



MINUTES

RETIREMENT BOARD MEETING MINUTES

SPECIAL MEETING
December 2, 2015
9:00 a.m.

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

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: Candace Andersen

Staff: Gail Strohl, Retirement Chief Executive Officer, Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Wrally Dutkiewicz, Retirement Compliance Officer; Timothy Hoppe, Retirement Benefits Manager; Alexis Cox, Retirement Benefits Manager; and Christina Dunn, Retirement Administrative/HR Manager

Outside Professional Support:
Edward Hoffman
Harvey Leiderman
Joe Wiley

Representing:
Verus Consulting Group
Reed Smith LLP
Wiley Price & Radulovich LLP

1. Pledge of Allegiance

Kroll led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No members of the public offered comment.

Rodrigues and Hast were present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6, 54956.81 and 54956.9(d)(1).

The Board moved into open session.

3. There was no reportable action related to Govt. Code Section 54957.6.
4. There was no reportable action related to Govt. Code Section 54957.6.
5. There was no reportable action related to Govt. Code Section 54956.81.

6. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

Smithey was no longer present for subsequent discussion and voting.

7. **Presentation from Koff and Associates regarding classification and total compensation report**

Strohl introduced Katie Kaneko of Koff and Associates.

Kaneko gave a brief overview of the firm and how the study was performed. She noted this report is only for the unrepresented group. She also noted the word "Retirement" was removed from all of the job titles. She reported other title changes were made to positions in Benefits and Member Services to better reflect their assignments and there were also 3 classifications that were changed from exempt to non-exempt for overtime purposes.

She reviewed the compensation portion of the study including the comparative agencies that were used in the compensation study noting it was necessary to expand out of the area. She described the employer's costs that were included in total compensation. She defined how the cost of labor is factored into the recommendations. She also reviewed different options for implementing the salary adjustments.

The Board complimented and thanked Kaneko for her report.

8. **Consider and take possible action to adopt Koff and Associates recommended classification and salary adjustments**

It was M/S/C to accept the report presented by Koff and Associates; further, to approve implementation of all the recommendations therein related to proposed classification and title changes; further, to defer any salary adjustments pending a meeting of the Board in January 2016 to consider specific adjustments with the intent to make any approved salary adjustments effective February 1, 2016. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Pigeon, Rodrigues, Telles and Watts).

Smithey was present for subsequent discussion and voting.

9. **Presentation from Verus Consulting regarding final asset allocation selections**

Hoffman summarized the Plan profile. He reviewed operating cash flows and total cash flows. He also reviewed benefit and expense protections with 24-month, 36-month and 48-month reserves. There was a lengthy discussion on the reserves.

Hoffman reviewed the asset allocation analysis of the current portfolio, functionally focused portfolio (FFP) and Risk Diversified portfolio. He also reviewed the investment model evaluation summary comparison.

10. **Consider and take possible action to adopt a new asset allocation strategy**

After a lengthy discussion on the investment model evaluation summary, it was M/S/C to adopt the FFP asset allocation strategy as policy. (Yes: Allen, Holcombe, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

Pigeon was no longer present for subsequent discussion and voting.

It was M/S to adopt a 4-year unconstrained strategy. After a discussion on peer/headline risk being high and the complexity of the portfolio, the motion and second were withdrawn.

It was **M/S** to adopt a 3-year constrained strategy. (Yes: Allen, Telles and Watts. No: Gordon, Holcombe, Hast, Phillips, Rodrigues and Smithey). Motion Failed.

After a lengthy discussion, it was **M/S/C** to adopt a 4-year unconstrained strategy. (Yes: Gordon, Holcombe, Hast, Phillips and Smithey. No: Allen, Rodrigues, Telles and Watts).

Gordon and Watts were no longer present for subsequent discussion and voting.

11. Miscellaneous

(a) Staff Report –

Strohl reported she will be presenting the 2016 proposed budget next week and we will be celebrating CCCERA's 1 year anniversary as an independent employer in January.

Dunn reported the Staff Appreciation Lunch is next week.

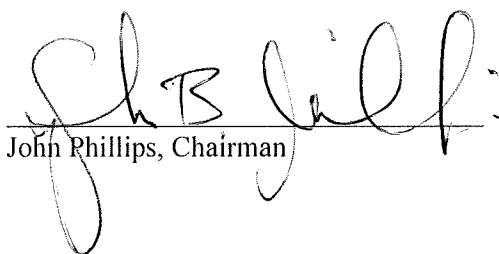
(b) Outside Professionals' Report -

None

(c) Trustees' comments –

None

It was **M/S/C** to adjourn the meeting in memory of Virginia Holcombe. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)


John Phillips, Chairman


Scott Gordon, Secretary