

MINUTES

**COMPTON COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD OF AUTHORITY MEETING
JUNE 4, 2013
9:00 AM - 12:00 PM**

**COMPTON COMMUNITY COLLEGE DISTRICT
ADMINISTRATION BLDG, BOARD ROOM
1111 E. ARTESIA BLVD
COMPTON, CA. 90221
PHONE (310) 900-1600**

I. CALL TO ORDER

The Retirement Board of Authority (RBOA) meeting was called to order at 9:07 AM by Gail Beal, Senior Vice President, Keenan Financial Services (KFS).

II. ROLL CALL

Roll Call was conducted by Gail Beal of KFS. All RBOA members and Consultants signified their presence at the meeting.

RETIREMENT BOARD OF AUTHORITY (the "Board") MEMBERS:

Chief Business Official	Felipe R. Lopez
Dean of Human Resources	Rachelle Sasser
Director of Accounting	Steve Haigler
Certificated Staff Representative	Jose Villalobos
Classified Staff Representative	David Simmons

PROGRAM COORDINATOR:

Senior Vice President	Gail Beal
Account Manager	Roslyn Washington

CONSULTANTS:

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

OTHERS

None

III. APPROVAL OF AGENDA

A motion was made by Board member David Simmons to approve the Agenda as presented. The motion was seconded by Board Chair Felipe Lopez and unanimously carried by the Board members present.

IV. ADMINISTRATION

REVIEW OF THE FUTURIS PROGRAM AND THE ROLES OF THE PROGRAM COORDINATOR AND CONSULTANTS

Gail Beal of KFS reviewed the structure of the District's Public Entity Investment Trust Program. She noted the Program's functional layering of service providers such as Keenan Financial Services (KFS), Benefit Trust Company (BTC) and Morgan Stanley Wealth Management (MS). The Retirement Board of Authority (RBOA), duly appointed by the Compton Community College District Board of Trustees, provides management & fiduciary oversight to the District's Public Entity Investment Trust.

Gail provided the following overview of the role of KFS as Program Coordinator:

- Preparation of the Retirement Board of Authority (RBOA) Meeting Agendas, Cover Pages and Board Packages.
- Preparation of the RBOA Meeting Minutes and assisting with the District's OPEB Plan administrative responsibilities.
- Facilitating Action Items resulting from RBOA Meetings.
- Assist the RBOA with oversight of the District's OPEB Investment Trust Program.
- Creation of the Comprehensive Compliance Plan, including the "Substantive Plan".
- Maintenance of the District's OPEB Program documentation.

Scott Rankin of Benefit Trust Company (BTC) reviewed the role of BTC as Discretionary Trustee and Custodian which includes the following services

- As Discretionary Trustee and pursuant to a delegation from the Retirement Board of Authority (RBOA), BTC will select of the District's OPEB Trust portfolio pursuant to the provisions of the Investment Policy Statement (IPS) and advice received from the Registered Investment Advisor (RIA), Morgan Stanley Wealth Management.
- As Custodian, BTC will safe-keep the District's Public Entity Investment Trust securities.
- As Custodian, BTC will maintain accurate records of all financial transactions.
- As Custodian, BTC will provide Report production showing all deposits or receipts, disbursements, purchases, sales and income transactions, current asset holdings and the current market value of the District's Investment Trust's portfolio.

Cary Allison of Morgan Stanley Wealth Management (MS), the Registered Investment Advisor provides the following services:

- Recommending Asset Allocation models to BTC as Discretionary Trustee for the Target Rate of Return portfolios
- Recommending specific investments to BTC as Discretionary Trustee for the Target Rate of Return portfolios.

- Perform due diligence on all potential and recommended investments for the District's Public Entity Investment Trust.
- Provide a quarterly report to BTC as Discretionary Trustee on the status of all current investments in the District's Public Entity Investment Trust.

In connection with the service roles profiled above, Board member asked if assets in the District's Investment Trust portfolio are invested by Morgan Stanley Wealth Management (MS). Scott Rankin of BTC advised that BTC is the Trustee and Investment Manager. He explained that MS make investment recommendations to BTC and those recommendations are reviewed by an Investment Committee at BTC. As Discretionary Trustee, BTC executes all investment transactions for the District's OPEB Investment Trust portfolio. Board member Steve Haigler asked if personal liability is mitigated by the process of the RBOA delegating investment discretion to BTC. Gail Beal of Keenan Financial Services advised that the liability associated with investment discretion is mitigated for the RBOA and is assumed by the Discretionary Trustee. However, she explained that the RBOA have a duty to monitor the activities Discretionary Trustee and its Investment Advisor. Gail noted that some clients have taken out E&O insurance as additional protection for their RBOA membership.

REVIEW OF RETIREMENT BOARD OF AUTHORITY RESPONSIBILITIES

Gail explained the role and responsibilities of the Retirement Board of Authority (RBOA) which includes services related to Program Administration and Fiduciary Governance as follows:

- Execute and adopt the terms of the OPEB Trust, through signing of the Adoption Agreement, as well as adopt the Investment Policy Statement (IPS) and provide copies of the documents to Benefit Trust Company and Morgan Stanley Wealth Management as Registered Investment Advisor.
- Facilitate the processes necessary to ensure the District as Plan Administrator executes applicable written agreements.
- Deliver contributions and allocation instructions to Benefit Trust Company in a timely manner.
- Hold periodic meetings of the Retirement Board of Authority, for the purpose of reviewing investment performance and compliance with Investment Policy Statement (IPS) provisions.
- Engage in an annual review and analysis of any applicable modifications to the Investment Policy Statement (IPS) through meetings and discussions with the Discretionary Trustee and Registered Investment Advisor.
- Provide on a timely basis any necessary OPEB Plan participant information to BTC to include personal identification information (including Social Security numbers).
- Provide names of individuals authorized to act on behalf of the District's OPEB Trust in writing.
- Benefit Trust Company and their delegated Investment Advisor shall be entitled to rely upon the accuracy and completeness of all information furnished to them by the Retirement Board of Authority (RBOA) or any person designated to act on behalf of the RBOA.

The provisions of California's Governmental Code and the Constitution of the State of California entrust the Retirement Board of Authority (RBOA) with certain fiduciary governance mandates as follows: