MEETING OF THE
SHASTA-TEHAMA-TRINITY
JOINT COMMUNITY COLLEGE DISTRICT
RETIREMENT BOARD

WEDNESDAY
December 9, 2015
4:45 P.M.

Meeting Location:
Board Room, 100 Administration Building
11555 Old Oregon Trail, Redding, California

The duties of the Shasta-Tehama-Trinity Joint Community College District Retirement Board shall be to review the District's investment portfolio as established by way of the JPA Agreement and make recommendations to the District's Board and to the Designated Member as to the form and format of such investments on an annual basis including any deletions, additions or modifications to such investments as provided for by way of the investment allocation model established by the JPA and as provided for in the JPA Agreement.
MEETING OF THE RETIREMENT BOARD
SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT
11555 OLD OREGON TRAIL, BUILDING 100, BOARD ROOM
REDDING, CALIFORNIA

WEDNESDAY, DECEMBER 9, 2015
4:45 P.M.

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. CALL FOR REQUESTS FROM THE AUDIENCE TO SPEAK TO ANY ITEM ON THE AGENDA

4. APPROVAL OF MINUTES
   4.1 Minutes of the Retirement Board’s Regular Meeting held December 10, 2014

5. REPORTS
   5.1 Review of District’s Investment Portfolio

6. DISCUSSION/ACTION AGENDA
   6.1 Recommendation to Maintain Current Format of Investments

7. COMMENTS FROM THE AUDIENCE


9. ADJOURN
SHASTA-TEHAMA-TRINITY
JOINT COMMUNITY COLLEGE DISTRICT
11555 Old Oregon Trail
P.O. Box 496006, Redding, CA 96049-6006

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<thead>
<tr>
<th>TO:</th>
<th>RETIREMENT BOARD MEMBERS</th>
<th>DATE:</th>
<th>12/09/2015</th>
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<tr>
<td>FROM:</td>
<td>Dr. Joe Wyse,</td>
<td>ITEM NO.:</td>
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<td>Superintendent/President</td>
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<td>SUBJECT:</td>
<td>MINUTES OF THE RETIREMENT BOARD'S REGULAR MEETING HELD DECEMBER 10, 2014</td>
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**BACKGROUND**

The unapproved minutes of the Retirement Board’s regular meeting held December 10, 2014 are attached.

**RECOMMENDATION**

The Superintendent/President recommends the Retirement Board approve the minutes, as submitted.
The Retirement Board of the Shasta-Tehama-Trinity Joint Community College District held their annual meeting on Wednesday, December 10, 2014, in the Board Room of the Shasta College Administration Building located at 11555 Old Oregon Trail, Redding, California.

1. CALL TO ORDER

The meeting was called to order by Dr. Joe Wyse, Board Chairperson, at 4:48 p.m.

2. ROLL CALL

Roll call indicated the following:

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Board Member Designation</th>
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<tbody>
<tr>
<td>Ms. Rhonda Nehr, Area D Trustee</td>
<td>Board of Trustees Representative</td>
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<tr>
<td>Dr. Joe Wyse</td>
<td>Superintendent/President</td>
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<td>Mr. Morris Rodrigue, Vice President</td>
<td>JPA Designated Member</td>
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<td>of Administrative Services</td>
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<th>Members Absent</th>
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<tr>
<td>Comptroller (Position Vacant)</td>
<td>JPA Alternate Member</td>
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<td>Mrs. Rayola Pratt, Area E Trustee</td>
<td>Board of Trustees Representative</td>
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3. CALL FOR REQUESTS FROM THE AUDIENCE TO SPEAK TO ANY ITEM ON THE AGENDA

Dr. Wyse asked if there were any requests from the audience to speak to any item on the agenda. There were none.

4. APPROVAL OF MINUTES

4.1 Minutes of the Retirement Board’s Regular Meeting held December 11, 2013

It was moved by Ms. Rhonda Nehr and seconded by Mr. Morris Rodrigue TO APPROVE THE MINUTES OF THE RETIREMENT BOARD’S REGULAR MEETING HELD DECEMBER 11, 2013. The matter passed 3-0.

5. REPORTS

5.1 Review of District’s Investment Portfolio

Dr. Wyse said let’s turn to page 8. I'd like to thank Morris Rodrigue and Theresa Markword for doing a good job putting together the information on our retirement investments. This is our annual meeting whose sole purpose is to review our investments, and direct how our investments in the irrevocable trust in the Community College League of California JPA get invested. To run through things quickly, the first attachment starting on page 9 includes all the colleges in the JPA. There is over $189 million invested. 17 or 19 colleges have come together in this JPA. To provide more information, we’ve presented six different quarterly reports to look at. This represents the past 1.5 years of investments. The first thing to note is
the summary on page 8 shows how these investments have grown through deposits as well as through returns on investments. Second, instead of the traditional January through December reporting period, we are looking at returns from July 1 through June 30 of each year, which follows our fiscal year as a District.

If you look more closely at page 41, you’ll see this is the final report for the end of our fiscal year. We’ve gained over $1 million in appreciation. For that 12-month period, you can see the contribution of $457,000 we deposited into the trust. The trust returned over $1 million in appreciation through our investments. We had a pretty good year. If you look now at page 48, you’ll see the September report. The bad news is you’ll notice the Current Quarter and the Fiscal Year To Date are the same. During the current quarter, we deposited over $1.25 million into the trust. This was a huge deposit from one-time funds. Mr. Rodrigue said the one-time funds totaled $935,000 or $940,000. Dr. Wyse said the remainder was what was budgeted for deposit for the year. For Capital Depreciation of all funds, we lost $243,000 in market value. We had one million dollars plus in appreciation over the past year, and then a setback in this quarter. That’s the nature of investing. We don’t have a year-to-date as of December 1, but the market has gone up this quarter, so we expect some of our investments to turn around.

I’ll explain in a couple of minutes our investment position. We have six different things we are invested in. The next six pages break out the six funds, or methods of investing. On the bottom right of page 49 is a graph showing the Good Harbor Master Trust invested in 96% equity funds. This is a stock focused fund. We don’t have a lot of money in there—about $439,000 right now. You can see on page 48 how much is invested in each fund. If you look on page 54, you can see we have $6.3 million invested in the Balanced Master Trust. That’s where we invest most of the money. When you look at the bottom, you’ll see we have about 57% invested in fixed income, and 42% in equity. We have some stock investments, but this is our big investment. On the page before the Waterfall Master Trust is the SIT Master Trust through which we invest in bonds. This represents 87% debt security for corporations. We are diversified within these investments. We take an overall balanced approach, with 50% stocks and 50% fixed income.

Ms. Nehr said when we’re talking about investment percentage returns, is it just for this portion? Dr. Wyse replied if you look at the Balanced Master Trust, you’ll see we had a 4.5% loss. If you turn back to page 48, you can see the 4.5% loss was on $6.3 million. Turning back to page 54, you can see prior years when the 3-year average shows an 11% plus gain. Our Asset Allocation Model at the bottom right of page 48 breaks out pretty much at 50% income focused (treasuries, securities, bonds) and 50% stocks. When we discuss the action item for this meeting it’s to decide whether to maintain our current investment model or switch the mix. For example, investing following a 60/40 split. Ms. Nehr said when you look at the increase from $8 million to $10 million, about what percentage of that is earnings? Dr. Wyse said we didn’t break it out, but probably 30% to 40% comes from earnings, and 60% to 70% is from deposits. Mr. Rodrigue said we’ve made some big deposits; probably $1.6 million over the last year. Dr. Wyse said that was because of our $40 million liability. Ms. Nehr said I don’t see any change in the next year. Dr. Wyse replied who knows what the market will bring? This is our investment for the next 30 years. We’re not worried about taking money out in six months. It’s not like a scholarship fund. That’s why this is set up as a balanced investment approach.
6. DISCUSSION/ACTION AGENDA
   6.1 Recommendation to Maintain Current Format of Investments

   Dr. Wyse said on page 55 is the action item as presented. Do we want to change or maintain our investment approach? I recommend approval for maintaining the current form of our investments and reporting it next month to the Governing Board of the District.

   It was moved by Ms. Rhonda Nehr and seconded by Mr. Morris Rodrigue TO RECOMMEND TO THE DISTRICT'S BOARD AND THE DESIGNATED MEMBER TO MAINTAIN THE CURRENT FORMAT OF INVESTMENTS. The matter passed 3-0.

7. COMMENTS FROM THE AUDIENCE

   Dr. Wyse asked if there were any comments from the audience. There were none.

8. DATE OF NEXT REGULAR MEETING OF THE RETIREMENT INVESTMENT BOARD

   Dr. Wyse said the date of the next regular meeting of the Retirement Board is December 9, 2015.

9. ADJOURN

   It was moved by Mr. Morris Rodrigue and seconded by Ms. Rhonda Nehr TO ADJOURN THE MEETING. The vote was 3-0 in favor of adjournment.

   Dr. Joe Wyse adjourned the meeting at 5:02 p.m.

   Respectfully submitted,

   [Signature]

   Theresa Markword
   Recorder
SHASTA-TEHAMA-TRINITY
JOINT COMMUNITY COLLEGE DISTRICT
11555 Old Oregon Trail
P.O. Box 496006, Redding, CA 96049-6006

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<td>REVIEW OF DISTRICT’S INVESTMENT PORTFOLIO</td>
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**BACKGROUND**

Statements for the District’s retiree health benefit investment portfolio will be provided at the meeting.

**RECOMMENDATION**

The Superintendent/President recommends the Retirement Board review the statements.
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JOINT COMMUNITY COLLEGE DISTRICT
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BACKGROUND

The Shasta-Tehama-Trinity Joint Community College District Retirement Board (Retirement Board) was established for the purpose of assisting the District in its participation in the programs and activities provided for by way of the Retiree Health Benefit Program Joint Powers Agency (JPA). The JPA assists member community college districts in meeting the new accounting standards previously established by GASB.

Duties of the Retirement Board include reviewing the District’s investment portfolio as established by way of the JPA Agreement, and to make recommendations to the District’s Board and to the Designated Member as to the form and format of such investments as provided for by way of the JPA investment allocation model. The Retirement Board meets annually, and provides written reports of its activities and recommendations to the District’s Board of Trustees.

STATUS

The District’s current investment portfolio follows the JPA Balanced Portfolio investment allocation model.

RECOMMENDATION

The Superintendent/President recommends that the Retirement Board approve maintaining the current form and format of the District’s investment portfolio, and report this recommendation to the District’s Governing Board.