

March 24, 2015 – Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 10:00 a.m.

1. Call to Order, Roll Call and Miscellaneous Business

2. Oral Communications

- 2.1 Oral Communications from the Board
- 2.2 Oral Communications from the Public

3. Approval of the Minutes

- 3.1 Approval of Regular Board Meeting Minutes from February 24, 2015

4. Approval of the Consent Agenda*

- 4.1 Disability Retirements
 - Cecilia Alvarez
 - Martha Gomez
 - Elsie Iniquez
 - Teresa Magana
- 4.2 Service Retirements
- 4.3 Continuances
- 4.4 Deferred Retirements
- 4.5 Member Account Refunds
- 4.6 Member Account Rollovers
- 4.7 Approval of 2014 Actuarial Valuation Addendum and Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for the 2015-2016 Fiscal Year

5. Benefit & Actuarial Services

- 5.1 Consideration of Agenda Items, if any, removed from the Consent Agenda

6. Investment Services

- 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ending February 28, 2015
- 6.2 Report on the Northern Trust Custodial Annual Review
- 6.3 Report on the Parametric / Clifton Group Overlay Annual Review
- 6.4 Educational Presentation on the Current Energy Market and Potential Investment Opportunities

7. Board & Management Support

- 7.1 Status Report on the Update to the Payment Corrections Policy
- 7.2 Approval of Travel Policy Amendment and Resolution
- 7.3 Report on the Status of Annual Board-Staff Retreat
- 7.4 Update on Progress of SamCERA's Information Technology Projects

8. Management Reports

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer's Report
- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report

CLOSED SESSION – The Board may meet in closed session prior to adjournment.

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Ferguson, Ellis	January 29, 2015	Medical Center
Ottman, Marjorie	February 1, 2015	Aging and Adult Services
McQueen, Michael	February 3, 2015	Probation
Dunlap, Kenneth	February 6, 2015	Sheriff
Fowlkes, Doris	February 6, 2015	Superior Courts
Dungan, Louise	February 7, 2015	Chope Hospital
Langenwalter, Evelyn	February 8, 2015	Chope Hospital
Manders, Jan	February 13, 2015	Aging and Adult Services
Eakin, Helen	February 15, 2015	Health Services
Oakes, John	February 18, 2015	District Attorney
Ritts, Raymond	March 5, 2015	Mosquito

MARCH 24, 2015 – REGULAR BOARD MEETING MINUTES

1503.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Ms. Lauryn Agnew, Chair, called the Regular Meeting of the Board of Retirement to order at 10:04 a.m.

Roll Call:

Present: Lauryn Agnew, Sandie Arnott, Ben Bowler, Albert David, Paul Hackleman, Natalie Kwan Lloyd, Michal Settles, David Spinello and Eric Tashman.

Alternates present: Christopher Miller and Alma Salas

Staff: Scott Hood, Michael Coultrip, Gladys Smith, Brenda Carlson, Tariq Ali, Lilibeth Dames, Elizabeth LeNguyen, Barbara Edwards, and Kristina Perez.

Consultants: Patrick Thomas, Jonathan Brody and John Nicolini (SIS)

1503.2.1 Oral Communications From the Board: Mr. David reported on his attendance at the CALAPRS General Assembly in Monterey on March 8-10, 2015.

1503.2.2 Oral Communications From the Public: None.

1503.3.1 Approval of Regular Board Meeting Minutes February 24, 2015: Ms. Agnew asked if there were any changes to the Regular Board minutes, and there were none.

Action: Mr. Hackleman moved to approve the minutes of the Regular Meeting from February 24, 2015, and the motion was seconded by Ms. Arnott. The motion carried with a vote of 9-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

1503.4.0 Approval of the Consent Agenda: Ms. Agnew asked if there were any items to be removed from the Consent Agenda, and consideration of the disability retirement application of Martha Gomez was removed.

Action: Mr. David moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Settles. The motion carried with a vote of 9-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

1503.4.1 Disability Retirements:

- a) The Board found that Cecilia Alvarez is (1) permanently incapacitated for the performance of her usual and customary duties as a Custodian, (2) found that her disability was a result of an injury arising out of and in the course of her employment, and (3) granted her application for a service-connected disability retirement.
- b) The Board found that Elsie Iniguez is (1) permanently incapacitated for the performance of her usual and customary duties as a Benefits Analyst II, (2) found that her disability was not a result of an injury arising out of and in the course of her employment, (3) denied her application for a service-connected disability retirement, and (4) granted her a non-service-connected disability retirement.
- c) The Board found that Teresa Magana is (1) not permanently incapacitated for the performance of her usual and customary duties as a Medical Assistant II, and (2) denied her application for a service-connected disability retirement.

1503.4.2 **Service Retirements:**

The Board ratified the actions as listed below for the following members regarding service retirements:

Member Name	Effective Retirement Date	Department
Adler, Robert	January 6, 2015	Controllers Office
Barrett, Donna	January 31, 2015	Medical Center
Burns, Mary	January 18, 2015	Sheriff's
Cleary, Francis	January 4, 2015	Probation
Fischer, Robert	January 17, 2015	Deferred from Sheriff's
Foy, Catherine	January 31, 2015	Probation
Guzman, Lydia	January 3, 2015	Family Health
Hofmann, Mary	January 3, 2015	Sheriff's
Lilles, Renato	January 31, 2015	Tax Collector
Livengood, Robert	January 25, 2015	Sheriff's
Lopez-Ocegueda, Irma	January 12, 2015	Superior Court
Pacheco, Alan	January 31, 2015	Public Works
Roberts, Jon	January 15, 2015	Sheriff's
Schulz, Elizabeth	January 17, 2015	Public Health
Vargas, Rene	January 31, 2015	Behavioral Health & Recovery Sv
Yee, Warren	January 30, 2015	Sheriff's
Yoch, Maria	February 1, 2015	Deferred from Medical Center

1503.4.3 **Continuances:**

The Board ratified the actions as listed below for the following members regarding continuances:

Survivor's Name	Beneficiary of
Dempsey, Anne	Wiese, Annabelle
Faltz, Judy	Faltz, Charles
Finn, Patricia	Glennon, Richard
Hayselden, Louis	Hayselden, Diane
Riley, George	Illa-Riley, Judy
Thompson, Donald	Thompson, Beth

1503.4.4 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

Member Name	Retirement Plan Type
Cordeiro Muniz, Lisa M.	Vested, G4
Jensen, Tina H.	Vested, G4
Lechuga, Aaron R.	Vested, G4
Xu, Dan	Non-Vested G4 - Reciprocity
Williams, Nihcole C.	Vested, G4

1503.4.5 **Member Account Refunds:**

The Board ratified the actions as listed below for the following members regarding refunds:

Member Name	Retirement Plan Type
Ealy, William	G4, Non-vested
Ferguson, Ellis (FBO: Timothy Ferguson)	G4, Vested
Ismael, George	P4 & S4, Vested
Jones, Danielle	G7, Non-vested
Madjd-Sadjadi, Nashmeel	G4, Non-vested
Sharpe, Maybelline	G4, Vested
Smith, Alexandra	G7, Non-vested
Valera, Francisco	G4, Non-vested

1503.4.6 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers:

Member Name	Retirement Plan Type
Hoch, Marcus	G5, Non-vested
Soller, Marie	G4, Non-vested

1503.4.7 **Approval of 2014 Actuarial Valuation Addendum and Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for the 2015-2016 Fiscal Year:** The Board approved the June 30, 2014 Actuarial Valuation Addendum dated March 13, 2015, and adopted a resolution accepting contribution rates for recommendation to the Board of Supervisors for the 2015-2016 Fiscal Year.

1503.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** The Board adjourned into closed session at 10:10 a.m. to consider the disability retirement application of Martha Gomez. The meeting reconvened in open session at 10:38 a.m. and Ms. Carlson reported the action on this matter as follows:

Action: Mr. Hackleman made a motion finding that Martha Gomez is (1) permanently incapacitated for the performance of her usual and customary duties as a Management Analyst III, (2) and found that her disability is a result of an injury arising out of and in the course of her employment, and (3) granted her application for a service-connected disability retirement. The motion was seconded by Ms. Arnott and carried with a vote of 8-0-1, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman, all in favor; and none opposed. Mr. David abstained from participating and was not present in the closed session.

1503.6.1 **Preliminary Monthly Performance Report for the Period Ending January 31, 2015:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. The Northern Trust report was included in the "Day of Meeting" folder. He reported that SamCERA's net preliminary return for February 2015 was 3.3%, while the preliminary trailing twelve month return was 7.6% net. This item was informational only and no action was taken.

1503.6.2 **Report on the Northern Trust Custodial Annual Review:** Mr. Coultrip reviewed the report of the annual review meeting of SamCERA's custodial bank, Northern Trust, which was held on March 5, 2015. This item was informational only and no action was taken.

1503.6.3 **Report on the Parametric / Clifton Group Overlay Annual Review:** Mr. Coultrip reviewed the report of the annual review meeting of Parametric/Clifton Group, held on March 5, 2015, with the Board. He reported there were no significant concerns identified during the portfolio review and that overall program results were positive for the year. This item was informational only and no action was taken.

1503.6.4 **Educational Presentation on the Current Energy Market and Potential Investment Opportunities:** John Nicolini of SIS presented an update on the current energy market and resulting potential investment opportunities to the Board. Discussion among Board, staff and consultants followed. This item was informational only and no action was taken.

The meeting was adjourned at 12:23 p.m. for lunch, and was reconvened at 12:50 p.m.

1503.7.1 **Status Report on the Update to the Payment Corrections Policy:** Mr. Hood gave an update on the error corrections policy that staff is working on, and specifically reviewed how interest would be paid to SamCERA or to a member in the event of such an error. The policy will be returned to the Board for approval at a future meeting. This item was informational only and no action was taken.

Mr. David was excused at 1:00 p.m. for the remainder of the meeting.

1503.7.2 **Approval of Travel Policy Amendment and Resolution:** Mr. Hood reviewed the proposed amendment to the travel policy with the Board. The amendment reflects that SamCERA supports the involvement of Trustees who choose to take leadership roles with the State Association of County Retirement Systems (SACRS).

Action: Mr. Tashman moved to adopt the resolution amending the Board's Policy for Reimbursement of Travel and Other Official Expenses for Trustees. The motion was seconded by Ms. Kwan Lloyd, and carried with a vote of 8-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman, all in favor; and none opposed.

1503.7.3 **Report on the Status of Annual Board-Staff Retreat:** Mr. Hood reviewed the draft agenda for the retreat and provided information regarding the presenters and topics. This item was informational only and no action was taken.

The next items were taken out of order, with item 7.4 following the management reports.

1503.8.1 **Chief Executive Officer's Report:** Mr. Hood went over the "Day of Meeting" folder contents with the Board, which included communications regarding the SACRS Spring Conference in May. Mr. Hood reported on the status of personnel changes and moves. Space considerations were mentioned as SamCERA is outgrowing its current office space, and Mr. Hood updated the Board on his research regarding office space options. He mentioned Board members would be receiving a survey regarding agenda packets.

1503.8.2 **Assistant Executive Officer's Report:** Ms. Smith announced the new Reciprocity Guide could be found in the "Day of Meeting" folder, as well as the latest member newsletters. Ms. Smith reminded Board members about upcoming conferences. She updated the Board on the upcoming Board of Retirement election and appointments.

1503.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that an offer had been made to a candidate for the investment analyst position.

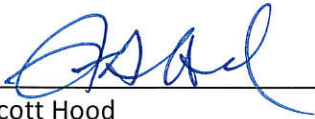
1503.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reported that the IRS notified SamCERA that the tax determination submittal had been received and they would process the letter within 145 days unless

the IRS had questions or concerns. She also reminded Board members to turn in their FPPC Form 700s.

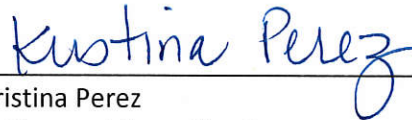
1503.7.4 **Update on Progress of SamCERA's Information Technology Projects:** Mr. Ali reviewed progress on the new website design, the integration with Workday, selection of an agenda management software system, status of the SharePoint conversion and the web member services portal security testing. Will Morrow updated the Board on the PASS project progress.

1503.10 **Adjournment:** Ms. Agnew adjourned the meeting at 1:39 p.m. in memory of the following deceased members:

Ferguson, Ellis	January 29, 2015	Medical Center
Ottman, Marjorie	February 1, 2015	Aging and Adult Services
McQueen, Michael	February 3, 2015	Probation
Dunlap, Kenneth	February 6, 2015	Sheriff
Fowlkes, Doris	February 6, 2015	Superior Courts
Dungan, Louise	February 7, 2015	Chope Hospital
Langenwalter, Evelyn	February 8, 2015	Chope Hospital
Manders, Jan	February 13, 2015	Aging and Adult Services
Eakin, Helen	February 15, 2015	Health Services
Oakes, John	February 18, 2015	District Attorney
Ritts, Raymond	March 5, 2015	Mosquito



Scott Hood
Chief Executive Officer



Kristina Perez
Retirement Executive Secretary