



MINUTES

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING  
9:00 a.m.

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

November 25, 2014

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

Absent: Brian Hast and Louie Kroll

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; Christina Dunn, Retirement Administration Manager; and Chih-chi Chu, Retirement Investment Analyst

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Bob Helliesen	Milliman
Marty Dirks	Milliman
Dorian Young	Milliman

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.

3. **Approval of Minutes**

It was M/S/C to approve the minutes of the October 8, 2014 meeting. (Yes: Gordon, Holcombe, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

It was M/S/C to approve the minutes of the October 16, 2014 meeting. (Yes: Gordon, Holcombe, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

4. **Consider and take possible action on Selection of Labor and Employment Counsel**

Levy reported the ad hoc committee reviewed the responses to the RFP, interviewed the top three firms and reviewed their references. The committee recommends retaining Wiley Price & Radulovich, LLP as labor and employment counsel and continuing CCCERA's existing engagement

with Reed Smith for special employment law matters on an as needed basis. Levy gave a brief overview of both firms.

Allen was present for subsequent discussion and voting.

After questions from the Board to both firms, it was **M/S/C** to retain Wiley Price & Radulovich, LLP as labor and employment counsel and continue CCCERA's existing engagement with Reed Smith for special employment law matters on an as needed basis. (Yes: Allen, Gordon, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

**5. Review of total portfolio performance**

Helliesen reported the Kuhns report through June shows CCCERA's performance has been very strong. A Flash Report for the period ending October 31, 2014 was distributed.

Pigeon was present for subsequent discussion and voting.

Young gave an overview of the market in general and also for the third quarter. He discussed Fed interest rates and also discussed the key points of the quarterly report noting the CCCERA Total Fund returned -0.7% for the third quarter which was above the median public fund's return of -1.3%.

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

Dirks reported on the managers on the Watch List noting Lord Abbett and PIMCO were both put on watch due to personnel changes. He gave an update on their performance and recommends removing Lord Abbett from the Watch List. He also gave an update on DBL.

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

It was **M/S** to remove Nogales Investors from the Watch List. After discussion, the motion and second were withdrawn.

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

There were no changes in allocations to managers.

**6. Presentation from staff on private real asset commitment pacing schedule**

Price gave an overview of CCCERA's Private Real Asset Commitment Schedule.

Chu reviewed the over-commitment level for different partnership characteristics and the application of over-commitment level to CCCERA's private program. He reviewed the real asset risk-return landscape and CCCERA's current private real asset profile.

**7. Consider and take possible action regarding scheduling of December 17, 2014 meeting**

Strohl reported she would like to add another meeting in December in preparation to becoming independent in January.

It was **M/S/C** to add December 17, 2014 to the Board Meeting Calendar as a special meeting. (Yes: Allen, Gordon, Mitchoff, Phillips, Pigeon, Rodrigues, Smithey, Telles and Watts)

**8. Conference Seminar Attendance**

- a. It was M/S/C to authorize the attendance of 1 Board member at the Emerald Investment Forum, Emerald Asset Management, February 5, 2015, Philadelphia, PA. (Yes: Allen, Gordon, Mitchoff, Phillips, Pigeon, Rodrigues, Smithey, Telles and Watts)
- b. It was M/S/C to authorize the attendance of 1 Board member at the Trustee Institute, IFEBP, February 9-11, 2015, Orlando, FL. (Yes: Allen, Gordon, Mitchoff, Phillips, Pigeon, Rodrigues, Smithey, Telles and Watts)

9. **Miscellaneous**

(a) Staff Report –

Schneider reported the market stabilization account report has been completed with mid-year numbers. He reported we also have the Consumer Price Index values from September which gives us the compensation limits for 2015.

Levy reported that after receiving comments on the SACRS project to renumber the 1937 Act statutes to make them more user-friendly, SACRS announced they have decided to not pursue that avenue but instead explore making the '1937 Act more user friendly in other ways, such as a more detailed table of content or index.

Price reported Energy Investor Funds is selling their company to Ares Fund Management noting it looks like a liquidity event for the founders. One of the founders is leaving very shortly and the other two will be leaving over the next couple of years.

Kaplan reported we have successfully implemented the new accounting system and all went well.

Dunn reported the CCCREA mailing has gone out, remodels continue, and she is working with Joe Wiley on draft labor relations paperwork in preparation for CCCERA to become an independent district.

Strohl reported that key pads have been installed and staff has received key fobs so we are now able to control access and improve security. For the January meetings we are looking at coming back with a recommendation for a new website, consideration of an audit committee, and a re-evaluation of base pay. She stated we're very excited about becoming independent, thinking about timing, and are on top of it.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Mitchoff reported on a letter received from Leiderman regarding a request from DSA for CCCERA to give them back their contributions noting there is also a claim against the county to give back the employer share.

Telles reported he received an email two days ago that county retiree organizations around the state are looking into putting together a bill that states when 2 of the appointed members are absent then the alternate retiree member could vote for the appointed member.

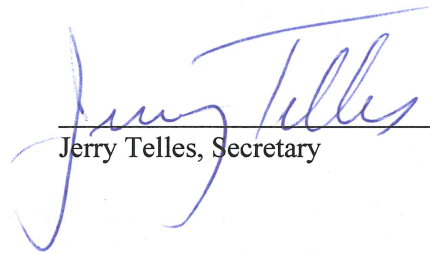
Allen reported she attended SACRS and felt it was a very good conference. Telles complimented Allen on moderating her session stating she did a very good job.

It was M/S/C to adjourn the meeting. (Yes: Allen, Gordon, Mitchoff, Phillips, Pigeon, Rodrigues, Smithey, Telles and Watts)



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Brian Hast, Chairman



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Jerry Telles, Secretary