



RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY BOARD MEETING
9:00 a.m.

September 11, 2013

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

Present: Brice Bins, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, Gabe Rodrigues and Jerry Telles

Absent: Debora Allen and Richard Cabral

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:	Representing:
Bob Helliesen	Milliman
Marty Dirks	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.

3. Review of total portfolio performance

Dirks discussed the key points of the quarterly report noting the CCCERA Total Fund returned 0.3% for the second quarter. He stated the CCCERA Total Fund performance has been first quartile over the trailing one through ten year periods. He also reviewed the cumulative performance statistics for all funds.

It was M/S/C to accept the Quarterly Report presented by Milliman. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues and Telles)

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

Dirks reported on the managers on the Watch List.

b. Consideration of any changes in allocations to managers

There were no changes in allocations to managers.

4. **Consider and take possible action on the International Value Equity Semi-Finalist Report**

Dirks gave an overview of the search process to replace GMO as the International Value Equity Manager. He reported six firms were selected as semi-finalist candidates.

The Board discussed the availability of video conferencing for the initial interview.

After a discussion on the pros and cons of each of the semi-finalist managers, it was M/S/C to interview MFS Investment Management, Pyrford International and Schrodgers Investment Management. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues and Telles)

The interviews will be held at the October 23, 2013 Board meeting. It was noted that the October 23, 2013 Board meeting will start at 8:30 am.

5. **Consider and take possible action on the Small to Mid-cap Private Equity Semi-Finalist Report**

Dirks gave an overview of the search process to increase the allocation to private equity investments. He reported seven firms were selected as semi-finalist candidates.

After a discussion on the pros and cons of each of the semi-finalist managers, it was M/S/C to interview Bay Hills, Horsley Bridge, Sigular Guff and J.P. Morgan. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues and Telles)

The interviews will be held at a special meeting on October 30, 2013.

6. **Presentation from Paulson & Co. Inc. Real Estate Fund II** – Mike Barr, Stephanie Schulman

Price gave an overview of the background of investing in additional distressed real estate funds noting there is a \$25 million allocation still available to be committed to this fund.

Barr gave an overview of the firm and a summary of the Real Estate Fund II noting that this fund is focused on residential land. He reviewed the terms for the Real Estate Fund II. The expected final close is the end of October to the beginning of November.

7. **Consider and take possible action on staff recommendation regarding Paulson & Co, Inc. Real Estate Fund II**

After a lengthy discussion, it was M/S/C to invest a target of \$25 million, but no less than \$20 million, to Paulson and Co, Inc. Real Estate Fund II subject to due diligence, on-site visits, legal review and authorize the CEO to sign the contracts. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues and Telles)

8. **Conference Seminar Attendance**

a. It was M/S/C to authorize the attendance of 1 Board member at the Trustees' Roundtable, CALAPRS, September 13, 2013, San Jose, CA. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues and Telles)

b. There was no action taken on the 23rd Annual Northern California Public Retirement Seminar, The Public Retirement Journal, September 26, 2013, Sacramento, CA.

9. **Miscellaneous**

(a) Staff Report –

Leedom reported she will bring investment guidelines back to be updated.

She is planning a fiduciary education presentation at the October 2, 2013 meeting.

She reported one of CCCERA's investments' is the Willows Office Park and on October 23rd both the leasing agent and the property manager will give updates on The Willows.

She and Schneider are meeting with the East County Fire finance committee and other employers regarding the drop in the assumed rate and the changes to the contribution rates.

Leedom informed the Board that if they have a new iPad or an existing iPad and want to work with IT on setting up dropbox to please let staff know.

Price noted that he will be scheduling a cash overlay educational presentation within the next three months.

Price reported Invesco came back on Fund III asking for a revision to the guidelines from a 25% cap to a 30% cap. He is going visit one of their construction projects to review and report back. He will also visit Artisan.

Price received a notice from Lord Abbett that their Chief Compliance Officer is retiring at the end of October.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –


Rodrigues asked about reserves for building maintenance at the Willows Office Park.

Holcombe noted this is the 12th Anniversary of 9/11 and asked to adjourn the meeting in memory of those who lost their lives, most especially the first responders.

It was M/S/C to adjourn the meeting in memory of those who lost their lives, most especially the first responders, on this 12th Anniversary of 9/11. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues and Telles)



Brian Hast, Chairman



Jerry Telles, Secretary