

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

January 24, 2012

Agenda Item 3.0

December 13, 2011 – Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 1:00 p.m.

1. Call to Order, Roll Call and Miscellaneous Business
 - 1.1 Appointment of Ad Hoc Succession Planning Committee
2. Oral Communications
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
3. Approval of the Minutes
4. Approval of the Consent Agenda
(Any items removed from the Consent Agenda for discussion will be inserted into the Regular Agenda and considered in the order chosen by the board chair.)
 - Disability Retirements
 - Clarita Bundalian
 - Barbara Greenberg
 - Jane Morgan
 - Michael Pugliese
 - Service Retirements
 - Continuances
 - Deferred Retirements
 - Member Account Refunds
 - Member Account Rollovers
 - Placement Agent Policy
 - Approval of FY 2011-12 Contributions Rates
5. Benefit & Actuarial Services
 - 5.1 Consideration of agenda items, if any, removed from the Consent Agenda
 - 5.2 Approval of Amendment to Agreement with Milliman, Inc.
6. Investment Services
 - 6.1 Presentation of the Monthly Portfolio Performance Report
 - 6.2 Quarterly Investment Performance Analysis for period ended September 30, 2011
 - 6.3 Interview Finalists for *SamCERA*'s International Small Cap Manager Mandate (Special Meeting Item 4)
 - 6.4 Discussion and Selection of *SamCERA*'s International Small Cap Manager (Special Meeting Item 5)
 - 6.5 Report on Semi-Annual Capital Market & Inflation Assumption Review
 - 6.6 Report on the Annual Review of *SamCERA*'s Real Estate, Hedge Fund and Risk Parity Portfolios
 - 6.6 a Invesco Real Estate – Invesco Core Real Estate U.S.A., L.P.
 - 6.6 b AQR Capital Management – Global Risk Premium Fund
 - 6.6 c AQR Capital Management – AQR Delta Fund
 - 6.7 Discussion of Private Equity Investment – General Catalyst Group VI
 - 6.8 Review of *SamCERA*'s Draft Template Agreement for Investment Management Services
7. Board & Management Support Services
 - 7.1 Presentation of the Monthly Financial Report
 - 7.2 Discussion of Board/Staff Retreat Agenda, Scheduled for April 24 & 25, 2012
8. Management Reports
 - 8.1 Chief Executive Officer's Report

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

- 8.2 Assistant Executive Officer's Report
- 8.3 Chief Investment Officer's Report
- 8.4 County Counsel's Report

CLOSED SESSION – The board may meet in closed session prior to adjournment

- C1 Consideration of disability items, if any, removed from the Consent Agenda and appropriate for closed session
 - C2 Evaluation of Chief Executive Officer pursuant to Government Code Section 54957
- 9. Report on Actions Taken in Closed Session
 - 10. Adjournment in memory of the following deceased members

December 13, 2011 – Board Minutes

1211.1 **Call to Order:** Mr. David, Chair, called the Public Session of the Board of Retirement to order at 1:09 p.m., December 13, 2011, in *SamCERA's* Board Room, 100 Marine Parkway, Suite 160, Redwood Shores, California.

Roll Call: Ms. Arnott, Mr. David, Mr. Tashman, Mr. Bowler, Ms. Agnew, Mr. Spinello, Mr. Hackleman, Ms. Settles, and Mr. Murphy. *Excused:* Ms. Kwan Lloyd and Ms. Salas. *Staff:* Mr. Bailey, Mr. Clifton, Ms. Carlson, Mr. Hood, Ms. Smith and Ms. Meitz. *Consultants:* Mr. Brody and Mr. Thomas, Strategic Investment Solutions. *Retirees:* 0, *Public:* 0.

1211.1.1 **Appointment of Ad Hoc Succession Planning Committee:** Mr. Bailey recommended the board chair appoint an Ad Hoc Succession Planning Committee to identify, discuss and make recommendations regarding the transition of the Chief Investment Officer position and other agency leadership positions.

Mr. David appointed Mr. Hackleman as Chair, Ms. Settles and himself to the Succession Planning Committee.

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

1211.1.2 **Approval of Resolution Honoring the Substantial and Remarkable Contributions of Lee Buffington:** Mr. Bailey announced the passing of Lee Buffington, and requested approval of Resolution 11-12-12.

Motion by Arnott, second by Bowler, carried unanimously to adopt **Resolution** 11-12-12, Honoring the Substantial and Remarkable Contributions of Lee Buffington.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

RESOLUTION HONORING THE SUBSTANTIAL AND REMARKABLE CONTRIBUTIONS

OF

LEE BUFFINGTON

Resolution 11-12-12

WHEREAS, Lee Buffington served as the Administrator of The San Mateo County Employees' Retirement Association (SamCERA) for 9 years, and

WHEREAS, Lee Buffington served for more than 25 years as a Trustee of the San Mateo County Employees' Retirement Association, and

WHEREAS, Lee Buffington, was appointed to the Office of Treasurer-Tax Collector of San Mateo County, California in October 1985 and was re-elected continuously from that time until his retirement on January 3, 2011, having then served in the office for more than 25 years, and

WHEREAS, during Lee Buffington's tenure as a Trustee of the Board of Retirement, the SamCERA fund increased in value from just over a quarter of a million dollars to more than two billion dollars, and

WHEREAS, during Lee Buffington's tenure as a Trustee of the Board of Retirement, SamCERA's membership increased from approximately 6,000 to more than 10,500, and

WHEREAS, Lee Buffington dedicated a substantial portion of his life and efforts to strengthening the retirement fund and its administration in order to secure the earned benefits of the members of the San Mateo County Employees' Retirement Association;

NOW, THEREFORE,

BE IT RESOLVED that the Trustees of the Board of Retirement of the San Mateo County Employees' Retirement Association, State of California, on December 13, 2011, hereby recognize the substantial and remarkable contributions of Lee Buffington to the success of SamCERA and the County of San Mateo.

December 13, 2011

Al David, Chair, Board of Retirement

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

1211.2.1 **Oral Communications From the Board:** Ms. Agnew reported attending the SACRS Fall Conference and said it was good. Mr. David thought the discussion on the proposed pension reform was interesting and useful. Mr. Spinello agreed and noted it was fantastic. Ms. Settles also enjoyed the conference and found the legislative updates interesting and informative. Ms. Settles also reported attending the AIF meeting, held before the SACRS conference, and voiced her disappointment. Mr. Clifton said he anticipated the AIF meeting to be geared more toward trustees acquiring information rather than giving of information.

1211.2.2 **Oral Communications From the Public:** None.

1211.3 **Approval of the Minutes: Motion** by Arnott, second by Bowler, carried unanimously to approve the minutes from the October 25, 2011, board meeting, as submitted.

1211.4 **Approval of the Consent Agenda: Motion** by Hackleman, second by Spinello, carried unanimously to approve the day's consent agenda, as submitted, as follows:

Disability Retirements:

The board found that Clarita Bundalian is able to perform her duties as a Licensed Vocational Nurse, and denied her application for a service-connected disability.

The board found that Barbara Greenberg is able to perform her duties as Cook II, and denied her application for a service-connected disability retirement.

The board found that Jane Morgan is unable to perform her duties as a Gardner, and that her disability is service-connected and granted her application for a service-connected disability retirement.

The board found that Michael Pugliese is permanently unable to perform his duties as a Deputy Sheriff, found the heart presumption contained in Government code section 31720.5 applies, and further found that there is not sufficient evidence to rebut the presumption and, therefore, granted his application for a service-connected disability retirement.

Service Retirements:

Member Name	Effective Retirement Date	Department
Weisgal, Richard	July 30, 2011	Def'd from Behavioral Health
Allen, Barbara	September 3, 2011	San Mateo Medical Center
Yang, Mei	September 3, 2011	Aging & Adult Services
Skau, Henry	September 10, 2011	Def'd from Admin & Em Med
Carlile, Alison	September 19, 2011	QDRO of Douglas Jukich
Pettit, Vikki	September 21, 2011	Def'd from Probation
Carbone, David	September 24, 2011	Building and Planning
Orbeta, Jorge	September 26, 2011	Def'd from Human Services Agency
Tielborg, Bernard	September 28, 2011	Def'd from Probation
Alvarenga, Teresa	October 1, 2011	San Mateo Medical Center
Campbell, Sally	October 1, 2011	Human Services Agency
Moe, Taavaoga	October 1, 2011	San Mateo Medical Center
William, Wells	October 1, 2011	Def'd from Human Services Agency
Morrill, Christy	October 2, 2011	Probation
O'Donnell, Duane	October 5, 2011	Def'd from Environmental Health

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

Lonergan, James	October 6, 2011	Def'd from San Mateo Medical
Ye, Peiling	October 12, 2011	Sheriff's Office
Clausen, Peter	October 14, 2011	Parks
Symons, Linda	October 15, 2011	Probation
Nath, Mukesh	October 22, 2011	Sheriff's Office
Sharma, Kamlesh	October 22, 2011	Def'd from Superior Court
Baron, Cathy	November 1, 2011	San Mateo Medical Center

Continuances

Survivor's Name	Beneficiary of:
Carey, Amos	Carey, Sally
Erickson, Anita	Erickson, George
Gahob, Rich	Gahob, Luisa
Huston, Nobuko	Huston, Robert
Jackson, James	Jackson, Barbara
Machhi, Chimantbhai	Machhi, Hemlataben
McMillan, Constance	McMillan, Robert
Morse, Priscilla	Morse, Robert
Perrin, Ellen	Perrin, Robert
Roth, Julius	Roth, Barbara
Stiefelmaier,	Stiefelmaier, Charles
Wider, Mary	Wider, Frederick

Deferred

Member Name	Retirement Plan Type
Bazo, Eve	G4 Vested
Soria, Gloria	G4 Vested
Bottjer, Jeffrey	G2 Vested
Prothro, Janyce	G4 Vested - Reciprocity

Member Account Refunds

Member Name	Retirement Plan Type
Brito, Rachel	G4 Vested
Burke, Anabelle	G2 Non-vested
Conover, Tammy	QDRO of Conover, Mark
Contreras, Carolina	G4 Vested
Johnson, William	G4 Non-vested
Loggins, Darriel	G4 Non-vested
Raft, Brian	G4 Non-vested
Taylor, Al	G4 Non-vested

Member Account Rollovers

Member Name	Retirement Plan Type
Cobb, Mary	G4 Non-vested
Patel, Shalini	G4 Non-vested
Pickett, Erin	G4 Non-vested
Pires, John	G4 Vested

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

Approval of Fiscal Year 2011-12 Contribution Rates:

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

Fiscal Year 2011-2012 Contribution Rates for New Benefit Provisions

RESOLUTION 11-12-13

*THIS RESOLUTION, adopted by the Board of Retirement (Board)
of the San Mateo County Employees' Retirement Association (SamCERA),
recommends contribution rates to the Board of Supervisors, effective for the 2011-2012 fiscal
year.*

WHEREAS, Government Code §31453 mandates the periodic actuarial valuation of the Retirement Fund and requires that the Board shall “...*recommend to the Board of Supervisors such changes in the rates of interest, in the rates of contributions of members, and in the county and district appropriations as are necessary...*;” and

WHEREAS, the County of San Mateo and its bargaining units have entered into agreements to make certain benefit formulas and contribution options of the 1937 Act effective during the 2011-12 fiscal year, and

WHEREAS, these agreements create additional plans of benefits and contributions that differ based on hire date and category of employee, and

WHEREAS, contribution rates should be consistent with the actuarial assumptions regarding the accrual of benefits and assets, and

WHEREAS, the Board has received the recommended employer and employee contribution rates for members hired during specific time periods designated for each category of employee from its actuarial firm, Milliman, Inc., and

WHEREAS, the Chief Executive Officer has recommended, in agreement with Milliman, Inc., the contribution rates necessary to assure the actuarial soundness of the Retirement Fund.

Therefore, be it

RESOLVED that the Board hereby approves the employer and employee contribution rates as set forth in the attached letter dated October 18, 2011, from Nick J. Collier, Consulting Actuary, Milliman, Inc., to David Bailey, Chief Executive Officer, San Mateo County Employees Retirement Association and entitled, “Re: Fiscal Year Beginning 2011 Contribution Rates – Updated.”

Be it further

RESOLVED that the Board of Retirement hereby recommends that the Board of Supervisors

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

adopt the recommended contribution rates for the county of San Mateo and its employees as designated for each entry age and time period of hire;

Be it further

RESOLVED that the Chief Executive Officer is hereby authorized to transmit these rates and recommendations to the Board of Supervisors and to take all actions necessary to provide for their implementation.

1211.5 **Benefit & Actuarial Services**

1211.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** None

1211.5.2 **Approval of Amendment to Agreement with Milliman, Inc.** Mr. Bailey reported that *SamCERA*'s contract for actuarial services with Milliman, Inc. will end December 31, 2011. At the time of the October board meeting, the language of a proposed three-year amendment was still being negotiated. Staff and Milliman have since completed their negotiations and a proposed agreement is now ready for the board's approval. Mr. Bailey recommended the board adopt a resolution authorizing the Chair to execute the "Second Amendment to the Agreement with Milliman, Inc., for Actuarial Services".

Motion by Tashman, second by Arnott, carried unanimously to approve **Resolution 11-12-14**, approving the Second Amendment to the Agreement with Milliman, Inc. for Professional Services.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Board of Retirement

RESOLUTION 11-12-14

RESOLUTION AUTHORIZING THE CHAIR OF THE BOARD OF RETIREMENT TO EXECUTE THE SECOND AMENDMENT TO THE AGREEMENT WITH MILLIMAN INC. FOR ACTUARIAL SERVICES

WHEREAS, in January 2006, the Board authorized an Agreement with Milliman Inc. to provide actuarial services for the period from January 1, 2006, through December 31, 2008; and

WHEREAS, on October 28, 2008, the Board authorized an amendment to extend the term of the Agreement by three years through December 31, 2011, and to amend the fees allowable for the services rendered after December 31, 2008; and

WHEREAS, the Board has determined that it is in the best interest of *SamCERA* to extend the agreement by three years through December 31, 2014, and this Second Amendment to the Agreement has been presented to this Board for its consideration and acceptance, and the Board has approved it as to form and content and desires to enter into it; and now, therefore, be it

RESOLVED, that the Chair of the Board of Retirement be and is hereby authorized and directed to execute said Second Amendment to the Agreement for and on behalf of the San Mateo County Employees' Retirement Association.

1211.6 **Investment Service**

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

- 1211.6.1 **Presentation of the Monthly Portfolio Performance Report:** Mr. Clifton briefly presented the October 23, 2011, preliminary monthly portfolio performance report to the board.

Asset Class	Market Value	1-Month	1-year TTWRR*	5-year TTWRR*
<i>Domestic Equity</i>	827,400,011	12.28%	7.21%	-0.91%
<i>International Equity</i>	369,215,784	9.73%	-5.12%	-1.84%
Total Equity	1,196,615,795	11.48%	3.21%	-1.23%
Private Equity	11,805,259	0.54%	-90.69%	N/A
Risk Parity	138,950,280	-5.06%	N/A	N/A
Hedge Fund	66,445,750	-3.76%	N/A	N/A
Fixed Income	581,404,920	1.83%	4.70%	5.87%
Real Estate Aggregate	138,282,516	0.00	18.62%	0.11%
Commodities	69,326,995	3.46%	N/A	N/A
Cash Equivalents	35,208,146	0.02%	0.80%	1.27%
TOTAL FUND	2,238,039,660	6.09%	4.59%	1.07%
Benchmark		7.92%	5.86%	2.66%

- 1211.6.2 **Quarterly Investment Performance Analysis for period ended September 30, 2011:** Mr. Clifton and Mr. Thomas, SIS, briefly presented an overview of the quarterly investment performance for the period ended September 30, 2011. The composite fund returned -10.6% in the third quarter of 2011 and ranked 85th among other public funds greater than \$100 million. The median fund return was -9.0%. The composite return matched the policy index return at -10.6%. The one-year return of 1.0% was ahead of the policy index return of 0.9% and ranked in the 67th percentile of the universe. Longer term, the three-and five-year returns of 2.7% (82nd percentile) and 0.4% (96th percentile), respectively, were below median among large public plans (4.2% and 2.0%).

- 1211.6.3 **Interview Finalists for SamCERA's International Small Cap Manager Mandate:** See minutes of December 13, 2011, Special Board Meeting.

- 1211.6.4 **Discussion and Selection of SamCERA's International Small Cap Manager:** Mr. Clifton reported nine firms that passed the board's screening criteria. Based on information gathered from the responses to the RFI questions, the board opined to invite the following three firms to interview: Dimensional Fund Advisors, Pyramis Global Advisors, and Wells Capital Management Incorporated. The board discussed the merits of the three finalists and selected Pyramis Global Advisors at the 8:00 a.m. Special Meeting of the Board of Retirement

Motion by Hackleman, second by Settles, and carried unanimously to select Pyramis Global Advisors, as SamCERA's International Small Cap Manager.

- 1211.6.5 **Report on Semi-Annual Capital Market & Inflation Assumption Review:** Mr. Brody reviewed SIS' Capital Market Outlook. The outlook allows SamCERA to semi-annually view the expectations for capital market returns. Mr. Brody noted that SIS projections utilize a variety of information and models. Some examples were: inflation forecasts, risk premiums, term structure yields, GDP growth rates, expected currency movements, the Capital Asset Pricing Model (CAPM), and comparison with other projections by leading investors and economists are all built into the models and process used by SIS. The report was informational.

- 1211.6.6 **Report on the Annual Review of SamCERA's Real Estate, Hedge Fund and Risk Parity Portfolios**

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

6.6a Invesco Real Estate – Invesco Core Real Estate U.S.A., L.P.: Mr. Thomas provided an overview of Invesco's annual review on November 3, 2011. Those present were: Ben Bowler, *SamCERA* Trustee; David Bailey, *SamCERA*'s Chief Executive Officer; Scott Hood, *SamCERA*'s Assistant Executive Officer; Gary Clifton, *SamCERA*'s Chief Investment Officer; Patrick Thomas, SIS; Bill Grubbs, Portfolio Manager for Invesco Core Real Estate, U.S.A. Fund, and Chris Cole, Acquisition Officer for Invesco Core Real Estate, U.S.A. Fund. Staff and consultants interviewed Invesco, *SamCERA*'s core fund real estate manager, in the building's conference room at 100 Marine Parkway. Mr. Thomas gave a short informational report and shared Invesco's responses to *SamCERA*'s annual questionnaire with the board. Mr. Thomas concluded his report by answering questions from the board.

6.6b AQR Capital Management - Global Risk Premium Strategy – Scaled to 10% Volatility: Mr. Thomas provided an overview of AQR's annual review on November 3, 2011. Those present were: Ben Bowler, *SamCERA* Trustee; David Bailey, *SamCERA*'s Chief Executive Officer; Scott Hood, *SamCERA*'s Assistant Executive Officer; Gary Clifton, *SamCERA*'s Chief Investment Officer; Patrick Thomas, SIS; Michael Mendelson, Partner and Portfolio Manager of Global Risk Premium Fund at AQR Capital Management; Ronen Israel, Partner and Portfolio Manager of the Delta Fund at AQR Capital Management, and Joey Lee, Associate, Client Strategies and Portfolio Solutions at AQR Capital Management. Staff and consultants interviewed AQR, *SamCERA*'s risk parity manager, in the building's conference room at 100 Marine Parkway. Mr. Thomas gave a short informational report and shared AQR's due diligence questionnaire for the Global Risk Premium product. Mr. Thomas concluded his report by answering questions from the board.

6.6c AQR Capital Management – AQR Delta Fund: Mr. Thomas provided an overview of AQR's annual review on November 3, 2011. Those present were: Ben Bowler, *SamCERA*'s Trustee; David Bailey, *SamCERA*'s Chief Executive Officer; Scott Hood, *SamCERA*'s Assistant Executive Officer; Gary Clifton, *SamCERA*'s Chief Investment Officer; Patrick Thomas, SIS; Michael Mendelson, Partner and Portfolio Manager of Global Risk Premium Fund at AQR Capital Management; Ronen Israel, Partner and Portfolio Manager of the Delta Fund at AQR Capital Management, and Joey Lee, Associate, Client Strategies and Portfolio Solutions at AQR Capital Management. Staff and consultants interviewed AQR, *SamCERA*'s hedge fund manager, in the building's conference room at 100 Marine Parkway. Mr. Thomas gave a short informational report and shared AQR's due diligence questionnaire for the Delta Fund product. Mr. Thomas concluded his report by answering questions from the board.

1211.6.7 **Discussion of Private Equity Investment – General Catalyst Group VI:** Mr. Clifton began his report by first reminding the board of the adopted **Resolution 10-11-21**, formally delegating the authorities required to facilitate the board's desire to timely execute documentation and take advantage of alternative investment opportunities. The resolution states in part:

“**WHEREAS**, the Board has determined that the time between sourcing alternative investments and the need to execute a commitment, including all documentation, cannot be achieved in the Board's meeting schedule and often would not allow for the board to notice a meeting and approve the documentation and further that it is in the best interest of the fund for such documents to be executed in a timely manner; Therefore, be it

“**RESOLVED** that the Board hereby delegates to staff and legal counsel full discretionary authority for all tasks relevant to the approval of documents necessary to effectuate the alternative investment. Be it further

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

“**RESOLVED** that the Board hereby authorizes the board chair, vice-chair or if neither is available, the chief executive officer to execute all required alternative investment documentation on behalf of the Board that has been approved by staff and counsel. Be it further

“**RESOLVED** that the Board hereby designates the Chief Investment Officer as its designee to perform those functions so identified in the investment documentation and hereby authorizes the Chief Investment Officer to take all actions necessary to initiate, implement and monitor assignments, approve payments and provide the Board with timely reports regarding the progress and satisfactory completion of the assignments authorized pursuant to the investment agreement and this resolution.”

Mr. Shooshani, of Strategic Investment Solutions, provided an informational review of *SamCERA*'s latest private equity investment, General Catalyst Group VI. The fund will be directed by General Catalyst's management team, led by nine Managing Directors based in the firm's Cambridge, New York, and Palo Alto offices. The Managing Directors have an aggregate of more than 150 years of senior operating, entrepreneurial, and venture capital investing experience and have served as CEOs and senior leaders of numerous companies.

1211.6.8 **Review of *SamCERA*'s Draft Template Agreement for Investment Management Services:**

Mr. Clifton reported that shortly after *SamCERA* hired a professional administrator in 1994, the association began aggressively diversifying the portfolio. The first step in diversification was with passive investment strategies. The investment agreements for those assets were usually rigid and the terms dictated by the investment managers. When active investments were incorporated into the portfolio, staff and county counsel developed a boilerplate agreement. It has been years since *SamCERA* reviewed its investment manager agreements. *SamCERA*'s counsel and staff believe it to be prudent to begin a thorough review of the agreements and incorporate some of the current stipulations.

1211.7 **Board & Management Support Services**

1211.7.1 **Presentation of the Monthly Financial Report:** In an informational report, Mr. Clifton reported that *SamCERA*'s Net Assets Held in Trust for Pension Benefits as of month end, totaled \$2,234,806,832. Net assets held in trust for pension benefits increased by approximately \$129.1 million, month over month. The increase is primarily due to market appreciation in assets.

1211.7.2 **Discussion of Board/Staff Retreat Agenda, Scheduled for April 24 & 25, 2012:** Mr. Bailey reported updating the Board/Staff Retreat Agenda, and gave the board another opportunity to discuss proposed retreat topics. At the October meeting, staff changed the draft agenda to set aside a total of two hours, on the first morning, to hear from and discuss *SamCERA*'s portfolio with SIS and *SamCERA* staff. This meant the elimination of a presentation from an economist.

1211.8 **Management Reports**

1211.8.1 **Chief Executive Officer's Report:** Mr. Bailey clarified discussions regarding per diem when attending conferences and requesting reimbursements. There is no per diem reimbursement process in *SamCERA*'s Travel Policy. He explained that the CONUS per diem amounts were used as appropriate reimbursement amounts when receipts were not available. Going forward, receipts will be needed for reimbursement purposes. A copy of *SamCERA*'s Travel Policy was distributed to all board members.

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

Mr. Bailey turned the board's attention to the completed octagon board table and commended Mr. Hood and Ms. Smith for a job well done.

Mr. Bailey reported on the SACRS Business Meeting and the RV Kuhn's report, showing data regarding investment performance and asset allocations of the 37 Act funds, posted on the SACRS website.

- 1211.8.2 **Assistant Executive Officer's Report:** Mr. Hood reported a few finishing touches are needed before the office construction is finalized. He mentioned the scheduling of more Financial Knowledge classes for next year, and an RFP for Information Technology Consultant. The two consultants who responded to the RFP were: Linea Solutions and Leon R. Wechsler.

- 1211.8.3 **Chief Investment Officer's Report:** Mr. Clifton reported attending site visits with Mondrian Investment Partners and Baillie Gifford & Co. He also noted that the next Investment Committee meeting will be in March.

- 1211.8.4 **Chief Legal Counsel's Report:** Ms. Carlson provided a brief report on the four hour Pension Reform forum she attended. She also reminded the board of the FPPC's gift limits and regulations. Gifts valued at \$50.00 or more are reportable on the 700 form, and \$420.00 is the limit per year.

- 1211.9 **Report on Actions Taken in Closed Session:** Mr. David took the board meeting into closed session (item C2) to discuss the evaluation of Chief Executive Officer Pursuant to Government Code Section 54957. The board unanimously approved staff's request of extended leave time for the CEO, from approximately January 16 to April 16, 2012.

- 1211.10 **Adjournment in Memory of Deceased Members:** There being no further business, Mr. David adjourned the meeting at 3:32 p.m., in memory of the following deceased members:

Mihalcik, Helen	October 2, 2011	Probation
Gahob, Luisa	October 6, 2011	Crystal Springs
Huston, Robert	October 10, 2011	Assessor's Office
Loughran, Mary	October 13, 2011	Social Services
Erickson, George	October 16, 2011	Sheriff's Office
Wong, Robert	October 18, 2011	Sheriff's Office
Giannini, Roland	October 21, 2011	Assessor's Office
Olsson, Maxine	October 21, 2011	Crystal Springs
Reams, Dorothy	October 22, 2011	Ben of Reams, James
Narverud, Ruth	October 23, 2011	San Mateo Medical Center
Perrin, Robert	October 30, 2011	Sheriff's Office
Runels, Robert	October 30, 2011	Dept. of Agriculture

David Bailey, Chief Executive Officer