



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
July 12, 2017
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, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Rusty Watts

Absent: John Phillips

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Wrally Dutkiewicz, Compliance Officer; and Tim Hoppe, Retirement Services Manager

Outside Professional Support: Harvey Leiderman Representing: Reed Smith LLP

1. Pledge of Allegiance

Kwon led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Board Reorganization

It was M/S/C to nominate Todd Smithey as Board Chairperson, Scott Gordon as Board Vice-Chairperson and David MacDonald as Board Secretary. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Rodrigues, Smithey, Telles and Watts)

4. Routine Items

It was M/S/C to approve the routine items of the July 12, 2017 meeting. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Rodrigues, Smithey, Telles and Watts)

CLOSED SESSION

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

The Board moved into open session.

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

Pigeon was present for subsequent discussion and voting.

6. Consider and take possible action to adopt Board of Retirement Resolution 2017-5 to initiate referendum procedures in accordance with the requirement of Section 218(d) of the Social Security Act

Dunn provided background on the Social Security Administration 218 Agreement noting CCCERA employees were previously covered under the Agreement as County employees. CCCERA recently received notification that the Section 218 Agreement with the County does not meet the coverage continuation rules to cover employees of CCCERA. In order to continue to participate in Social Security CCCERA must initiate a referendum.

It was M/S/C to adopt Board of Retirement Resolution 2017-5 to initiate referendum procedures in accordance with the requirement of Section 218(d) of the Social Security Act. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)

7. Consider and take possible action to adopt Board of Retirement Resolution 2017-6, Investment Asset Allocation Targets and Ranges

Price reported this Resolution is operational in nature and will allow staff to refresh the liquidity program as well as reflect the current size of the program. He noted there is a correction in the second paragraph, third line of the Resolution, changing the wording "holding or sale or any form" to "holding or sale of any form."

It was M/S/C to adopt Board of Retirement Resolution 2017-6, Investment Asset Allocation Targets and Ranges. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)

8. Presentation of Annual Funding Plan

Price reported there was an error in the total on page 2 of his memo and distributed a revised memo. He stated based on the actuarial projections, \$500m is needed to top up the liquidity program to fund the projected benefit payments for the period July 2020 to June 2021. He stated this is the recommendation for the 2017 cycle and will be revisited on an annual basis.

9. Presentation of liquidity report for May 2017

Price reported the liquidity program is running ahead of expectations and generating more cash than needed. He stated he will not be making any adjustments to the model until we have at least one full year of data.

10. Consider and take possible action to cancel the July 26, 2017 meeting

Strohl asked the Board to consider cancelling the July 26, 2017 meeting.

It was M/S/C to cancel the July 26, 2017 meeting. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)

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

- a. It was M/S/C to authorize the attendance of 4 Board members and 2 staff members at the 2017 Public Funds Forum, Robbins Geller Rudman & Dowd, September 5-7, 2017, San Diego, CA. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)

- b. It was M/S/C to authorize the attendance of 4 Board members and 1 staff member at the 2017 Public Pension Funding Forum, NCPERS, September 10-12, 2017, San Francisco, CA. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)
- c. There was no reportable action on this item.
- d. It was M/S/C to authorize the attendance of 2 Board members at the Advanced Investment Management, IFEBP, September 25-28, 2017, Philadelphia, PA. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)
- e. It was M/S/C to authorize the attendance of 2 Board members at the 2017 Public Safety Employees Pension & Benefits Conference, NCPERS, October 1-4, 2017, San Antonio, TX. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)

12. Miscellaneous

(a) Staff Report –

Strohl reported staff development day is Thursday, July 13 and this year's theme is wellness; CCCERA is moving toward having virtualized servers which will ultimately reduce our costs and provide better data security; and, we are in the process of moving our hot site from San Diego to Roseville.

(b) Outside Professionals' Report -

Leiderman gave an update on the Peter J. Nowicki v. CCCERA, et al. lawsuit stating the case has been dismissed by the Federal Court in San Francisco in favor of CCCERA and the Board on all counts.

(c) Trustees' comments –

Smithey welcomed new Trustee Jay Kwon to the Board as an appointed alternate; there is a vacancy on the Audit Committee and to contact him if interested in serving on the Committee; and, he would like the Audit Committee composition on the next Board meeting agenda.

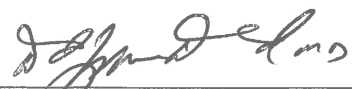
Macdonald reported on the NASP Conference in Los Angeles and felt it was a great conference. The emphasis was on diversity in investing.

Gordon reported he also attended the NASP Conference and felt it was very interesting.

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



Todd Smithey, Chairman



David MacDonald, Secretary