



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING

July 25, 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, Jay Kwon, David MacDonald, John Phillips, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: Louie Kroll and William Pigeon

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

Outside Professional Support:
Susan Hastings

Representing:
Laughlin, Falbo, Levy & Moresi

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.

Telles was present for subsequent discussion and voting.

3. Approval of Minutes

It was M/S/C to approve the minutes from the June 27, 2018 meeting. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.

The Board moved into open session.

4. It was M/S/C to deny Rebecca Halvorson's application for a Service Connected Disability and direct staff to prepare a proposed findings of fact and decision to deny a service-connected disability. (Yes: Andersen, Gordon, Holcombe, Phillips, Rodrigues, Smithey and Watts. No: MacDonald and Telles)

5. The Board did not accept the findings of the Hearing Officer related to Leslie Pounds application for a Service Connected Disability. It was M/S/C to require a transcript summary of all the testimony plus all other evidence received by the Hearing Officer, and after receipt thereof, the Board shall take such action as it determines is warranted by the evidence as provided under Govt. Code Section 31534. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

6. **Appoint Audit Committee Members**

Smithey reported one of his duties as the Board Chairperson is to appoint the Audit Committee members. He reported the committee will remain the same with John Phillips as the Chairperson, Russell Watts as the Vice Chairperson, and Jerry Holcombe and Todd Smithey as Members-at-Large.

7. **Update from Chief Investment Officer on Asset Allocation Communications**

Price reported the Board has had several discussions about CCCERA's asset allocation including what it is, what it does, why it's different from our peers, and how to talk about it with others.

He reviewed a draft of a short form description of the asset allocation for use in conversations and a draft of a long form description of the asset allocation that will be posted on CCCERA's website for those who have more questions. He also reviewed the important aspects of each description and solicited feedback from the Board.

Price reviewed a chart that will be posted on the website that details CCCERA's Functionally Focused Portfolio (FFP) investment strategy.

8. **Consider and take possible action to:**

- a. Adopt Board of Retirement Resolution 2018-3 to adjust the salary of the Chief Executive Officer.
- b. Amend the Board of Retirement Resolution 2018-1 for Salary and Benefits for Unrepresented Employees to adjust the management administrative leave of the Chief Executive Officer.

It was M/S/C to adopt Board of Retirement Resolution No. 2018-3 to adjust the salary of the Chief Executive Officer and amend the Board of Retirement Resolution 2018-1 for Salary and Benefits for Unrepresented Employees to adjust the management administrative leave of the Chief Executive Officer. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

9. **Consider and take possible action to adopt the CCCERA Position Pay Schedules effective July 1, 2018**

It was M/S/C to adopt the CCCERA Position Pay Schedules effective July 1, 2018. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

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

- a. It was M/S/C to authorize the attendance of 2 Board members at the Board Audit Committee Compliance Conference, Society of Corporate Compliance and Ethics, September 24-25, 2018, Scottsdale, AZ. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

- b. It was M/S/C to authorize the attendance of 2 Board members at the 2018 StepStone Investor Dinner & Conference, October 10-11, 2018, New York, NY. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)
- c. It was M/S/C to authorize the attendance of 3 Board members at the 2018 Torchlight Investment Summit, October 16-17, 2018, New York, NY. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

11. Miscellaneous

(a) Staff Report –

Strohl reported the annual Staff Development Day was held on July 12, 2018. Topics discussed were embracing change and excellent customer service. She noted she received positive feedback from that day.

Price reported the global head of risk management at PIMCO resigned on Friday. He noted there is no impact to CCCERA's portfolio because our mandate with PIMCO is managed by Research Affiliates.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Telles reported on the Invesco on-site visit he and MacDonald attended and noted he was very impressed with their teams.

MacDonald agreed and encouraged Trustees' to participate in on-site visits. He asked if there can be an educational session on a future agenda regarding disabilities and mental health.

Gordon reported that he, Price and Rodrigues attended the DLJ Annual Limited Partners Meeting and felt it was very interesting.

Rodrigues agreed and noted it was very educational.

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



Todd Smithey, Chairman



David MacDonald, Secretary