



Contra Costa County Employees'
Retirement Association

MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
February 26, 2020
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

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

Absent: William Pigeon and Mike Sloan

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; Tim Hoppe, Retirement Services Manager; and Jasmine Lee, Member Services Manager

Outside Professional Support:

Representing:

Eileen Neill

Verus Investments

Mike Kamell

Verus Investments

Matthew McLennan

First Eagle Investment Management

Claire Miller Hare

First Eagle Investment Management

1. Pledge of Allegiance

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

2. Accept comments from the public

Trustee MacDonald reported the deadline to apply for the Contra Costa County Grand Jury is March 19, 2020. Trustee Phillips reported there was an article in the Contra Costa Times inviting people to apply if interested and commented on the experience he gained from the time he spent on the grand jury.

3. Approval of minutes

It was **M/S/C** to approve the minutes of the January 22, 2020 Board meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Watts).

4. Capital market assumptions review

Price introduced Mike Kamell of Verus. He reminded the Board that CCCERA is a long-term investor and uses a 5 to 10 year outlook.

Kamell reviewed the three major components to the capital market assumptions - expected return, risk, and correlation. He noted the forecast was lower than last year.

5. Presentation from First Eagle on global markets – Matt McLennan, Claire Miller Hare

Hare provided a brief background on First Eagle.

McLennan reviewed the market noting that the environment today calls for selective participation in the market and the challenges of money supply growth from 1982 to the present noting the conditions today are very different from the past.

There was a discussion on the novel coronavirus and the effects on global markets.

6. Review of total portfolio performance for period ending December 31, 2019

a. Presentation from Verus

Neill reviewed CCCERA's investment fund performance for the period ending December 31, 2019.

b. Presentation from staff

Price reviewed CCCERA's sub-portfolio's noting all of them are meeting expectations except for achieving positive real returns in the Risk Diversifying sub-portfolio and we are slightly below expectations on the benchmark in the Growth sub-portfolio.

7. Annual statement of compliance with Board resolutions

Price reported CCCERA's Investment Policy Statement requires staff report annually on compliance with all Board Resolutions in effect for the prior year. He reported the Board adopted one investment-related resolution in 2019 and one resolution from 2018 remained in effect at the beginning of 2019.

He also reviewed the Asset Allocation Summary for the calendar year 2019.

8. Consider and take possible action to:

- a. Adopt Board of Retirement Resolution 2020-1 to increase the salary ranges by 4% for all unrepresented classifications effective April 1, 2020, with the exception of the Chief Executive Officer;

- b. Adopt the CCCERA Position Pay Schedule for unrepresented classifications effective April 1, 2020 which reflects the salary range changes in Board of Retirement Resolution 2020-1

Strohl recommended a 4% salary increase for all unrepresented classifications, except the Chief Executive Officer, in order to maintain and recruit qualified individuals to work at CCCERA.

Smithey read the following statement: "In compliance with Government Code Section 54953(c)(3), the Board hereby provides an oral report as follows: the recommended 4 percent increase in salary ranges would impact the salaries of all unrepresented positions including the Deputy Chief Executive Officer but excluding the Chief Executive Officer."

It was **M/S/C** to a) Adopt Board of Retirement Resolution 2020-1 to increase the salary ranges by 4% for all unrepresented classifications effective April 1, 2020, with the exception of the Chief Executive Officer; and b) Adopt the CCCERA Position Pay Schedule for unrepresented classifications effective April 1, 2020 which reflects the salary range changes in Board of Retirement Resolution 2020-1. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Watts)

9. Consider authorizing the attendance of Board:

- a. It was **M/S/C** to authorize the attendance of 1 Board member at the CRCEA Spring Conference, April 6-8, 2020, Visalia, CA. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Watts)
- b. There was no action taken on this item: The AE Industrial Partners Annual Meeting, April 15-16, 2020, Boca Raton, FL.
- c. It was **M/S/C** to authorize the attendance of 2 Board members at the 2020 Annual Conference, Siguler Guff, April 29-30, 2020, New York, NY. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Watts)

10. Miscellaneous

(a) Staff Report –

Stroh reported Segal Consulting (formerly LRLW, Inc.) has been assisting CCCERA on the pension administration system project and noted we are making good progress. They will be providing an update at a future meeting.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Kwon reported on the Sit Investments Conference he recently attended with Price.

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



Todd Smithey, Chairman



David MacDonald, Secretary