

AGENDA

- Community College League of California
 - > Retiree Health Benefits JPA
- OPEB Trust Strategy-Investment Report
- MCCD Trust Balance, 6/30/2025
- Committee Members
 - Elba Gomez, VP Admin Services
 - Hayley Schwartzkopf, VP HR
 - Dung Le, Director Fiscal Services
 - curry mitchell, Academic Senate President
 - Carl Banks, Classified Senate President



CCLC RETIREE HEALTH BENEFITS



CEOs Trustees

Retiree Health Benefits JPA

Formed in January 2005 in response to GASB 45, the Retiree Health Benefits JPA created a trust that will allow districts to invest in both long-term and short-term portfolios designed to reduce the annual cost of retiree health benefits.

The JPA works in conjunction with US Bank and Meketa Investment group under the direction of the JPA board of directors. Board meeting agendas and materials can be found here.

For more information about the Retiree Health Benefits JPA, please contact Natalie Sidarous, Senior Director of District Services at <u>916-245-5027</u> or <u>natalie@ccleague.org</u>.



MCCD PARTICIPANT OF THE CCLC RETIREE HEALTH BENEFIT PROGRAM JPA



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

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FISCAL YEAR ANNUAL REPORT FOR THE MIRA COSTA COMMUNITY COLLEGE DISTRICT

The Community College League of California ("CCLC") has organized a Retiree Health Benefit Program Joint Powers Agency ("JPA") in order to assist college districts to meet retiree health care liabilities and reporting requirements under Government Accounting Standards Board's (GASB) Standards 74 & 75 (formerly 43 & 45).

The JPA established a section 115 Trust, the Retiree Health Benefits Funding Program Trust ("the Trust") for the management of investments applicable to retiree health benefit plans of the participating college districts.

Mira Costa Community College ("the District") is a participant in the JPA and has contributed assets to the Trust. The District's assets within the Trust are irrevocably designated for the funding of employee benefit plans.

Pursuant to California Government Code Section 53216.4, the District's most recent annual report for its assets in the Trust is attached to this document. The annual report shows the value of assets in the Trust, the investments held within the Trust, the performance of the assets and all contributions and distributions (including all fees and expenses associated with the Trust). For more information regarding the District's assets within the Trust, please contact Tim Flood, Vice President, Administrative Services, at 760-795-6653 with the Mira Costa Community College District.



MEKETA MARKET REPORT - MAY 2025

MEKETA

Community College League of California

Executive Summary

Balanced Fund

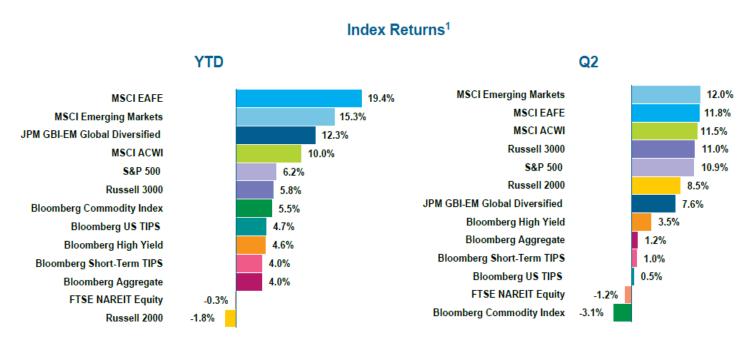
- → All asset classes were in-line with targets as of March 31, 2025.
- → The Balanced Fund portfolio returned 1.8% net of all fees for the quarter, outperforming the Policy Benchmark's return of 0.7% over the same period.
- → For the trailing one-year period, the portfolio returned 6.2%, outperforming the Policy Benchmark by 40 basis points (6.2% vs. 5.8%).
- → Overall returns for the recent quarter were led by fixed income during the period of volatility markets encountered in the beginning of the year. Outperformance over the one-year period was led by strength in equity markets supported by positive returns across all other asset classes.
- → The Global Equity aggregate returned 0.5% for the quarter, outperforming the benchmark by 210 basis points for the period (0.5% vs. -1.6%).
- → The Fixed Income aggregate returned 2.7% during the quarter. TIPS were the strongest contributor to absolute returns from Fixed Income with a return of 4.2%. Investment Grade Bonds also posted strong returns of 2.8%.



MEKETA MARKET REPORT – DATA AS OF 6/30/2025

MEKETA

Economic and Market Update



- → After tariff-related market volatility in April, global equity markets rallied in May and June on the general pausing of tariffs. Bond markets performed well with short-term yields declining in the US and intermediate-term yields remaining stable. Growing debt levels remained a key concern for major global economies.
- → US equity markets continued to provide strong gains year-to-date, returning to record levels after a weak start to 2025. International equities still lead the way in 2025, particularly developed markets, supported by a weakening US dollar.

¹ Source: Bloomberg. Data is as of June 30, 2025.

TRUST STATEMENT, ANNUAL 6/30/2025

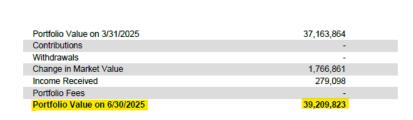
Mira Costa Community College District

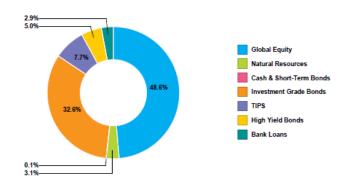
Balanced (50% Fixed Income, 50% Equity)

6/30/2025

Change in Portfolio - 4th Quarter of Fiscal Year 2025

Asset Allocation





Trailing Period Performance

	QTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	15 Yrs (%)	Since Inception (%)	Inception Date
Mira Costa Community College District	5.5	10.6	10.0	7.0	6.0	6.9	7.5	Jul-09
Policy Benchmark	6.2	11.0	10.0	7.0	N/A	N/A	N/A	

Fiscal Year Performance

	Fiscal Year 2025 (%)	Fiscal Year 2024 (%)	Fiscal Year 2023 (%)	Fiscal Year 2022 (%)	Fiscal Year 2021 (%)	Fiscal Year 2020 (%)	Fiscal Year 2019 (%)	Fiscal Year 2018 (%)	Fiscal Year 2017 (%)	Fiscal Year 2016 (%)	Fiscal Year 2015 (%)	Fiscal Year 2014 (%)
Mira Costa Community College District	10.6	11.4	7.9	-12.2	20.2	4.4	5.9	7.0	9.2	-0.9	2.7	11.9
Policy Benchmark	11.0	10.8	8.2	-12.4	20.5	5.8	7.4	6.8	9.5	N/A	N/A	N/A

Policy Benchmark consists of 47% MSCI ACWI IMI, 1% Vanguard Spliced Global Capital Cycles Index, 1% Spliced U.S. IMI Materials 25/50, 1% Vanguard Spliced Energy Index, 34% Bloomberg Barclays Aggregate, 8% Bloomberg Barclays U.S. TIPS, 5% Bloomberg Barclays "BB" High Yield, and 3% S&P UBS Leveraged Loan

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TRUST STATEMENT, ANNUAL 6/30/2024, LAST FISCAL YEAR

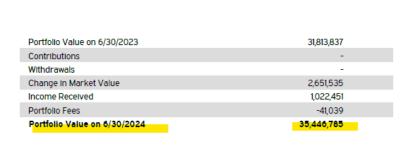
Mira Costa Community College District

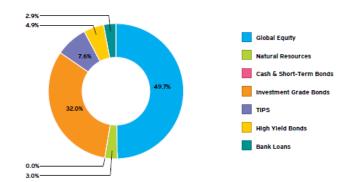
Balanced (50% Fixed Income, 50% Equity)

6/30/2024

Change in Portfolio - Fiscal Year 2024

Asset Allocation





Trailing Period Performance

	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	15 Yrs (%)	Since Inception (%)	Inception Date
Mira Costa Community College District	11.4	1.8	5.8	5.2	7.3	7.3	Jul-09
Policy Benchmark	10.8	1.7	6.0	N/A	N/A	N/A	

Fiscal Year Performance

	Fiscal Year 2024 (%)	Fiscal Year 2023 (%)	Fiscal Year 2022 (%)	Fiscal Year 2021 (%)	Fiscal Year 2020 (%)	Fiscal Year 2019 (%)	Fiscal Year 2018 (%)	Fiscal Year 2017 (%)	Fiscal Year 2016 (%)	Fiscal Year 2015 (%)	Fiscal Year 2014 (%)
Mira Costa Community College District	11.4	7.9	-12.2	20.2	4.4	5.9	7.0	9.2	-0.9	2.7	11.9
Policy Benchmark	10.8	8.2	-12.4	20.5	5.8	7.4	6.8	9.5	N/A	N/A	N/A

Policy Benchmark consists of 47% MSCI ACWI IMI, 1% Vanguard Spliced Global Capital Cycles Index, 1% Spliced U.S. IMI Materials 25/50, 1% Vanguard Spliced Energy Index, 34% Bloomberg Barclays Aggregate, 8% Bloomberg Barclays U.S. TIPS, 5% Bloomberg Barclays "BB" High Yield, and 3% CSFB Leveraged Loan



BALANCED FUND TARGET ALLOCATION, 6/30/2025 50% EQUITY / 50% FIXED INCOME

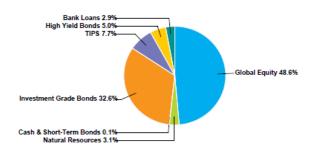
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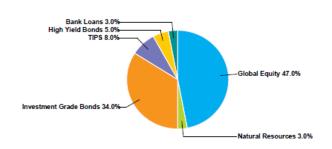
Community College League of California Aggregate

Balanced Fund | As of June 30, 2025

Current Allocation

Target Allocation





Asset Allocation on June 30, 2025								
	Market Value \$	Allocation (%)	Target (%)					
Global Equity	147,149,694.3	48.6	47.0					
Natural Resources	9,324,225.0	3.1	3.0					
Cash & Short-Term Bonds	164,023.2	0.1	0.0					
Investment Grade Bonds	98,708,319.2	32.6	34.0					
TIPS	23,278,513.4	7.7	8.0					
High Yield Bonds	15,148,274.4	5.0	5.0					
Bank Loans	8,865,995.1	2.9	3.0					
Total Fund	302,639,044.5	100.0	100.0					

BALANCED FUND INVESTMENTS, 6/30/2025

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Community College League of California Aggregate

					В	alance	d Fund	As of Jun	e 30, 2025
	Trailing Net	Performa	nce						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Balanced Fund	302,639,044	100.0	5.5	10.7	10.1	7.1	6.0	5.2	Jul-07
Balanced Fund Policy Benchmark			6.2	11.0	10.0	7.0			
Equity	156,473,919	51.7	9.6	14.7	16.6	13.6		10.9	Nov-15
Global Equity	147,149,694	48.6	9.9	14.8	16.7	13.4		10.9	Nov-15
Artisan Global Opportunities	13,493,834	4.5	11.3	9.2	15.4	8.7		8.7	Jul-20
MSCI AC World IMI Index (Net)			11.6	15.9	16.8	13.4	9.7	13.4	
Artisan Global Value	14,721,321	4.9	8.7	20.7	19.5	17.0		17.0	Jul-20
MSCI AC World IMI Index (Net)			11.6	15.9	16.8	13.4	9.7	13.4	
First Eagle Global Fund	14,641,724	4.8	7.3	19.4	15.0	12.6		12.6	Jul-20
MSCI AC World IMI Index (Net)			11.6	15.9	16.8	13.4	9.7	13.4	
GQG Partners Global Equity	12,197,682	4.0	1.3	-0.4	14.4	13.0		13.0	Jul-20
MSCI AC World IMI Index (Net)			11.6	15.9	16.8	13.4	9.7	13.4	
Vanguard Total World Stock	92,095,132	30.4	11.5	16.4	17.1	13.6		13.6	Jul-20
FTSE Global All Cap Index (USD)			11.7	16.5	17.3	13.9	10.2	13.9	
Natural Resources	9,324,225	3.1	6.3	13.7	13.9	16.1		9.0	Nov-15
Vanguard Global Capital Cycles Fund	3,353,852	1.1	13.6	24.4	17.4	19.0		11.0	Nov-15
Vanguard Spliced Global Capital Cycles Index			11.3	16.2	15.2	12.7	9.2	12.0	
Vanguard Materials Index	2,834,614	0.9	3.6	2.8	8.7	12.0		9.3	Nov-15
MSCI U.S. IMI Materials 25/50 Index (Net)			3.5	2.4	8.2	11.6	7.8	8.8	
Vanguard Energy	3,135,759	1.0	1.7	14.2	15.5	16.7		5.7	Nov-15
Vanguard Spliced Energy Index			0.9	7.2	9.4	10.9	1.8	2.9	

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BALANCED FUND INVESTMENTS, 6/30/2025

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Community College League of California Aggregate

					В	alance	d Fund	As of Jun	e 30, 2025
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Fixed Income	146,165,125	48.3	1.4	6.2	3.6	0.6		2.5	Dec-15
Investment Grade Bonds	98,708,319	32.6	1.2	5.9	2.4	-1.0		1.8	Dec-15
Baird Aggregate Bond	48,203,139	15.9							
Blmbg. U.S. Aggregate Index			1.2	6.1	2.5	-0.7	1.8		
Vanguard Total Bond Market Index	50,505,180	16.7	1.3	6.1	2.6	-0.7		1.7	Nov-15
Blmbg. U.S. Aggregate Index			1.2	6.1	2.5	-0.7	1.8	1.7	
TIPS	23,278,513	7.7	0.5	5.7	2.2	1.5		2.8	Nov-15
Vanguard Inflation-Protected Securities	23,278,513	7.7	0.5	5.7	2.2	1.6		2.8	Nov-15
Blmbg. U.S. TIPS Index			0.5	5.8	2.3	1.6	2.7	2.9	
High Yield Bonds	15,148,274	5.0	3.4	9.7	9.9	6.5		5.2	Nov-15
American Century High Income Fund	15,148,274	5.0	3.4	9.7	9.9	6.5		5.1	Oct-18
Bloomberg U.S. High Yield Ba Index			3.4	8.9	8.9	5.0	5.4	5.5	
Bank Loans	8,865,995	2.9	2.4	6.7	9.7	7.2		5.0	Nov-15
Aristotle Funds Floating Rate I	8,865,995	2.9	2.4	6.7	9.7			6.5	Dec-20
S&P UBS Leveraged Loan Index			2.3	7.5	9.5	7.4	5.1	6.6	

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BALANCED FUND FEES, 0.29%

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Community College League of California Aggregate

Total Fund | As of June 30, 2025

			Total Falla A	3 01 0 une 30, 202.
Annual Investm	ent Expense Analys	is - As of June 30	0, 2025	
	Fee Schedule	Market Value (\$)	Estimated Expense (\$)	Expense Ratio (%)
Balanced Fund		302,639,044	889,564	0.29
Artisan Global Opportunities	0.90 % of Assets	13,493,834	128,191	0.95
Artisan Global Value	1.06 % of Assets	14,721,321	151,630	1.03
Baird Aggregate Bond		48,203,139	144,609	0.30
First Eagle Global Fund	0.78 % of Assets	14,641,724	114,205	0.78
GQG Partners Global Equity	0.75 % of Assets	12,197,682	86,604	0.71
Vanguard Total World Stock	0.08 % of Assets	92,095,132	64,467	0.07
Vanguard Global Capital Cycles Fund	0.36 % of Assets	3,353,852	12,074	0.36
Vanguard Materials Index	0.10 % of Assets	2,834,614	2,551	0.09
Vanguard Energy	0.33 % of Assets	3,135,759	10,348	0.33
Vanguard Total Bond Market Index	0.04 % of Assets	50,505,180	12,626	0.03
Vanguard Inflation-Protected Securities	0.07 % of Assets	23,278,513	16,295	0.07
American Century High Income Fund	0.53 % of Assets	15,148,274	81,801	0.54
Aristotle Funds Floating Rate I	0.72 % of Assets	8,865,995	63,835	0.72
Liquidity Plus Fund		5,057,445	7,279	0.14
Baird Aggregate Bond		378,955	1,137	0.30
TIAA-CREF Short Term Bonds	0.09 % of Assets	3,978,415	3,581	0.09
Blackrock US Total Bond	0.10 % of Assets	210,026	210	0.10
Blackrock Short Term Inflation Protected Securities	0.11 % of Assets	109,194	120	0.11
American Century High Income Fund	0.53 % of Assets	219,031	1,183	0.54
Aristotle Funds Floating Rate I	0.72 % of Assets	139,175	1,002	0.72



GASB 75 INTERIM REPORT 6/30/2025 TOTAL OPEB LIABILITY, \$29,435,126

- The Actuarial Report uses the beginning of the fiscal year asset value, \$35,446,785, to calculate the funded ratio.
- Funded Ratio was 120.4%
- Total retiree participants was 128 retirees

Executive Summary

MiraCosta Community College District Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2025

Summary of Results

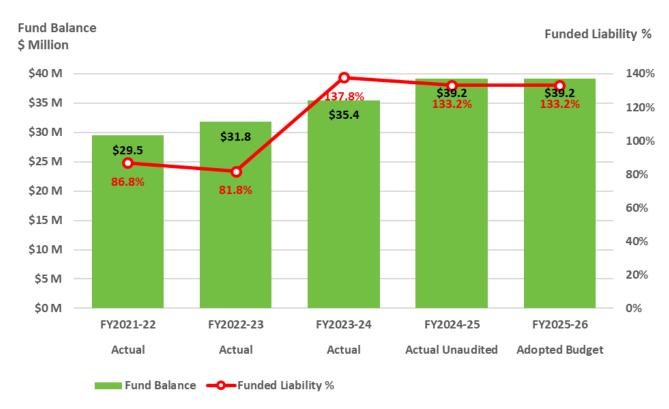
Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2025 compared to the prior fiscal year as shown in the District's Notes to Financial Statement.

		As of June 30, 2024	A	s of June 30, 202
Total OPEB Liability	\$	25,727,349	\$	29,435,126
Actuarial Value of Assets	\$	(31,813,837)	\$	(35,446,785
Net OPEB Liability	\$	(6,086,488)	\$	(6,011,659
Funded Ratio		123.7%		120.49
		FY 2023/24		FY 2024/2
OPEB Expense	\$	2,192,726	\$	351,682
Annual Employer Contributions	\$	1,890,337	\$	1,861,856
Actuarially Determined Contribution	\$	1,049,378	\$	1,071,841
	_	As of June 30, 2024	A	s of June 30, 202
Discount Rate		5.50%		5.509
Expected Return on Assets		5.50%		5.509
			А	s of June 30, 202
Total Active Participants				606
Total Retiree Participants				128

The active participants' number above may include active employees who currently have no health care coverage.

MCCD FUNDED LIABILITY % TREND

FUND BALANCE (ASSET VALUE) JUNE 30TH, FISCAL YEAR-END 2024-25 FUNDED RATIO 133.2%, USING YEAR-END OPEB TRUST VALUE OF \$39.2M



Note: Fund Balance & Funded Liability % based on asset market value and Actuarial GASB 75 interim report, 6/30/2025, fully funded liability \$29,435,126.

CONCLUSION

- District's OPEB trust fund, safeguards future retiree's health benefit premium and supplemental costs.
- Future liability obligations are \$29.4 million for eligible current and future retirees (June 30, 2025 interim report).
- The District pays the annual retiree's health premiums and supplemental benefits (\$1.3M, 128 participants) from the annual operating budget.
- The trust fund can be used for annual premium expenses, if needed.
- Funded liability was 133.2%, 6/30/2025. Fully covered liability obligations.
- Trust value at 6/30/2025 was \$39.2M, vs prior fiscal year ending balance \$35.5M, increase of \$3.7M from market changes (\$2.6M) and fixed income dividends earnings (\$1.1M).
- Return on investment was 10.4% for FY2024-25, vs prior year return of 11.4%



QUESTIONS?

