

OXNARD UNION HIGH SCHOOL DISTRICT  
RETIREE HEALTH BENEFITS TRUST  
*WWW.OUHSDRHBT.ORG*

**REGULAR BOARD MEETING MINUTES**

Thursday, November 8, 2018

OXNARD UNION HIGH SCHOOL DISTRICT  
BOARD ROOM

220 South "K" Street, Oxnard, California 93030

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*The Benefits Trust was established as a cooperative organization between The Oxnard Federation of Teachers and School Employees (OFTSE) and the Oxnard Union High School District (OUHSD). The mission of the Trust shall be to financially ensure, through investment of Trust funds and the cooperative efforts of the OFTSE and OUHSD, a comprehensive health and benefits program for every eligible retiree of the OUHSD at the most efficient cost achievable through unity of design, purchase and administration. In accordance with requirements of the Americans with Disabilities Act and related federal regulations, individuals who require special accommodation, including but not limited to an American Sign Language interpreter, accessible seating or documentation in accessible formats, should contact the District Superintendent's office at least two days before the meeting date.*

I. OFFICIAL OPENING OF MEETING

*The Regular Board meeting of the Oxnard Union High School District Retiree Health Benefits Trust was called to order by Board Chair Shawn Near at 2:05PM on November 8, 2018 in the Oxnard Union High School District Board Room at 220 South K Street, Oxnard, California 93030.*

*Trustees present: Wes Davis, Patsy Thomas, Jeffrey Weinstein, Eric Montijo, and Shawn Near*

*Trustee absent: Dr. Rocky Valles*

*Legal Counsel Present: Laura McAvoy(Counsel)*

*Guests present: Canterbury Consulting, Inc. and several members of the public*

II. PLEDGE OF ALLEGIANCE

*Trustee Thomas led the Pledge of Allegiance*

III. ADOPTION OF AGENDA

*Agenda items may be reordered by the Board.*

*Upon motion of Trustee Weinstein, seconded by Trustee Davis, the Board on a 5-0 vote adopted the agenda, as presented.*

IV. AUDIENCE TO ADDRESS BOARD OF TRUSTEES CONCERNING ANY

*AGENDA ITEMS: Those persons wishing to address the Board may do so at this time. Individual presentations are limited to three (3) minutes each, or in the case of a group of people speaking on a specific item, ten (10) minutes will be permitted.*

*Mr. John Grisafe inquired about the Actuarial Report. Trustees explained that report is commissioned by OUHSD and is available on the District's website.*

V. CONSENT AGENDA ITEMS:

a. Approval of Meeting Minutes:

i. August 22, 2018 Board Meeting

b. Consideration of Approval Of Current Invoices: Canterbury Consulting, Incorporated, Invoice #I-24228-C4F1 for \$20,309.28; Musick, Peeler & Garrett LLP Invoice#328535 for \$276.00 and Invoice #329318 for \$4,623.60; Walthall Enterprises, Inc. Invoice #028ouhsdrhbt for \$225.00; and Vance, Thrift and Biller LLP, Invoice #61779 for \$2,890.

*Upon motion of Trustee Weinstein, seconded by Trustee Montijo, the Board on a 5-0 vote approved the Consent Agenda Items a and b, as presented.*

VI. INFORMATION ITEMS

- a. Canterbury Consulting Investment Performance Review – (Second Quarter 2018) (Third Quarter 2018)

*Trustee Weinstein confirmed that Mr. Laven will be reporting on the Third Quarter ending September 2018.*

*Mr. Laven highlighted some items from the September 2018 report. Mr. Laven reviewed Page 3 which shows a 10-year period. The S&P has been up 8% to a surprising positive 10.5% by the end of the quarter. This is the 10<sup>th</sup> year of the economic recovering, the 10<sup>th</sup> year of the bull market. Page 9 shows the total portfolio at 63 million dollars, up 4% on a calendar year basis. Outperformed 73% of peer group during the first nine months of the year. Over the 3-year period outperformed over 70% of the peer group. Over 5-year period, outperformed almost 60% of the peer group. Over the last decade, outperformed 87% of the peer group. Some factors in the bonds and equity market fluctuations are due to the talk of increase of interest rate. We went through this before and we will have a Bear Market at some point and we will get through that again.*

*Mr. Laven continued his review of the Investment Performance Review for the Second Quarter and Third Quarter, as well as the Supplemental Presentation dated November 2018.*

*Trustee Weinstein asked from the chart it looks like the portfolio is down at the end of October by 2.3 million dollars? Mr. Laven agreed that is the unrealized loss. Trustee Weinstein asked what are the expectations, can the market stabilize? Mr. Laven reported there is a positive feeling out in the market. Before October we didn't see anything changing.*

- b. City National Bank Checking Account Statements (August 31, 2018 and September 28, 2018)  
*The Board reviewed these items.*
- c. US Bank Investment Statements (August 2018 and September 2018)  
*The Board reviewed these items.*
- d. Trust Financial Statements – Vance, Thrift and Biller (June 30, 2018) (September 30, 2018 distributed)  
*The Board reviewed June 30<sup>th</sup> and September 30<sup>th</sup> Financials.*
- e. Actuarial Report as of June 30, 2018

*Trustee Weinstein reviewed page 3 showing employer contributions in 2018 of \$9,409,273 to in 2027 of \$15,164,468. Assumptions on Page 4 of Inflation 2.7% per year, Salary increases 3.0% and Discount rate 6.0%. Plan membership is active membership 531 and inactive plan members, which are members active employees and not part of the retirees, at 601. District Gross liability is \$227,691,577 and net liability \$166,446,176 after considering the Trust's portfolio.*

*Trustee Weinstein discussed the difference from this Actuarial from previous Actuarials. In the past, the Actuarial Gasb 45 was a supplemental information sheet that accompanies financials of a district. Although it is in the same form, it is an appendix of the financials and did not have a direct impact on the District's financials. Gasb 45 you can do every 2 years. Gasb 75 has to be done every year. The reason for this is it has to match the fiscal year ending of the District. The actual liability itself is posted to the District financials. Where it used to be informational only, it is now part of the District's financial statement. Because of that, the Actuarial has to be done the same time every fiscal year of the District and it has to be done annually. The District makes the actuarial report available to the Trust and the public on its website.*

- f. 2017 - 2018 Tax Returns  
*It was noted the tax returns have all been made available to the Trustees for review. Trustee Weinstein will assure the tax returns are timely filed. He commented Vance, Thrift & Biller has done an excellent job of getting all of the information ready for the Board.*
- g. Vance, Thrift & Biller Engagement Letter  
*The Board reviewed these items.*
- h. Previously Authorized Check Payments  
*The Board reviewed these items.*

VII. ITEMS FOR DISCUSSION/POSSIBLE ACTION BY THE BOARD

- a. Trust Investment Assets—Rebalancing, Diversification, Purchase or Sale of Investments, Potential Change(s) to Allocations, and/or Change(s) of Managers
  - i. A change from the Robeco (John Hancock) Large Value fund to a separate account with Robeco to take advantage of a lower fee negotiated by Canterbury for clients
  - ii. A change from Jackson Square Large Growth to DSM Large Growth. This change will also achieve a reduced fee for the portfolio by establishing a separate account with DSM.
  - iii. An overall rebalance to bring the US Equities, Non-US Equities, Fixed Income and Real Assets back to targets

*Mr. Laven reviewed page 3 supplemental report. Canterbury has been working towards lowering the overall fees of the investment portfolio. It is pushing ways to lower the fees. Last year we went from a mutual fund version from small cap Fiera to a separately managed account summarized on Page 3 that led to fee reduction of one half of one percent (½%). We also moved the portion of the portfolio from the Large cap growth into an index and that reduced fees by three quarters of a percent.*

*What Canterbury is recommending today are two things. First, move Robeco Boston Large Value Mutual funds to Robeco Boston Partners Large Value Separately Managed Account(SMA), it would reduce fees up to 3/10ths of a percent. Second, to replace large cap growth manager Jackson Square with DSM Large Cap Growth (SMA) to achieve a quarter percent lower fee. Every penny we can save makes a difference. Collectively the fee savings from the Fiera change from last year and these 2 other managers shifts are over \$100,000 in savings a year.*

*Upon motion of Trustee Weinstein, seconded by Trustee Near, the Board on a 5-0 vote approved and adopted the Canterbury Consultant Recommendation, as presented.*

- b. Discussion of Possible Audit of Trust  
*Trustee Weinstein commented that the Board may want to consider doing an audit of the Trust every couple of years.*

*Trustee Davis left on an emergency at 3:05pm. Counsel informed the Board, once the meeting begins, the meeting can continue.*

*Item Tabled for next Board meeting.*

- c. Website Update –  
*Trustee Weinstein reported the website is out of date. Board discussed reviewing the website and creating a subcommittee that will review the website and report back to the Board. Counsel McAvoy and Trustee Near will be on the subcommittee along with Trustee Weinstein and will report back to the Board with recommendations. Some of the suggestions are to make the website more user friendly. Trustee Near asked Board members to email suggestions to Trustee Weinstein and he will share with the subcommittee.*
- d. RFQ Attorney Services Update

*Trustee Weinstein reported three firms replied to the RFQ. One is asking for additional information. Two firms show little experience with trusts. All information should be gathered by the end of the month. Trustee Weinstein reported he will bring all paperwork in January for review.*

*Upon motion of Trustee Weinstein, seconded by Trustee Thomas, the Board on a -0 vote approved to hold off on moving forward with the RFQ until they get additional information, as presented.*

e. Board Discussion of District August 29 Study Session on the Trust

*Jeff reported positive feedback of the Study Session that the District held on August 29<sup>th</sup>. Retirees appreciated the information and look forward to future information being provided.*

f. Setting of Future Board Meeting Dates/Times

January 10, 2019 at 2pm

*Upon motion of Trustee Weinstein, seconded by Trustee Thomas, the Board on a 4-0 vote approved the next meeting for January 10, 2019, as presented.*

XI. ADJOURNMENT

*Upon motion of Trustee Weinstein, seconded by Trustee Thomas, the Board on a 4-0 vote approved adjourning the meeting at 3:26 pm.*