



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING

9:00 a.m.

February 25, 2015

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Karen Mitchoff, John Phillips, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: Louie Kroll and William Pigeon

Staff: Gail Strohl, Retirement Chief Executive Officer, Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:
Masa Shiohira
Bob Helliesen

Representing:
Wiley, Price & Radulovich LLP
Milliman

1. Pledge of Allegiance

Hast led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No members of the public offered comment.

Allen was present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6

The Board moved into open session.

**3. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)**

Agency designated representatives:
Gail Strohl, Retirement Chief Executive Officer
Christina Dunn, Retirement Administration Manager
Joe Wiley/Masa Shiohira, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700 and IFPTE Local 21

Unrepresented Employees: All CCCERA unrepresented positions

There was no reportable action related to Govt. Code Section 54957.6.

It was the consensus of the Board to move to Item 8.

8. **Consider and take possible action to revise the CCCERA Unrepresented Employees Resolution 2015-1 due to Local 21's disclaimer of interest**

It was M/S/C to revise the CCCERA Unrepresented Employees Resolution 2015-1 due to Local 21's disclaimer of interest. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

9. **Consider and take possible action to revise pay schedules to reflect Local 21's disclaimer of interest from representation of CCCERA employees**

It was M/S/C to revise pay schedules to reflect Local 21's disclaimer of interest from representation of CCCERA employees. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

It was the consensus of the Board to move to Item 4.

4. **Review of total portfolio performance**

Helliesen distributed a Flash Report for the period ending January 31, 2015. He reported on CCCERA's performance for the quarter ending December 31, 2014 noting we are not far off from our Asset Allocation. He reported CCCERA's total fund return shows extraordinary results.

a. **Consideration of any managers already under review or to be placed under review**

Helliesen reviewed the managers on the Watch List and recommended removing Lord Abbett from the Watch List.

It was M/S/C to remove Lord Abbett from the Watch List. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

b. **Consideration of any changes in allocations to managers**

There were no recommended changes in allocations to managers.

5. **Consider and take possible action to adopt Resolution 2015-3 authorizing CCCERA CEO to execute documentation to effectuate in-kind (non-cash) distributions**

Levy gave an overview of the purpose of the resolution noting these transactions occur in private equity investments within direct venture capital funds such as the DBL fund.

It was M/S/C to adopt Resolution 2015-3 Authorizing Administrator/Chief Executive Officer to Execute Documentation for Investments as Required to Effectuate In-Kind (Non-Cash) Distributions, removing the word "significant" from the first line of the last paragraph. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

6. **Report from staff on semi-annual rebalancing**

Price reported this is the mid-year rebalancing with a net effect of \$112 million being moved between investment managers.

It was M/S/C to accept the semi-annual rebalancing report. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

7. Report from staff on change of PIMCO StocksPLUS Absolute Return portfolio manager

Price reported the change is not a leadership change but a portfolio manager change. He gave an overview of the changes and will provide an update after his next on-site meeting in March 2015.

It was M/S/C to accept the report. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

10. Conference Seminar Attendance

(a) It was M/S/C to authorize the attendance of 1 staff member at the Angelo Gordon Investor Conference, Angelo Gordon, April 7-8, 2015, New York, NY. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

(b) It was M/S/C to authorize the attendance of 1 staff member at the Institutional Investments Executive Meeting, The Connex Group, April 19-21, 2015, Minneapolis, MN. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

(c) It was M/S/C to authorize the attendance of 2 Board members at the Annual CRCEA Spring Conference, CRCEA, April 19-22, 2015, Ontario, CA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

11. Miscellaneous

(a) Staff Report –

Price reported that Paul McCauley, the chief economist of PIMCO, left the firm.

Schneider reported Segal completed an updated projection based on Milliman's investment return of 8.4%. He discussed changes on the mortality table made by the Society of Actuaries.

Dunn reported there was a change in the property manager contact at Transwestern from Meredith Murphy to Amanda Monroe.

Strohl reported SACRS is doing more outreach due to only 45-50% of trustees attending conferences; Staff is meeting with CPAS next week; and, Staff will be issuing an RFP for property management services.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Hast and the Board thanked Mitchoff for her service. Hast reported Helliesen's sister passed away at the age of 64.

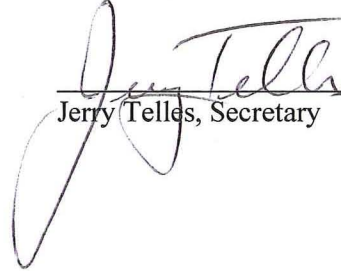
Mitchoff stated she has enjoyed serving on the Board and feels it is very interesting.

Allen asked that the NCPERS conference be on a future agenda.

It was M/S/C to adjourn the meeting in memory of Helliesen's sister. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)



Brian Hast, Chairman



Jerry Telles, Secretary