



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING

May 22, 2019

9:00 a.m.

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Candace Andersen, Scott Gordon, Jerry Holcombe, Jay Kwon, Louie Kroll, David MacDonald, John Phillips, William Pigeon, Todd Smithey, Jerry Telles and Russell Watts

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; and Tim Hoppe, Retirement Services Manager

Outside Professional Support:

Joe Wiley

Paul Angelo

John Monroe

Ed Hoffman

Harvey Leiderman

Bill Hallmark

Anne Harper

Representing:

Wiley Price & Radulovich LLP

Segal Company

Segal Company

Verus Investments

Reed Smith LLP

Cheiron

Cheiron

1. Pledge of Allegiance

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Approval of Minutes

It was *M/S/C* to approve the minutes from the April 24, 2019 meeting. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

Andersen and Gordon were present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6.

The Board moved into open session.

4. There was no reportable action related to Govt. Code Section 54957.6.

5. **Presentation from Segal Consulting: Review of Actuarial Assumptions**

Angelo reviewed the primary changes to the Demographic Assumptions, the Economic Assumptions and reviewed the components of the investment return assumptions.

Angelo reviewed the sensitivity tests he prepared at the request of the Board if the assumed investment return assumption was changed to 6.75%. Monroe reviewed the impact on employer and member contribution rates using a 6.75% investment return assumption and recommended staying with the original 7% rate assumed investment return assumption.

6. **Presentation of Actuarial Audit Report by Cheiron**

Bill Hallmark, Anne Harper

Hallmark reported that all of the assumptions provided by Segal are within reasonable tolerances and noted their independent analysis was based on the last three years of experience. He reviewed the economic assumptions, specifically inflation and investment returns, and noted their analysis found that Segal's proposed investment return assumption of 7% is reasonable.

7. **Consider and take possible action to adopt the actuarial assumptions to be utilized in the December 31, 2018 actuarial valuation report**

It was M/S/C to adopt the actuarial assumptions to be utilized in the December 31, 2018 actuarial valuation report as presented by Segal. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

8. **Consider and take possible action to adopt the Declining Employer Payroll Actuarial Funding Policy**

It was M/S/C to adopt the Declining Employer Payroll Actuarial Funding Policy. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

9. **Consider and take possible action to amend the Actuarial Funding Policy**

It was M/S/C to amend the Actuarial Funding Policy. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

Telles was no longer present for subsequent discussion and voting.

10. **Review of total portfolio performance for period ending March 31, 2019**

- a. Presentation from Verus

Hoffman reviewed CCCERA's investment fund performance for the period ending March 31, 2019 noting the ending market value of the total fund portfolio is \$8,703,150,580.

- b. Presentation from staff

Price reviewed CCCERA's sub-portfolios noting all of them are meeting expectations except Positive Real Returns in the Risk Diversifying sub-portfolio.

11. Consider authorizing the attendance of Board:

- a. There was no action taken on this item. The Private Equity Exclusive, The Pension Bridge, July 22-23, 2019, Chicago, IL.
- b. It was M/S/C to authorize the attendance of 4 Board members at the 2019 Public Funds Forum, ValueEdge Advisors, September 3-5, 2019, Park City, UT. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

12. Miscellaneous

- (a) Staff Report –

Strohl reported we will not continue to move forward with the RFP for a Deferred Compensation Provider due to timing issues. We will continue to be a sub-account on the County's Deferred Compensation plan under their new provider.

- (b) Outside Professionals' Report -


None

- (c) Trustees' comments –

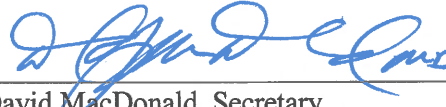
Phillips reported on the SACRS Spring Conference sessions he attended.

MacDonald reported on the IFEBP Legislative Update he attended.

It was M/S/C to adjourn the meeting. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)



Todd Smithey, Chairman



David MacDonald, Secretary