

March 25, 2014 – Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 10:30 a.m.

- 1. **Call to Order, Roll Call and Miscellaneous Business**
- 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 * (Set for 1:00 p.m. time certain)**
 - 4.1 Disability Retirements
 - Teresa Estipona
 - Luz Estrada
 - Sol Hafalia
 - Tonya Lawrence
 - Michelle Rippy
 - 4.2 Service Retirements
 - 4.3 Continuances
 - 4.4 Deferred Retirements
 - 4.5 Member Account Refunds
 - 4.6 Member Account Rollovers
 - 4.7 SACRS Recommended Officers
 - 4.8 SACRS Voting Delegates
 - 4.9 Report on County Prepayment FY 2014-2015
- 5. **Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
- 6. **Investment Services**
 - 6.1 Preliminary Monthly Performance Report for the Period Ending February 28, 2014
 - 6.2 Discussion and Approval of Risk Parity Finalist Candidates
 - 6.3 Discussion and Approval of Proposed Changes to Investment Policy
 - 6.4 Discussion and Approval of Proposed Alternative Investment (*Confidential Under Gov. Code §54956.81 and §6254.2, to be heard in Closed Session, C2*)
- 7. **Board & Management Support**
 - 7.1 Introduction of SamCERA’s Sources, Uses, and Budget Report for FY 2014-2015
 - 7.2 Discussion and Approval of CEO Recruitment Plans
 - 7.3 Report on the Status of Annual Board-Staff Retreat
 - 7.4 Annual Review of SamCERA’s Education and Travel Policies
- 8. **Management Reports**
 - 8.1 Chief Executive Officer's Report
 - 8.2 Assistant Executive Officer’s Report
 - 8.3 Chief Investment Officer’s Report
 - 8.4 Chief Legal 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
- C2 Discussion and Approval of Proposed Alternative Investment (*Confidential Under Gov. Code §54956.81 and §6254.2*)
- C3 Public Employee Performance Evaluation in accordance with Government Code §54957.
Title: Chief Executive Officer.

- 9. **Report on Actions Taken in Closed Session**
- 10. **Adjournment in Memory of the Following Deceased Members:**

Whitmore, Elaine	February 1, 2014	Elections
Cabaniss, Leonard	February 6, 2014	Sheriff's Office
Byrne, Bernard	February 6, 2014	Beneficiary of Byrne, Marian
Nelson, Marie	February 9, 2014	Courts
Dobson, Eleanor	February 10, 2014	Social Services

Nishimura, Masako	February 15, 2014	General Services
Carney, Francis	February 17, 2014	Probation
Olson, Lorna	February 18, 2014	Beneficiary of Olson, Stanley
Leonhardt, Betty	February 21, 2014	Beneficiary of Leonhardt, Lawrence
Owen, Donald	February 25, 2014	Sheriff's Office
McCulloch, Thomas	February 26, 2014	Hospital

MARCH 25, 2014 –SPECIAL BOARD MEETING MINUTES

1403.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Ms. Natalie Kwan Lloyd, Chair, called the Special Meeting of the Board of Retirement to order at 10:30 a.m.

Roll Call:

Present: Lauryn Agnew, Ben Bowler, Albert David, Paul Hackleman, Natalie Kwan Lloyd, Michal Settles, and David Spinello.

Excused: Sandie Arnott and Eric Tashman.

Alternates present: Christopher Miller, Alma Salas.

Staff: David Bailey, Scott Hood, Michael Coultrip, Brenda Carlson, Gladys Smith, Elizabeth LeNguyen and Kristina Perez.

Consultants: From SIS – Patrick Thomas, Jonathan Brody and Faraz Shooshani.

1403.2.1 Oral Communications From the Board: Ms. Agnew reported her attendance at the Women’s Private Equity Summit in Half Moon Bay, March 13, 2014; and her attendance at the Center for Socially Responsible Business at Mills College, for the Annual Spring Conference (CSRB14) on March 14, 2014. Mr. Hackleman reported his attendance at IFEBP’s Investment Institute, March 3-5, in Clearwater, Florida. Mr. Spinello and Ms. Settles reported their attendance at the CALAPRS General Assembly in Palm Springs, March 1-4, 2014. Ms. Arnott was also in attendance at CALAPRS.

1403.2.2 Oral Communications From the Public: Mr. Miller attended the CALAPRS General Assembly.

1403.3.1 Approval of the Regular Board Meeting Minutes: Ms. Kwan Lloyd asked if there were any changes or corrections to the Regular Board Meeting minutes of February 25, and none were noted.
Action: Mr. David moved to approve the minutes from the Regular Board Meeting held on February 25, 2014. The motion was seconded by Mr. Hackleman and carried with a vote of 7-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Settles, and Spinello; none opposed.

The Chair adjourned the meeting into closed session at 10:34 a.m. to hear agenda item **6.4 - Discussion and Approval of Proposed Alternative Investment (Confidential Under Gov. Code §54956.81 and §6254.2, to be heard in Closed Session, C2).**

The meeting was reconvened in open session at 11:09 a.m. A report was given regarding item 6.4 at the end of the meeting. The agenda continued with the 6 series items.

1403.6.1 Preliminary Monthly Performance Report for the Period Ending February 28, 2014: Mr. Coultrip discussed the preliminary monthly performance report with the Board. SamCERA’s preliminary return for February was + 3.4%. This item was informational only and no action was taken.

1403.6.2 **Discussion and Approval of Risk Parity Finalist Candidates:** Mr. Coultrip discussed the risk parity finalist candidates with the Board. Bridgewater, PanAgora and Invesco had been selected to receive a Request for Information last month. After reviewing the RFI responses, and discussing the benefits and qualities of each candidate, staff and SIS recommended interviews with Bridgewater and PanAgora as the next step.

Action: Mr. David moved to direct staff to continue the selection process for a risk parity manager by interviewing Bridgewater and PanAgora. The motion was seconded by Ms. Settles and carried with a vote of 7-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Settles, and Spinello; none opposed.

1403.6.3 **Discussion and Approval of Proposed Changes to Investment Policy:** Mr. Coultrip reviewed the changes discussed at the February Board meeting regarding Sections 1-7 of the Investment Policy. Conversation continued regarding Sections 8-14, and topics including ESG and proxy voting were discussed. This item was for discussion only and no action was taken.

The meeting was adjourned for a short break at 1:00 p.m. and reconvened at 1:09 p.m. The Consent Agenda was heard next.

1403.4.0 **Approval of the Consent Agenda:** Ms. Kwan Lloyd asked if the Board wished to remove any items from the Consent Agenda, and all items remained.

Action: Mr. David moved to approve the Consent Agenda, and the motion was seconded by Mr. Spinello. The motion carried with a vote of 7-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Settles, and Spinello; none opposed.

1403.4.1

Consent Agenda

4.1 Disability Retirements

- a. The Board found that **Teresa Estipona** is (1) not permanently incapacitated for the performance of her usual and customary duties as a Correctional Health Nurse, and (2) denied her application for a service-connected disability retirement.
- b. The Board found that **Luz Estrada** is (1) permanently incapacitated for the performance of her usual and customary duties as a Staff Nurse, (2) found that her disability was not a result of an illness arising out of and in the course of her employment, (3) denied her application for a service-connected disability retirement and (4) granted her a non-service-connected disability retirement.
- c. The Board found that **Sol Hafalia** is (1) not permanently incapacitated for the performance of her usual and customary duties as a Clinical Nurse, and (2) denied her application for a service-connected disability retirement.
- d. The Board found that **Tonya Lawrence** is permanently disabled from the duties of a Family Support Officer and granted survivor benefits, pursuant to Government Code Section 31781.1, to one of the member's surviving minor children, Malia Smith.
- e. The Board found that **Michelle Rippy** is (1) permanently incapacitated for the performance of her usual and customary duties as a Supervising Deputy Coroner, (2) found that her disability was a result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

1403.4.1 **Service Retirements**

The Board ratified the actions as listed below for the following members regarding service retirements:

Member Name	Effective Retirement Date	Department
Bernard, Girdie	January 3, 2014	Tax Collector's Office
Broderick, Joseph	January 4, 2014	Hospital
Corden, Carol	February 1, 2014	Human Services Agency
Cuellar, , Celia	March 30, 2014	Human Services Agency
Evans, Constance	January 2, 2014	Hospital
Gaines, Laurance	January 17, 2014	Deferred from Sheriff's Off
Lee, Connie	January 11, 2014	Hospital
Melara, Mauricio	January 21, 2014	Hospital
Rossi, Steven	January 4, 2014	Human Resources
Vong, Kathy	January 11, 2014	Deferred from Hospital
Yoshihara, Arthur	January 18, 2014	Human Services Agency

1403.4.3 **Continuances**

The Board ratified the actions as listed below for the following members regarding continuances:

Survivor's Name	Beneficiary of:
Burner, Carole	Burner, Gerald
Spells, Annie May	Spells, Robert

1403.4.4 **Deferred Retirements**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

Member Name	Retirement Plan Type
Brooks, Shannon	G2 Vested
Smith, Derek	G4 Vested – Reciprocity
Mackewicz, Kelly	G4 Vested - Reciprocity
Payne, Shelia	G4 Vested - Reciprocity
Lee, Jonathan	G4 Vested
Santos, David	G1 Vested – Reciprocity
Freeman, Beth	G2 Vested
Jones, Ricky	P4 Vested
Bay, Duane	G4 Vested - Reciprocity

1403.4.5 **Member Account Refunds**

The Board ratified the actions as listed below for the following members regarding refunds:

Member Name	Retirement Plan Type
Lopez, Judith	G4 Vested
Platon, Jose	G4 Non-vested

1403.4.6 **Member Account Rollovers** - None

1403.4.7 **SACRS Recommended Officers:** The Board accepted the report regarding the recommended officers for SACRS.

1403.4.8 **SACRS Voting Delegates:** The Board approved Lauryn Agnew as the Voting Delegate for SACRS, with Ben Bowler as the first alternate and David Bailey as the second alternate.

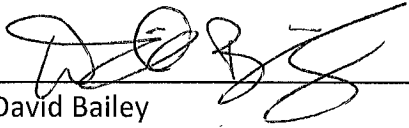
- 1403.4.9 **Report on County Prepayment FY 2014-2015:** The Board accepted the report on the pre-payment of employer contributions for FY 2014/2015.
- 1403.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** None.
- 1403.7.1 **Introduction of SamCERA's Sources, Uses, and Budget Report for FY 2014-2015:** Mr. Hood went over the FY 2014-2015 budget and noted that the PASS project would be increasing the technology budget and the new lease would impact the administrative budget. This item was informational only and no action was taken.
- 1403.7.2 **Discussion and Approval of CEO Recruitment Plans:** Mr. Bailey and Mr. Hackleman summarized the March 20 meeting of the Succession Planning Committee and asked for Board approval of an updated Recruitment and Marketing Plan for the Chief Executive Officer Position as recommended by the committee. Ms. Agnew moved approval of the plan. The motion was seconded by Mr. Spinello and carried with a vote of 7-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Settles, and Spinello; none opposed.
- 1403.7.3 **Report on the Status of Annual Board-Staff Retreat:** Mr. Bailey went over the proposed agenda for the retreat scheduled for April 29-30, 2014. He reviewed the topics, presenters and schedule with the Board. This item was for discussion only and no action was taken.
- 1403.7.4 **Annual Review of SamCERA's Education and Travel Policies:** Mr. Bailey discussed the Board's travel and education policies. He reviewed the current policy and compared other systems' travel practices with SamCERA's. He proposed for staff to continue to look into a policy that set a certain number of conferences for trustees to attend, rather than a budget amount. Staff will bring back policy revisions for further discussion and approval at the next meeting. This item was for discussion only and no action was taken.
- 1403.8.1 **Chief Executive Officer's Report:** Mr. Bailey noted that this meeting had begun at 10:30 a.m. instead of 1:00 p.m., and said that another early start time would be considered in June since the response had been favorable.
- 1403.8.2 **Assistant Executive Officer's Report:** Mr. Hood reported he was renewing the "Forward Looking Calendar" and a sample was included in the Board's meeting folder. He also discussed the GASB 67 and 68 implementation activities and noted the actuary is assisting staff with compliance.
- 1403.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that three responses were received for the RFP for custodial bank services and there would be a significant increase in the cost for this service going forward. Staff was reviewing the RFPs and will come back to the Board with more information in April. The selection committee of Mr. Coultrip, Ms. Wong, Ms. Chezelle Milan, and Mr. Hood is reviewing the proposals. Mr. Coultrip also reported that two real asset opportunities were coming, and he would review them with the Board after some due diligence.
- 1403.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reminded Board members to complete and turn in their Form 700 and that the gift tracking form is available from SamCERA. Ms. Carlson also reported that she is still following the legal matter in Contra Costa County regarding "on-call" pay as it relates to current, non-PEPRA members.
- 1403.9.0 **CLOSED SESSION - Report on Actions Taken in Closed Session:**
- C1 **Consideration of Disability Items, if any, Removed from the Consent Agenda:** None.


C2 **Discussion And Approval Of Proposed Alternative Investment** (*Confidential Under Gov. Code §54956.81 And §6254.2, To Be Heard In Closed Session, 6.4*): As reported by Ms. Carlson, The Board met in Closed session in regards to ABRY Securities Fund III, L.P., an alternative investment. A motion was made by Mr. Hackleman and seconded by Mr. David to invest \$22.5 million into the ABRY Securities Fund III, L.P. The motion carried with a vote of 7-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Settles, and Spinello; none opposed.

C3 **Public Employee Performance Evaluation in accordance with Government Code §54957.** *Title: Chief Executive Officer:* Ms. Carlson reported there was no reportable action taken.

1403.10 **Adjournment:** Ms. Kwan Lloyd adjourned the meeting at 4:18 p.m. in memory of the following deceased members:

Whitmore, Elaine	February 1, 2014	Elections
Cabaniss, Leonard	February 6, 2014	Sheriff's Office
Byrne, Bernard	February 6, 2014	Beneficiary of Byrne, Marian
Nelson, Marie	February 9, 2014	Courts
Dobson, Eleanor	February 10, 2014	Social Services
Nishimura, Masako	February 15, 2014	General Services
Carney, Francis	February 17, 2014	Probation
Olson, Lorna	February 18, 2014	Beneficiary of Olson, Stanley
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 David Bailey
 Chief Executive Officer


 Kristina Perez
 Retirement Executive Secretary