



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING  
August 9, 2017  
9:00 a.m.

Retirement Board Conference Room  
The Willows Office Park  
1355 Willow Way, Suite 221  
Concord, California

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

Absent: Candace Andersen

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; Henry Gudino, Accounting Manager; Anne Sommers, Admin/HR Manager; and Tim Hoppe, Retirement Services Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Paul Angelo	Segal Consulting
John Monroe	Segal Consulting
Susan Hastings	Laughlin, Falbo, Levy & Moresi

1. **Pledge of Allegiance**

Rossini led all 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 of the June 14, 2017 meeting. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

4. **Routine Items**

Phillips asked that sub-totals be added to the alternative investments section of Item 4e.

It was M/S/C to approve the routine items of the August 9, 2017 meeting. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

**CLOSED SESSION**

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

The Board moved into open session.

5. It was M/S/C to deny the service-connected disability retirement application of Ramona Anguiano. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

It was the consensus of the Board to move to Item 7.

7. **Presentation from Segal regarding the December 31, 2016 Valuation Report**

Angelo gave an overview of the report noting that although the average rates are fairly stable the actual rates by cost group show a little volatility. He reported the funded ratio of the plan increased from 84.5% to 86.5%. The unfunded actuarial accrued liability (UAAL) decreased from \$1.3 billion to \$1.2 billion. The average employer contribution rate decreased from 39.23% of payroll to 38.08% of payroll and the average member contribution rate decreased from 12.09% of payroll to 12.08% of payroll.

8. **Consider and take possible action to adopt the December 31, 2016 Valuation Report and contribution rates for the period July 1, 2018 - June 30, 2019**

It was M/S/C to adopt the December 31, 2016 Valuation Report and contribution rates for the period July 1, 2018 to June 30, 2019 as recommended by Segal Consulting. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

9. **Update on audit committee composition by Board chair**

Smithey reported Holcombe is interested in filling the vacancy on the Audit Committee. He appointed Holcombe to the committee. He appointed Phillips as Chairman and Watts as Vice Chairman.

10. **Consider authorizing the attendance of Board and/or staff:**

- a. It was M/S/C to authorize the attendance of 3 Board members and 2 staff members at the Debt, Income and Real Estate Opportunities Conference, Torchlight Investors, October 3-4, 2017, New York, NY. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)
- b. It was M/S/C to authorize the attendance of 2 Board members at the 63<sup>rd</sup> Annual Employee Benefits Conference, IFEBP, October 22-25, 2017, Las Vegas, NV. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)
- c. It was M/S/C to authorize the attendance of 4 Board members and 3 staff members at the 2017 Invesco Real Estate Global Client Conference, Invesco, November 7-9, 2017, La Jolla, CA. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

11. **Miscellaneous**

(a) Staff Report –

Strohl reported she attended the NASRA annual meeting. The meeting will be in San Diego next year. She acknowledged Anne Sommers who was promoted to the Admin/HR Manager position and reported a Member Services Manager was also hired and will be starting on August 16<sup>th</sup>.

Gudino stated he attended the SACRS Investment Program noting it was a great program and was very helpful.

Dunn reported CalPERS will be having a workshop on Social Security on August 29<sup>th</sup> from 10:00 a.m.-12 noon and the vote will be on November 16<sup>th</sup> from 10:00 a.m. -2:00 p.m. Strohl noted there is an absentee ballot option for trustees attending SACRS.

Sommers reported we will be having first round interviews for the Investment Officer positions next week. We have 3 recruitments open – an Office Specialist that closes on the 11th, an Admin/HR Supervisor that closes on the 18th, and an Executive Assistant that is open until the 25th.

Dutkiewicz reported he attended a Compliance Conference stating they had good discussions on internal controls, valuation methods, operational due diligence and good best practices.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Telles reported he and MacDonald attended the SACRS Berkeley Conference noting it has improved from the last time he went 5 years ago and recommends attending next year.

**CLOSED SESSION**

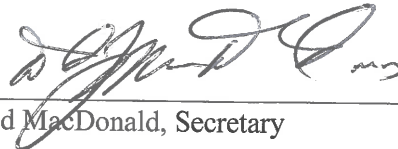
The Board moved into closed session pursuant to Govt. Code Section 54956(d)(2).

6. MacDonald recused himself from this item. There was no reportable action related to Govt. Code Section 54956.9(d)(2).

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



Todd Smithey, Chairman



David MacDonald, Secretary