

---

LOS RIOS COMMUNITY COLLEGE DISTRICT  
**RETIREE HEALTH BENEFITS OVERSIGHT COMMITTEE**

Minutes  
November 16, 2022  
Teleconference  
11:00 am

*(Approved 2/15/23)*

---

Present: LRCCD: Mario Rodriguez, Theresa Tena, Tracy Clark, Katie DeLeon,  
Principal: Eric Lee, Todd Noetzelmann

Absent: Jamie Ruggles, Paul Harris

Guest:

### **Welcome**

Mario called the meeting to order at 11:00 a.m. and welcomed everyone.

### **August 10, 2022, Minutes**

The committee approved the August 10, 2022, minutes.

### **September 30, 2022 Investment Review**

Eric went over the Quarterly Client Report for the Portfolio for the period ending September 30, 2022. Eric shared the S&P index returned a negative 4.88 percent this quarter; and growth funds outperformed value funds for the quarter. Interest rates remain higher than three years ago. Eric also told the Committee that holding assets during times of turmoil can result in significantly larger total returns for those funds. As to cash flow, once again the influx of \$527,000 last quarter was overshadowed by portfolio losses. Looking at asset allocations, the fixed income investments comprised 70.29% of the portfolio, slightly over the target of 70%, while equities made up 29.4%, slightly under their target of 30%. Eric also shared a more detailed asset allocation for the portfolio and the performance of key assets in the portfolio as demonstrated by the report. He also shared the calendar year and fiscal year performance of the portfolio in relation to the relevant benchmarks.

### **Updated Investment Guidelines**

Eric presented the new investment guidelines effective November 1, 2022 because the existing guidelines document are expiring. The Committee reviews these guidelines periodically. Eric reviewed the investment objective of the portfolio as emphasizing the generation of current income with a consideration for capital appreciation as a secondary objective and with less exposure to more volatile growth assets but it can still experience loss of principal. Eric discussed the investment strategy and the asset allocation strategy as reflected in the guidelines.

### **Asset Allocation Analysis**

Eric also reviewed the Asset Allocation Analysis document. He went over the projected risk and return assumptions including the use of capital market assumptions, a 20-year time horizon, a 2.5% assumption for inflation and a 5.0% assumed rate of return. Using these assumptions, Eric shared projected asset allocations under the current portfolio and three other scenarios. He also went over the projected rates of returns under those same scenarios. He spoke about the expanded asset classes that could be utilized in the portfolio. Mario asked Laura to give the projected range of returns document to Jamie for her review and further discussion at the next meeting.

### **Future Meeting Dates/Agenda Items**

The next meeting is February 15, 2022, by teleconference.

The meeting ended at 12:00 pm.