



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
March 27, 2019
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, Jay Kwon, Louie Kroll, David MacDonald, John Phillips, Todd Smithey, Jerry Telles and Russell Watts

Absent: William Pigeon

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; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; and Colin Bishop, Member Services Manager

Outside Professional Support:	Representing:
Christopher Boucher	Wiley Price & Radulovich LLP
Ed Hoffman	Verus Investments

1. Pledge of Allegiance

The Board, staff and audience joined 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 from the February 27, 2019 meeting with a correction to Page 4, Item 10, middle of the first paragraph, changing the sentence to "Dunn stated that to be pensionable, the standby pay must be for work; (1) within the normal working hours set forth in the applicable employment agreement, (2) required by the employer to be worked by the employee (as distinguished from voluntarily worked), and (3) ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period." (Yes: Andersen, Gordon, Holcombe, Kwon, Phillips, Smithey, Telles and Watts)

MacDonald 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.

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

5. **Presentation from Chief Investment Officer and Verus on updated capital market assumptions and suggested revisions to strategic asset allocation**

Price reviewed the process for the annual asset allocation and capital market review. He reviewed the size of the current liquidity sub-portfolio noting we target 4 years of benefit payments based on actuarial projections. He stated the amount to be funded in July 2019 has a present value of \$530 million and the expected size of the Liquidity Program totals \$2.07 billion for the next four years (July 2019 through June 2023).

Hoffman reviewed the following recommended changes: 1) Resize the Liquidity sub-portfolio from 23% to 24% based on current projections; 2) Decrease the Growth sub-portfolio from 67% to 66% by decreasing Private Real Estate from 9% to 8%; and 3) Adopt asset allocation Mix 1 as the investment program's new long-term asset allocation.

Price reported there is no action to be taken at this time and noted staff will return with a recommended Investment Resolution for the Board's consideration at a future meeting.

6. **Miscellaneous**

(a) Staff Report –

Price reported he received notification that Jesse Fogarty, a liquidity manager with Insight, will be leaving the firm in the next few weeks. He noted he is not one of our main portfolio managers. He reported we have an assigned replacement and staff will be conducting an on-site visit in New York during the next quarter.

(b) Outside Professionals' Report -

None

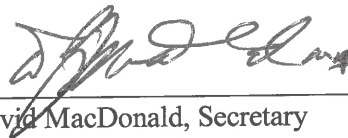
(c) Trustees' comments –

None

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



Todd Smithey, Chairman



David MacDonald, Secretary