



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING  
March 28, 2018  
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, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Gabe Rodrigues, Todd Smithey, Jerry Telles and Belinda Zhu (Deputy Treasurer, present and voting in Treasurer Russell Watts' absence)

Absent: William Pigeon

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 Colin Bishop, Member Services Manager

Outside Professional Support:  
Ed Hoffman

Representing:  
Verus Investments

**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.

Gordon was present for subsequent discussion and voting.

**3. Approval of Minutes**

It was M/S/C to approve the minutes from the February 28, 2018 meeting with a correction to Item 4, the last sentence in the second paragraph should read "He noted the portfolio is targeted to a 7% expected return and the expected volatility is 11-12%". (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Zhu)

Andersen was present for subsequent discussion and voting.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54956.9(d)(1).

The Board moved into open session.

4. a. There was no reportable action related to Govt. Code Section 54956.9(d)(1).
- b. There was no reportable action related to Govt. Code Section 54956.9(d)(1). MacDonald recused himself from this item and was not present for subsequent discussion and voting.
- c. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

**5. Presentation from Chief Investment Officer and Verus on updated capital market assumptions and suggested revisions to strategic asset allocation**

Price reviewed the process for the annual asset allocation and capital market review. He reviewed the size of the current liquidity sub-portfolio noting we target 4 years of benefit payments based on actuarial projections. He stated the amount to be funded in July 2018 has a present value of \$504 million and the expected size of the Liquidity Program totals \$1.96 billion for the next four years (July 2018 through June 2022).

Hoffman summarized the annual review process. He reviewed the following recommended changes: 1) Resize the Liquidity sub-portfolio from 27% to 23%; 2) Decrease the size of the Risk Diversifying sub-portfolio from 12% to 10%; 3) Recategorize Risk Parity from the Risk Diversifying sub-portfolio to the Growth sub-portfolio; and 4) Adopt asset allocation Mix 2.

After a discussion, the Board directed staff and Verus to go with asset allocation Mix 2. Staff will return with a recommended Investment Resolution for the Board's consideration at a future meeting.

**6. Consider and take possible action on SACRS Voting Proxy Form**

It was M/S/C to appoint David MacDonald as the SACRS Voting Delegate and Gabe Rodrigues as the Alternate Voting Delegate. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Zhu)

**7. Consider authorizing the attendance of Board:**

- a. There was no action taken on this item. Ares 2018 Annual Meeting, April 9-10, 2018, Laguna Niguel, CA.
- b. It was M/S/C to authorize the attendance of all Board members at the SACRS Spring Conference, May 15-18, 2018, Anaheim, CA. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Zhu)
- c. There was no action taken on this item. IFEBP Washington Legislative Update, May 21-22, 2018, Washington, D.C.

**8. Miscellaneous**

- (a) Staff Report –

Strohl reported an RFP has been issued for Tax Legal Counsel; CCCERA has changed the name of Group Counseling to Pre-Retirement Workshop; and, the CCCERA website now has a form to report the death of a member or beneficiary.

- (b) Outside Professionals' Report -

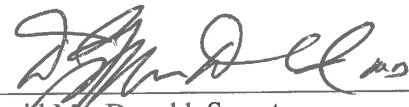
None

- (c) Trustees' comments –

Holcombe reported on the highlights of the Commonfund Forum 2018 that he attended.

It was M/S/C to adjourn the meeting. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Zhu)

  
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Todd Smithey, Chairman

  
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David MacDonald, Secretary