

## April 28, 2015 – Board Agenda

**PUBLIC SESSION** – The Board will meet in Public Session at 9:00 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
  - 2.3 Retreat Presentations and Discussions (*See attached agenda and list of presenters*)
- 3. Approval of the Minutes**
  - 3.1 Approval of Regular Board Meeting Minutes from March 24, 2015
- 4. Approval of the Consent Agenda\***
  - 4.1 Disability Retirements
    - Genevieve Chollet
    - John Flahavan
    - Pamela Glembot
    - Lydia Guzman
    - Sara Medina
    - Rebecca Romero
  - 4.2 Service Retirements
  - 4.3 Continuances
  - 4.4 Deferred Retirements
  - 4.5 Member Account Refunds
  - 4.6 Member Account Rollovers
  - 4.7 Q3 Quarterly Budget Report for Period Ending March 31, 2015
  - 4.8 Report on Audit Workplan for the 2014-15 Fiscal Year Financial Audit
- 5. Benefit & Actuarial Services**
  - 5.1 Consideration of Agenda Items, if any, removed from the Consent Agenda
- 6. Investment Services**
  - 6.1 Preliminary Monthly Performance Report for the Period Ending March 31, 2015
  - 6.2 Report on the Annual Review of SamCERA's International Managers (Eaton Vance, Franklin Templeton, and Pyramis)
- 7. Board & Management Support**
  - 7.1 Introduction of SamCERA's 2015-16 Budget
  - 7.2 Approval of Resolution Authorizing the Chief Executive Officer to Execute Agreement with Accela for Agenda Management Software and Support
  - 7.3 Approval of Resolution Adopting Policy and Procedure Regarding Correcting Inaccuracies in Member Accounts
  - 7.4 Approval of Resolution Adopting "Policy For Procurement and Contracting For Certain Goods and Services"
  - 7.5 Approval of SamCERA Voting Delegate and Directions for Voting
  - 7.6 Report on Update of Strategic Plan Development
- 8. Management Reports**
  - 8.1 Chief Executive Officer's Report
  - 8.2 Assistant Executive Officer's (AMO) 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**

APRIL 28, 2015 – SPECIAL BOARD MEETING MINUTES

1504.1 **Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Ms. Lauryn Agnew, Chair, called the Special Meeting of the Board of Retirement to order at 9:06 a.m.

**Roll Call:**

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

*Excused:* Michal Settles

*Alternates present:* Alma Salas

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

1504.2.1 **Oral Communications From the Board:** Mr. Hackleman and Ms. Agnew reported their attendance at Pension Bridge, April 7 & 8, 2015, held in San Francisco.

1504.2.2 **Oral Communications From the Public:** None.

1504.2.3 **Retreat Presentations:**

Mr. Hood welcomed the Board, and went over the schedule for the day. The retreat presentations began at 9:10 a.m.

**Macro Overview** – David Kupersmith, from AQR, presented information about macroeconomic trends and discussed the topic with the Board.

The meeting was adjourned for a 15 minute break from 10:20 a.m. – 10:35 a.m.

**Potential Impact of Plan Maturation** - John Meier, from SIS, presented analysis showing multiple simulations on how plan liability characteristics evolve as the plan matures, and potential impacts on investment policy and risk tolerance, which was followed by discussion with the Board.

The Board adjourned for a break at noon, and reconvened at 12:20 pm.

**Ethics Training** – Brenda Carlson gave a 1 hour presentation to the Board regarding financial conflicts of interest, receipt and reporting of gifts and other economic interest, and information about ethics in public service.

1504.3.0 **Approval of Regular Board Meeting Minutes from March 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 March 24, 2015, and the motion was seconded by Mr. Tashman. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.

The Consent Agenda was scheduled for a time certain of 2:30 pm and agenda items were taken out of order to be consistent with the schedule. The agenda continued in the following order.

1504.7.1 **Introduction of SamCERA's 2015-16 Budget:** Ms. Wong reported that staff has begun working on the FY 2015-16 budget and she reviewed the three components of the budget – technology, administrative and professional. She noted that there would be an increase in the administration budget due to additional personnel costs and office space requirements. This item was informational only and no action was taken.

- 1504.6.1 **Preliminary Monthly Performance Report for the Period Ending March 31, 2015:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for March 2015 was -0.55% while the preliminary trailing twelve month return ending March 2015 was 6.6% net. This item was informational only and no action was taken.
- 1504.6.2 **Report on the Annual Review of SamCERA's International Managers (Eaton Vance, Franklin Templeton, and Pyramis):** Mr. Coultrip reviewed the reports of SamCERA's international managers with the Board. There were no major concerns found in any of the three portfolio reviews. This item was informational and no action was taken.
- 1504.7.2 **Approval of Resolution Authorizing the Chief Executive Officer to Execute Agreement with Accela for Agenda Management Software and Support:** Mr. Hood reviewed the selection process and highlighted the attributes of the Accela agenda management solution with the Board. It was clarified that the cost will not exceed \$9,000 per year for the first 3 years, and will not exceed \$50,000 for the entire term of contract which is not limited to 3 years, without further authorization.  
**Action:** Mr. Hackleman moved to adopt a resolution authorizing the Chief Executive Officer to execute an agreement with Accela, Inc. for agenda management software and support services. The motion was seconded by Mr. Spinello and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.
- 1504.7.3 **Approval of Resolution Adopting Policy and Procedure Regarding Correcting Inaccuracies in Member Accounts:** Mr. Hood reviewed the revised policy with the Board, regarding procedures to correct inaccuracies in member accounts from over or under payments of contributions or the over or under payment of benefits.  
**Action:** Mr. Tashman moved to approve a resolution adopting the "Policy and Procedure for the Correction of Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits." The motion was seconded by Ms. Kwan Lloyd and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.
- 1504.4.0 **Approval of the Consent Agenda:** At 2:30 p.m., Ms. Agnew asked if there were any items to be removed from the Consent Agenda, and consideration of the disability retirement application of Lidia Guzman was removed.  
**Action:** Mr. Bowler moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Kwan Lloyd. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.
- 1504.4.1 **Disability Retirements:**
- a) The Board found that Genevieve Chollet is (1) permanently incapacitated for the performance of her usual and customary duties as a License Vocational Nurse, (2) found that her disability was not a result of an injury arising out of and in the course of her employment, and (3) granted her application for a non-service-connected disability retirement.
  - b) The Board found that (1) John Flahavan's employment substantially contributed to his death and (2) granted the application for service-connected death benefits filed by his surviving spouse, Jennifer Flahavan.
  - c) The Board found that Rebecca Romero is (1) able to substantially perform her usual duties as an Agenda Administrator and (2) denied her application for a service-connected disability retirement.
  - d) The Board found that Sara Medina is (1) permanently incapacitated for the performance of her usual and customary duties as an Administrative Services Manager I (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.

- e) The Board found that Pamela Glembot is (1) permanently incapacitated for the performance of her usual and customary duties as a Sheriff's Sergeant, (2) found that her disability was a result of an illness arising out of and in the course of her employment, and (3) granted her application for a service-connected disability retirement.

1504.4.2 **Service Retirements:**

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

<b>Member Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Abrams, Thomas	February 15, 2015	Sheriff's
Blancia, Rafael	February 28, 2015	Information Services
Dorsett, Alan	February 12, 2015	Sheriff's
Guzman, Lydia	January 3, 2015	Family Health
Holness, Laura	February 27, 2015	Sheriff's
Keate, Leslie Walter	February 28, 2015	Human Services Agency
Laran, Laurel	February 19, 2015	Child Support Services
Madrigal, Trinidad	February 28, 2015	Deferred from Human Services
Mott, Nicholas	February 2, 2015	Sheriff's
Roberts, Jon	January 15, 2015	Sheriff's
Rymer, Matthew	February 9, 2015	QDRO
Victor, Terri Margaret	February 14, 2015	County Counsel
Wintergerst, Almaluz	February 21, 2015	Family Health Services
Zelaya, Myrna	February 2, 2015	Deferred from Medical Center

1504.4.3 **Continuances:**

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

<b>Survivor's Name</b>	<b>Beneficiary of</b>
Manders, Thomas	Jan Manders
Oakes, Eleanor	John Oakes
McQueen, Sharon	Michael McQueen
Webster, Elizabeth	Marguerite Mullins
Slagle, Rhona	Howard Slagle
Ludlow, Hilda	Robert Ludlow

1504.4.4 **Deferred Retirements:**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Asiodu, Ifeyinwa V.	Vested, G4
Boscono, Linda	Vested, G4
Buenrostro, Erica E.	Non-Vested G4/P4 – Reciprocity
Cardoza, Teresa M.	Vested, G2
Collins, Kevin R.	Vested, G4
Cotton, Hugh A.	Non-Vested G4 – Reciprocity
Cuevas, Carla	Non-Vested G5 – Reciprocity

1504.4.4 **Deferred Retirements (con't):**

<b>Member Name</b>	<b>Retirement Plan Type</b>
Gannan, Kari M.	Vested, G4
Greer, Nikki M.	Vested P4 – Reciprocity
Gross, Jennifer L.	Vested, G4
Guerrero, Moises E.	Vested, G4
Harrison, Eugenia D.	Non-Vested G7 – Reciprocity
Jackson, Nathalie	Vested 3/G4 – Reciprocity
Kane, Sean	Non-Vested 3 – Reciprocity
Laurente, Riza	Vested, G4
Leong, Cheryl W.	Vested, G4
McLaughlin, Robert M.	Vested, G4
Padilla, Laura	Vested, G4
Pare Alanda, Naida A.	Vested, G4
Santos, Dennis	Vested, G4
Staufer, Mitzi	Non-Vested G7 - Reciprocity
Takeuchi, Burt	Vested, G4
Wadleigh, James E.	Vested, G4

1504.4.5 **Member Account Refunds:**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Fatemi, Famararz	G4, Non-vested
Kennedy, Molly	G2, Vested
Mendoza, Norma	G4, Non-vested
Smith, Lorraine	G4 & G5, Non-vested
Tran, Evelyn	G7, Non-vested

1504.4.6 **Member Account Rollovers:**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Balster, Marion (FBO: Michael Balster)	G2, Non-vested
Brion, Mary	G4, Vested
Castano, Michele	G4, Vested
Hurskin, Shenita	G2, Vested
Mac, Nikolaos	G5, Non-vested
Weston, Mary	G5, Non-vested

1504.4.7 **Q3 Quarterly Budget Report for Period Ending March 31, 2015:** The Board accepted the Quarterly Budget Report for Period Ending March 31, 2015.

1504.4.8 **Report on Audit Workplan for the 2014-15 Fiscal Year Financial Audit:** The Board accepted the Staff report on the Audit Workplan for the 2014-15 fiscal year financial audit.

1504.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** The Board considered the disability retirement application of Lidia Guzman in open session as requested by the applicant. Ms. Guzman addressed the Board, and staff responded and the Board asked questions to Ms. Guzman and staff, and discussed the application.

- 1504.5.1 **Action:** Mr. Spinello made a motion finding that that Lydia Guzman is (1) able to substantially perform her usual duties as Dietitian and (2) denying her application for a service-connected disability retirement. The motion was seconded by Mr. Tashman and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.
- 1504.7.4 **Approval of Resolution Adopting “Policy For Procurement and Contracting For Certain Goods and Services”:** Mr. Hood explained that the Board has given authority to the CEO to execute certain investment documents and other agreements, but has not authorized the CEO to execute contracts for goods and services for SamCERA’s daily operation. This resolution would give the CEO the authority to execute agreements of \$100,000 or less, similar to the authority given to the County’s Department Heads.  
**Action:** Mr. Hackleman moved to approve the resolution adopting a “Policy for Procurement and Contracting for Certain Goods and Services,” with a \$100,000 limit. The motion was seconded by Ms. Kwan Lloyd and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.
- 1504.7.5 **Approval of SamCERA Voting Delegate and Directions for Voting:** Mr. Hood discussed the selection of the SACRS voting delegates, and the recommendation is to designate Lauryn Agnew, Chair as the Voting Delegate; Michal Settles, Secretary, as the First Delegate Alternate; and Scott Hood, CEO, as Second Delegate Alternate. He reviewed the memos from SACRS, and the two slates of candidates with the Board. Mr. Yves Cherry, SACRS President, was present at the meeting and asked the Board to support the SACRS Nominating Committee’s slate, and he answered questions from Board members.  
**Action:** Mr. Hackleman moved to designate SamCERA’s voting delegates for SACRS to be Lauryn Agnew, Chair as the Voting Delegate; Michal Settles, Secretary, as the First Delegate Alternate; and Scott Hood, CEO, as Second Delegate Alternate. The motion was seconded by Mr. Tashman, and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.  
**Action:** Mr. Hackleman moved to designate SamCERA’s voting delegates to approve the changes to the SACRS by-laws as recommended. The motion was seconded by Mr. Spinello, and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.  
**Action:** Mr. Hackleman moved that the Board accept the recommended slate from the SACRS Nominating Committee and direct SamCERA’s voting delegates to approve that slate of candidates when voting occurs during the SACRS business meeting. The motion was seconded by Ms. Kwan Lloyd and failed with the following roll call vote: Ayes - Agnew, Bowler, Hackleman, Kwan Lloyd; Noes-None; Abstain: Arnott, Spinello, and Tashman. Although no conflict of interest was stated, the Board members who chose to abstain stated they did not have enough information about this matter.  
**Action:** Mr. Tashman moved to delegate authority to SamCERA’s voting delegates to vote in this election for the slate that best serves the interests of SamCERA. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed.
- 1504.7.6 **Report on Update of Strategic Plan:** Mr. Hood reviewed the projects and tasks listed on SamCERA’s strategic plan for FY 2015-16 with the Board, which now includes items added at the staff retreat. There was discussion about scheduling investment committee meetings again. This item was informational only and no action was taken.
- 1504.8.1 **Chief Executive Officer’s Report:** Mr. Hood alerted the Board that a survey from SACRS regarding the SACRS trustee manual will be sent to them via email. He gave updates on personnel issues, the new website and the budget.

- 1504.8.2 **Assistant Executive Officer's Report:** Ms. Smith went over the infographics document showing member statistics with the Board.
- 1504.8.3 **Chief Investment Officer's Report:** Mr. Coultrip introduced Doris Ng, who was recently hired as an Investment Analyst.
- 1504.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reported on three recent cases: (1) securities litigation standard of proof case from the U.S. Supreme Court, a City and County of San Francisco matter involving vested rights for COLAs on pension benefits, and San Bernardino County case regarding the payment of interest on writ of mandate disability matter.
- 1504.10 **Adjournment:** Ms. Agnew adjourned the meeting at 3:53 p.m.



Scott Hood  
Chief Executive Officer



Kristina Perez  
Retirement Executive Secretary