



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING

9:00 a.m.

July 23, 2015

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Debora Allen, Candace Andersen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, John Phillips, William Pigeon, Todd Smithey and Belinda Zhu

Absent: Gabe Rodrigues, Jerry Telles and Russell Watts

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; Vickie Kaplan, Retirement Accounting Manager; Wrally Dutkiewicz, Retirement Compliance Officer; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:

Edward Hoffman

Scott Whalen

Joe Wiley

Representing:

Verus Consulting Group

Verus Consulting Group

Wiley Price & Radulovich LLP

1. Pledge of Allegiance

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

4. Consider and take possible action to adopt the Memorandum of Understanding between Contra Costa County Employees' Retirement Association and United Clerical, Technical & specialized Employees (AFSCME) Local 2700 for the period of July 1, 2013 through December 31, 2016 and authorize the Retirement CEO to execute said MOU

Dunn briefly reviewed the contract noting the main changes are removing Contra Costa County as the employer and changing it to CCCERA.

It was M/S/C to adopt the Memorandum of Understanding (MOU) between Contra Costa County Employees' Retirement Association and United Clerical, Technical & Specialized Employees (AFSCME) Local 2700 for the period of July 1, 2013 and December 31, 2016 and authorize the Retirement CEO to execute said MOU (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Smithey and Zhu)

5. **Presentation from staff and Commonfund regarding proposed Commonfund Natural Resources Fund Commitment** – Steve Lanzo, Tim Yates, Greg Jansen, Kent Scott

Price reviewed the background on the proposed Commonfund Natural Resources Fund noting it is consistent with the deployment strategy laid out in the private real asset commitment schedule presented to the Board in November 2014.

Chu reported staff is looking for a long-time partner, focusing on net of fees investment performance. He reviewed the major negotiation points and explained the fee structure. He also reviewed the backgrounds of Commonfund's key investment professionals who would be working with CCCERA.

Lanzo reviewed the backgrounds of the team and their roles in the Fund. He gave an overview of the firm noting they have \$26 billion in assets under management. He summarized their objectives in natural resources investing.

Jansen reviewed the global natural resources investment team noting it is governed by an investment committee. He reviewed oil prices and their volatility. He also reviewed their deal flow and investment process which they have used for 20 years.

Scott reviewed their natural resources performance relative to the benchmark.

Pigeon was present for subsequent discussion and voting.

Yates reviewed their partnership approach.

6. **Consider and take possible action to commit to Commonfund Natural Resources Fund**

After a brief discussion on the structure, it was M/S/C to commit \$100 million to Commonfund Natural Resources Fund subject to a successful on-site visit, legal review and authorize the Chief Executive Officer to execute the necessary contracts. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Pigeon, Smithey and Zhu)

7. **Presentation from Verus on Current Assessment Review of CCCERA**

Hoffman reported the assessment review is the next step prior to the investment strategy workshop. He reviewed the investment policy statement, liabilities, asset allocation, risk exposures, and investment managers for CCCERA.

Zhu was no longer present for subsequent discussion and voting.

He reviewed potential improvements to the investment policy statement. Whalen noted the improvements would be reviewed and discussed at the investment strategy workshop.

Andersen was no longer present for subsequent discussion and voting.

8. Consider and take possible action on revised Board meeting schedule for 2015

A revised Board meeting schedule for 2015 was distributed to include September 23, 2015 as a meeting date.

Whalen noted the change being requested is due to workshop dates.

It was **M/S/C** to adopt the revised Board meeting schedule for 2015 as presented. (Yes: Allen, Gordon, Hast, Holcombe, Kroll, Phillips, Pigeon and Smithey).

Phillips noted the Board agreed to September 29 and 30, 2015 as workshop meeting dates.

9. Presentation of revised annual member benefit statement

Schneider reviewed the revised Annual CCCERA member benefit statement which is sent to active and deferred members. He noted a new form has been attached for the members to report corrections that need to be made.

Strohl thanked Schneider for all his work in revising the statement noting it is a very big improvement over the previous statement.

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

- a. It was **M/S/C** to authorize the attendance of 2 Board members at the Alternative Investment Strategies, IFEBP, July 27-29, 2015, San Francisco, CA. (Yes: Allen, Gordon, Hast, Holcombe, Kroll, Phillips, Pigeon and Smithey).
- b. It was **M/S/C** to authorize the attendance of 3 Board members and 3 staff members at the Fiduciaries' Forum, Nossaman, September 24-25, 2015, San Francisco, CA. (Yes: Allen, Gordon, Hast, Holcombe, Kroll, Phillips, Pigeon and Smithey).
- c. It was **M/S/C** to authorize the attendance of 4 Board members at the 27th Annual Northern California Public Retirement Seminar, Public Retirement Journal, October 1, 2015, Sacramento, CA. (Yes: Allen, Gordon, Hast, Holcombe, Kroll, Phillips, Pigeon and Smithey).

11. Miscellaneous

(a) Staff Report –

Strohl reported an RFP has been issued for a classification and total compensation study.

Dunn reported Casas is back and to contact her regarding travel. She thanked Rossini and Sommers for their work in her absence.

Price distributed a memo from staff regarding a First Eagle ownership change; CCCERA joined the International Limited Partners Association and he attended one of their educational sessions; onsite with Artisan it was good.

Schneider reported the website project is on schedule.

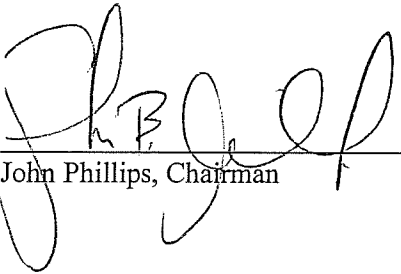
(b) Outside Professionals' Report -

Hoffman distributed an agenda for the Verus Client Summit.

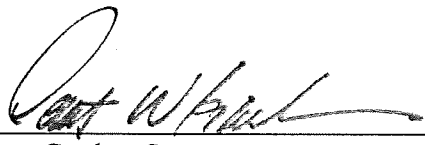
(c) Trustees' comments –

Gordon reported the CALAPRS Trustee Roundtable is in October and they are trying to get more Trustee's to attend.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Gordon, Hast, Holcombe, Kroll, Phillips, Pigeon and Smithey)



John Phillips, Chairman



Scott Gordon, Secretary