
LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS OVERSIGHT COMMITTEE

Minutes

February 15, 2023

Teleconference

11:00 am

(Approved 5/10/23)

Present: LRCCD: Jamie Ruggles, Theresa Tena, Paul Harris, Tracy Clark, Katie DeLeon,
Principal: Eric Lee, Todd Noetzelmann

Absent: Mario Rodriguez

Guest:

Welcome

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

November 16, 2022 Minutes

The committee approved the November 16, 2022, minutes with some minor changes from Eric.

December 31, 2022 Investment Review

Todd shared the audit reports are ready for the partial year with Wells Fargo (October 2021-February 2022) and the remainder of the year with Principal.

Eric went over the Quarterly Client Report for the Portfolio for the period ending December 31, 2022. Bonds and most equities were down more than 10% in 2022. However, in the last quarter, value stocks are doing much better and up 12%. The S&P is also up 7.5% and the Russell Growth Index is up about 2% with the Midcap Index up 9.2%. The cash flow for the portfolio has been modestly negative with gains offsetting payments made. The portfolio is in a better place for where the markets are right now. Looking at asset allocations, the fixed income investments comprised 69.61% of the portfolio, slightly under the target of 70%, while equities made up 30.2%, slightly over their target of 30%. These minor variances are due to market fluctuations. 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 noted the portfolio performance remains in line with its benchmarks. For the fiscal year to date, the portfolio has performed better than the benchmarks with equity up 9.34%, small caps up 8:01%, non-US equity up 16.34%,

foreign value funds up 21.53%, and foreign growth funds up 13.78%. Eric highlighted the fixed income investments were up 1.75% versus the benchmark of 1.87%. He also went over the portfolio performance of other investments.

Asset Allocation Analysis

Eric also reviewed the Asset Allocation Analysis document we discussed at the last meeting. The core principles of the portfolio are that we use capital market assumptions for return and risk assumptions with a conservative approach to meet a 5.0% rate of return over a 20-year time horizon. Eric reviewed the projected asset allocations under the current portfolio with three other potential scenarios to show the pros and cons of each approach. The standard deviation beneath each scenario reflects the volatility of the scenario. Scenario three is intended to make small tweaks to the portfolio to reduce some risk while retaining similar returns to the current portfolio. The committee has no issues with the current approach and agreed to continue the status quo.

Future Meeting Dates/Agenda Items

The next meeting is May 10, 2023, by teleconference.

The meeting ended at 12:00 pm.