**

**REVIEW OF THE COMPREHENSIVE COMPLIANCE PLAN, INCLUDING THE SUBSTANTIVE PLAN**

**Action**  
**2008/2009-010**

Keenan provided Volumes I & II of the substantive plan.

A motion was made by Bob Temple, seconded by Crispina Ongoco and unanimously carried to accept Volume I and II of the Comprehensive Compliance Plan, including the Substantive Plan as presented.

**ACTUARIAL STUDY UPDATE**

**Action**  
**2008/2009-011**

Claudia Ross will contact TCS for initial actuarial review.

A motion was made by Bob Temple, seconded by Crispina Ongoco and unanimously carried to approve the request for actuarial review.

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**X. INFORMATION REPORTS**

**RETIREMENT BOARD OF AUTHORITY COMMENTS**

**Information**  
**2008/2009-012**

No comments

**PROGRAM COORDINATOR/CONSULTANT COMMENTS**

**Information**  
**2008/2009-013**

No comments

**VISITORS COMMENTS**

**Information  
2008/2009-014**

No comments

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**XI. AGENDA ITEMS FOR NEXT MEETING**

**Information  
2008/2009-015**

The Agenda items for the next meeting are as follows:

Appoint New Chair

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**XII. DATE AND TIME OF NEXT RETIREMENT BOARD OF AUTHORITY MEETING**

The Retirement Board of Authority will meet on August 11, 2009.

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**XIII. ADJOURNMENT**

A motion was made by Bob Temple seconded by Ron Gerhard and unanimously carried to adjourn the meeting at 12:05 PM.

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**Americans with Disabilities Act** San Bernardino Community College District's Futuris 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 Bernardino Community College Districts Futuris Board of Authority meeting, shall be made to Renée Brunelle, Vice Chancellor of Fiscal Services, San Bernardino Community College District, 114 S. Del Rosa Drive, San Bernardino, CA 92408