

San Mateo County Employees' Retirement Association
Minutes of the Meeting of the Board of Retirement

April 26, 2011

Agenda Item 3.0

March 29, 2011 – Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 1 p.m.

1. Call to Order and Roll Call
2. Oral Communications
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
3. Approval of the Minutes
4. Approval of the Consent Agenda

(Any items removed from the Consent Agenda for discussion will be inserted into the Regular Agenda and considered in the order chosen by the board chair.)

 - Disability Retirements
 - Liz Cervantes
 - Leonora Magallanes
 - Eugenia Verbeckmoes
 - Service Retirements
 - Continuances
 - Deferred Retirements
 - Member Account Refunds
 - Member Account Rollovers
5. Benefit & Actuarial Services
 - 5.1 Consideration of Benefit & Actuarial Items, if any, removed from the Consent Agenda
6. Investment Services
 - 6.1 Monthly Portfolio Performance Report
 - 6.2 Educational Presentation – Hedge Funds – Beta Product and Hedge Funds of Funds
 - 6.2 a AQR Capital Management Presents Investing in Hedge Fund Beta (**Board Presentation**)
 - 6.2 b Aetos Capital Presents Investing in Hedge Funds of Funds (**Board Presentation**)
 - 6.3 Investment Management Agreement Renewal – Jennison Associates
 - 6.4 Initial Rewrite of *SamCERA*'s Investment Policy
7. Board & Management Support Services
 - 7.1 Monthly Financial Report
 - 7.2 Review and Approval of a Draft Request for Proposal for Actuarial Audit Services
 - 7.3 Consideration of Financial Audit Structure
 - 7.4 Approval of Estimated Employer Contribution Amount for Fiscal Year 2011/2012
 - 7.5 Approval of Amendments to *SamCERA*'s Education Policy
 - 7.6 Approval of Expenditures for Board Meeting Security
 - 7.7 Introduction of *SamCERA*'s Sources, Uses & Budget for Fiscal Year 2011/2012
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 County Counsel's Report

CLOSED SESSION – The board will meet in closed session prior to adjournment

- C1 Consideration of disability items, if any, removed from the Consent Agenda and appropriate for closed session
- C2 Public Employee Performance Evaluation in accordance with Government Code section 54957
Title: Chief Executive Officer
9. Report on Actions Taken in Closed Session
10. Adjournment

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March 29, 2011 – Board Minutes

1103.1 **Call to Order:** Mr. David, Chair, called the Public Session of the Board of Retirement to order at 1 p.m., March 29, 2011, in *SamCERA's* Board Room, 100 Marine Parkway, Suite 125, Redwood Shores, California.

Roll Call: Ms. Agnew, Ms. Arnott (dep. 4:45 p.m.), Mr. Bowler, Mr. David, Mr. Hackleman, Ms. Kwan Lloyd, Mr. Spinello and Mr. Tashman (dep. 1:43 p.m.). *Other Board Members in Attendance:* Mr. Murphy and Ms. Salas. *Staff:* Mr. Bailey, Mr. Hood, Ms. Dames, Mr. Clifton, Ms. LeBlanc and Ms. Smith. *Consultants:* Mr. Silberman, Dr. Fracchia, Mr. Masarik and Mr. Thomas. *Retirees: 0, Public: 0.*

1103.2.1 **Oral Communications From the Board:** Ms. Agnew reported that she recently attended three worthwhile educational conferences. One of the conferences was the CALAPRS General Assembly and the other two focused on impact investing. She provided a more detailed report at the Investment Committee meeting. Mr. Spinello and Mr. David reported on their attendance to the CALAPRS Principles for Trustees course at Stanford Law School. They both found the course very informative and beneficial. Ms. Arnott and Ms. Kwan Lloyd also reported on their attendance at the CALAPRS General Assembly, which they found very educational.

1103.2.2 **Oral Communications From the Public:** None.

1103.3 **Approval of the Minutes: Motion** by Agnew, second by Kwan Lloyd, carried unanimously to approve the board minutes from the February 22, 2011, meeting, as submitted.

1103.4 **Approval of the Consent Agenda:** Mr. David pulled the disability application of Eugenia Verbeckmoes (Agnew) from the day's consent agenda to be taken into consideration under agenda item 5.1 in closed session. Mr. David then pulled the disability application of Liz Cervantes (Silberman) from the day's consent agenda to be taken into consideration at a future board meeting in the presence of Ms. Cervantes' counsel.

Motion by Tashman, second by Spinello, carried unanimously to approve the day's consent agenda, as amended, as follows:

Disability Retirements:

The board found **Leonora Magallanes** unable to perform her usual and customary duties as a Medical Services Assistant II and granted her application for a service-connected disability retirement.

Service Retirements:

Member Name	Effective Retirement Date	Department
Bayangas, Teresa	January 5, 2011	Human Services Agency
Ligon, Tracy	January 6, 2011	Def'd from Public Works
Kelly, Hallan	January 15, 2011	Public Health
Valera, Josie	January 18, 2011	Def'd from Public Health
Bundalion, Clarita	January 24, 2011	San Mateo Medical Center
Wethington, Jerome	January 25, 2011	San Mateo Medical Center

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Wood, Kenneth	January 29, 2011	Superior Court
Ayala, Yolanda	February 1, 2011	San Mateo Medical Center
Deasy, Patrick	February 1, 2011	Sheriff's Office
McClure, Carl	February 1, 2011	Probation
Moser, Martin	February 1, 2011	Sheriff's Office
Redick, Patricia	February 1, 2011	Def'd from HSA

Continuance of Benefits:

Member Name	Beneficiary of:
Stevens, Geneva	Stevens, Thomas

Deferred Retirements:

Member Name	Retirement Plan Type
Ryan, Dennis	G4-vested
Petru, Alexis	G4-vested

Member Account Refunds:

Member Name	Retirement Plan Type
Aragona, Jerry	G4 Non-vested
Duarte, Paula	G4 Non-vested
Jones, Angelica	G4 Non-vested
Martinez, Lillian	G4 Non-vested

Member Account Rollovers:

Member Name	Retirement Plan Type
Fung, Lilly	G4 Non-vested
Joo, Sandy	G4 Non-vested
Rubestone, Sally	G4 Non-vested

1103.5 **Benefit & Actuarial Services**

1103.5.1 **Consideration of Benefit & Actuarial Items, if any, removed from the Consent Agenda:**
 See agenda item 9.0.

1103.6 **Investment Services**

1103.6.1 **Monthly Portfolio Performance Report:** Mr. Clifton reported that *SamCERA's* 2.38% Total Fund Return for the month slightly underperformed the Total Plan Policy Benchmark return of 2.46%. The fund's return for the trailing twelve months and twenty-four months are a robust 18.58% and 25.80% respectively. The twelve-month period is 1083 basis points (bps) above the Actuarial Discount Rate of 7.75%. However, for the same period the total fund return is 73 basis points behind *SamCERA's* Total Plan Policy Benchmark of 19.31%. The underperformance is largely attributed to domestic large cap equity and the international equity portfolios. *SamCERA* should expect to underperform the Total Plan Policy Benchmark for some time while its alternative allocation is being fully implemented.

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Asset Class	Market Value	1-Month	1-year TTWRR*	5-year TTWRR*
<i>Domestic Equity</i>	\$1,048,235,533	3.73%	25.54%	1.88%
<i>International Equity</i>	<u>446,325,634</u>	1.81%	17.06%	2.59%
Total Equity	1,494,561,167	3.15%	22.87%	2.02%
Private Equity	250,000	0.00%	N/A	N/A
Fixed Income	581,479,606	1.39%	10.56%	5.93%
Real Estate Aggregate	122,302,877	0.00%	16.70%	0.47%
Cash Equivalents	102,288,930	0.03%	1.03%	1.72%
TOTAL FUND	\$2,300,882,581	2.41%	18.62%	3.24%
<i>Benchmark</i>		2.46%	19.31%	4.59%

* Total Time-Weighted Rate of Return

1103.6.2 **Educational Presentation – Hedge Funds – Beta Product and Hedge Funds of Funds:** Mr. Thomas provided a brief overview of *SamCERA*'s 3% allocation to hedge funds. Aetos Capital and AQR Capital Management provided an educational overview of two different hedge fund strategies: (1) fund of funds and (2) a beta product. Staff sought to seek direction as to which strategy the board preferred, which would then direct the manager search. Mr. Masarik provided a brief organizational background on Aetos Capital. Mr. David then took up agenda item 6.2b.

Please see agenda items 6.2a and 6.2b for a summary of each educational presentation.

After the two presentations, Ms. Arnott and Ms. Agnew requested more time to think about the pros and cons of both types of hedge fund investments. Mr. Bowler said that more time to digest the information was appropriate but that he was impressed with both educational presentations. Mr. Hackleman and Ms. Kwan Lloyd expressed a preference in hedge fund strategy but were amenable for other trustees' preference for more time for more extensive discussion. This agenda item will be discussed at the board retreat.

Mr. David then took up agenda item 6.3.

1103.6.2a **AQR Capital Management Presents Investing in Hedge Fund Beta:** Mr. Clifton re-introduced Gregor Andrade, Principal, and Joey Lee, Associate, of AQR Capital Management. Mr. Andrade and Ms. Lee provided a one-hour presentation on the Hedge Fund Beta investment strategy and answered trustee questions and concerns.

Mr. David then took up agenda item 6.2.

1103.6.2b **Aetos Capital Presents Investing in Hedge Funds of Funds:** Mr. Clifton introduced Anne Casscells, Co-President and Chief Investment Officer, and Andrea M. Bollyky, Managing Director, Head of Business Development, of Aetos Capital. Ms. Casscells and Ms. Bollyky provided a one-hour presentation on the Hedge Funds of Funds investment strategy and answered trustee questions and concerns.

Mr. David then took up agenda item 6.2a.

1103.6.3 **Investment Management Agreement Renewal – Jennison Associates:** Mr. Clifton presented the renewed Investment Management Agreement with Jennison Associates. He

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then discussed the new side letter regarding proxy policy. *SamCERA's* new placement agent policy is included in the IMA renewal. The Investment Committee reviewed the agreement and recommended board approval. **Motion** by Bowler, second by Hackleman, carried unanimously to adopt **Resolution 10-11-18**, authorizing the board chair to execute a renewed IMA with Jennison Associates, as follows:

“**WHEREAS**, Article XVI, §17 of the Constitution of the State of California vests the Board with *"plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system"*; and

“**WHEREAS**, Government Code §31595 vests in the Board *" . . . exclusive control of the investment of the employees retirement fund."*; and

“**WHEREAS**, Government Code §31596.1 (d) authorizes the Board to retain investment managers *" . . . in connection with administration of the Board's investment program . . . "*; and

“**WHEREAS**, on January 22, 2008, the Board considered proposals from and interviewed four firms for investment management services under a small cap core mandate Clarivest Asset Management, Jennison Associates, Quantitative Management Associates, and TAMRO Capital Partners. The board selected Jennison Associates for a small cap core mandate to be funded with approximately \$75 million; and

“**WHEREAS**, a three-year Investment Management Agreement was approved by County Counsel as to form and the Chief Investment Officer recommended approval of the Agreement; and

“**WHEREAS**, the board wishes to execute a second three-year Investment Management Agreement with Jennison Associates. Therefore, be it

“**RESOLVED** that the Board hereby approves the contract between the Board and Jennison Associates for a term of three years. The Board may terminate the contract on thirty days written notice. Be it further

“**RESOLVED** that the Board hereby delegates full discretionary authority to Jennison Associates to manage the assets of the retirement fund as allocated by the Board in accordance with the terms of the Agreement, the *Investment Policy* (as incorporated into the Agreement), and applicable law governing the conduct of fiduciaries entrusted with the management of public employees' retirement funds. Be it further

“**RESOLVED** that the Board hereby approves the fees as specified in the contract and authorizes the disbursement of funds as provided for in GC§31596.1 in accordance with *SamCERA's* internal controls. Be it further

“**RESOLVED** that the Board hereby authorizes the Chair, to execute the Agreement on behalf of the Board. Be it further

“**RESOLVED** that the Board hereby designates the Chief Investment Officer as its designee to perform those functions so identified in the Agreement and hereby authorizes the Chief Investment Officer to take all actions necessary to initiate, implement and monitor assignments, approve payments and provide the Board with timely reports regarding the progress and satisfactory completion of the assignments authorized pursuant to the contract.”

1103.6.4 **Initial Rewrite of *SamCERA's* Investment Policy:** Mr. Clifton said that the Investment

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Committee reviewed the Investment Policy and will be working on the document within the next few months.

1103.7 **Board & Management Support Services**

1103.7.1 **Monthly Financial Report:** Mr. Clifton reported that *SamCERA's* Net Assets Held in Trust for Pension Benefits as of February 28, 2011, totaled \$2,296,362,742. Net assets increased by approximately \$47.0 million, month over month. The increase is primarily due to an appreciation in assets.

1103.7.2 **Review and Approval of a Draft Request for Proposal for Actuarial Audit Services:** Mr. Clifton said that the board had opined that it was prudent from time to time to issue a Request for Proposal to conduct an independent audit to validate the appropriateness of the actuarial assumptions and methodologies employed by the board's actuary. The last actuarial audit performed was in 2005. The board and staff deemed it appropriate to conduct another actuarial audit for the period ended June 30, 2011. Mr. Clifton distributed a draft RFP and proposed mailing list for the actuarial audit. The list contained seven firms with west coast offices that are familiar with the 1937 Act. Mr. Clifton reported that the Audit Committee reviewed the proposed RFP and mailing list and recommended board approval. Milliman and the actuarial firm selected to conduct the audit will perform the annual valuation and triennial study in parallel.

Motion by Agnew, second by Spinello, carried unanimously to approve the RFP and the mailing list of actuarial firms for the actuarial audit.

1103.7.3 **Consideration of Financial Audit Structure:** Mr. Clifton reported that the Audit Committee reviewed the proposed financial audit structure, including the critical dates timeline. Mr. Clifton noted that with the association's first year investing in private equity, the actuarial audit and triennial study, the June 30, 2011, financial statements probably won't be ready until October. Staff historically has finalized *SamCERA's* June 30 financial statements by September 30th. Mr. Bailey and Ms. Wong will discuss the revised timeline with the Controller's Office. The Audit Committee recommended board approval.

Motion by Kwan Lloyd, second by Arnott, carried unanimously to approve the financial audit structure and timeline for *SamCERA's* June 30, 2011, financial statements.

1103.7.4 **Approval of Estimated Employer Contribution Amount for Fiscal Year 2011/2012:** Mr. Clifton provided the report on the Prepayment of the County's Contribution for Fiscal Year 2011/2012. He reported that the county's contribution for the upcoming fiscal year is \$146,114,375. The calculated amount of the advance prepayment is due on July 1, 2011. The calculated contribution is less than the estimated contribution of \$152 million for this current fiscal year.

Motion by Hackleman, second by Agnew, carried unanimously to approve the report on the prepayment of \$146,114,375 employer contributions for fiscal year 2011/2012.

1103.7.5 **Approval of Amendments to *SamCERA's* Education Policy:** Mr. Clifton reported that at the February board meeting, the board opined to amend the Education Policy to recommend trustees and staff take advantage of the various electronic media available for educational

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content. Staff inserted language into the policy to incorporate the board's input and this was presented for board approval.

Motion by Arnott, second by Spinello, carried unanimously to approve the changes to the Resolution 98-99-12, *SamCERA's* Education Policy, as follows:

“WHEREAS, Article XVI, §17(c) of the Constitution of the State of California states in part that

“The members of the retirement board...shall discharge their duties with respect to the system with the care, skill, prudence, and diligence...that a prudent person acting in like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims; and

“WHEREAS, Government Code §31520 vests the management of *SamCERA* in the Board; and

“WHEREAS, the board acknowledges the vital importance of making informed judgments on all matters which come before it and has adopted a *Code of Fiduciary Conduct* to guide its actions; and

“WHEREAS, Associations and institutes exist which offer specialized training for pension fund trustees and staff; and

“WHEREAS, the board wishes to encourage its trustees and staff to become as expert as is cost-effective in the matters of pension fund investments, service and disability retirements and plan administration. Now, therefore, be it

“RESOLVED, that the board hereby stipulates that all trustees and staff shall participate to the fullest extent possible in approved educational activities, and that each trustee and staff member shall be expected to complete at least three endorsed educational activities each year. Be it further

“RESOLVED, that the board hereby encourages all trustees and staff to participate to the fullest extent possible in approved electronic delivery of educational opportunities. Be it further

“RESOLVED, that the board hereby encourages all trustees and staff to participate to the fullest extent possible in approved electronic delivery of educational opportunities. Be it further

“RESOLVED, that the board hereby authorizes the participation of trustees and staff in the educational activities of the State Association of County Retirement Systems (SACRS), the California Association of Public Retirement Systems (CALAPRS), the Government Finance Officers Association (GFOA), the Institute for Fiduciary Education (IFE), International Foundation of Employee Benefit Plans (IFEFP), the California Retired County Employees' Association, the Pacific Pension Institute (PPI), the Pension Real Estate Association (PREA) and the Wharton program for pension fiduciaries, to the extent that the budget provides funds for such participation. Be it further

“RESOLVED, that the board hereby approves the following recommended progression of courses for new trustees to complete within their first three-year term: (1) SACRS Fall or Spring Conference &/or CALAPRS General Assembly, (2) CALAPRS' Trustee Roundtables, (3) CALAPRS @ Stanford Principles of Pension Management, (4) SACRS Public Pensions Investment Management Program (5) IFEFP Certificates of Achievement in Public Plan Policy and (6) Wharton Pension Fund and Investment Management Program. Be it further

“RESOLVED, that the board hereby also approves the following programs for trustees with the recommendation that trustees complete the programs listed above in the 3rd Resolve Clause

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prior to participation in the following: Fiduciary Institute @ Stanford, IFEBP Public Funds Annual Conference, GFOA Annual Conference, Pension Real Estate Association Annual Conference and US-based programs of IFE & PPI. Be it further

“**RESOLVED**, that the board hereby authorizes the participation of trustees and staff in the educational activities of the CFA Institute (including membership dues), the Institute for International Research, the Public Pension Fund Forum, Investors Press, the Investment Risk Institute, the Institutional Investor Institute, the Information Management Network, Opal Financial Group, Frank Russell Company, Milliman USA, The Pension Bridge and Callan Associates, to the extent that the budget provides funds for such participation. Be it further

“**RESOLVED**, that participants may provide the board with a summary oral report on the content of educational activities, including a recommendation regarding *SamCERA's* participation in future activities offered by the same sponsor. Be it further

“**RESOLVED**, that, in addition to the organizations listed above, other educational activities which may be counted toward the board's educational requirement are subscriptions to *Pensions & Investments*, the *Public Retirement Journal*, or other pension, investment or financial publications; completion of recommended readings from SACRS or *SamCERA* reading lists; participation in due diligence activities to meet with and monitor service providers; and/or participation in SACRS or *SamCERA* sponsored mentoring programs. Be it further,

“**RESOLVED**, that the board authorizes the chief executive officer to enroll *SamCERA* as a pension fund member of the organizations set forth above and the National Conference of Public Employees Retirement Systems and to submit recommendations to the Board for additional educational activities, to the extent that the budget provides funds for such activities. Be it further,

“**RESOLVED**, that the board hereby authorizes the chief executive officer to allocate \$15,000 for each new trustee's education during each of his or her first two years in office and \$7,500 for each trustee's education during each subsequent year. Trustees who wish to exceed these allocations may request board approval for their participation in additional educational activities when placed on the agenda of a public meeting of the board. The cost of attending events sponsored by SACRS and CALAPRS will be paid by the association and not charged against the individual's education allocation. Be it further

“**RESOLVED**, that the board hereby authorizes the chairman to approve the participation and associated travel for trustees, the Treasurer's Constitutional alternate, the Safety Member alternate, the Retired Member alternate, and the chief executive officer in the educational activities of the organizations set forth above, to the extent that the budget provides funds for such activities. Be it further,

“**RESOLVED**, that the board hereby authorizes the chief executive officer to approve a progression of courses for staff, to approve the participation and associated travel of staff in the educational activities of the organizations set forth above, to the extent that the chief executive officer finds that such participation will contribute to the staff member's ability to perform her or his duties and the budget provides funds for such activities. Be it further

“**RESOLVED**, that the board may approve participation in additional educational activities when placed on the agenda of a public meeting of the board.”

1103.7.6 **Approval of Expenditures for Board Meeting Security:** Mr. Bailey said that at the February board meeting, trustees indicated that it would be appropriate to have security at

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future board meetings. Staff contacted County Sheriff Greg Munks and arranged to have a uniformed officer attend all future board meetings. The total estimated cost for a four-hour board meeting will be \$352.68. The estimated cost for the current fiscal year will be \$2,468.76. The cost of security will be included in the 2011/2012 budget projections.

Motion by Bowler, second by Arnott, carried unanimously to approve the expenditure of funds for security at *SamCERA* board meetings.

1103.7.7 **Introduction of *SamCERA's* Sources, Uses & Budget for Fiscal Year 2011/2012:** Mr. Clifton provided an update on the status of *SamCERA's* 2011/2012 proposed budgets. A legislative bill was recently approved to allow 1937 Act systems to cap administrative expenses at 21 basis points of accrued liability instead of the previous 23 basis points of assets. IT and consulting expenses are excluded from the budget cap. During the past three budget cycles, *SamCERA* has had three budgets: (1) professional expenses budget, (2) administrative expenses budget, and the (3) asset management expenses budget. For the upcoming fiscal year, there will be a fourth budget – Information Technology. Mr. Clifton then discussed other key aspects of next fiscal year's budget. The final budget will be presented for board approval in May.

1103.8 **Management Reports**

1103.8.1 **Chief Executive Officer's Report:** Mr. Bailey said that two individuals have submitted applications for the currently vacant Ninth member seat on the Board of Retirement. The applications will be reviewed by the Board of Supervisors. Mr. Bailey briefly discussed the addition of new retirement tiers and employee COLA cost-sharing, as a result of recent union negotiations. Ms. Smith, Retirement Benefits Manager, will present the upcoming retirement structure changes to the board at the April retreat. Mr. Bailey said he included in the board members' folders various newspaper articles regarding the cost of retirement system from a broad range of perspectives and opinions. He also included a SACRS memo regarding the slate of officers of the SACRS board. He also announced that Karen Steffen, of *SamCERA's* actuary, Milliman, Inc., was scheduled to retire on March 31st. Nick Collier, has been performing most of the work for *SamCERA*.

1103.8.2 **Assistant Executive Officer's Report:** Mr. Hood distributed an informational flyer for the upcoming Financial Knowledge Network (FKN) courses, the last of the fiscal year. Staff and FKN will analyze attendance statistics in order to improve attendance. Mr. Hood provided a status update on the acquisition of office space across the hall from the current board room. He reported that staff has signed the lease for the new space and intends to have the new board room ready in the newly acquired space by the May meeting. Mr. Hood said that Mr. Ali, Mr. Hawkins and himself will be attending the Public Retirement Information Systems Management (PRISM) conference in April. Mr. Ali will be conducting a presentation on the use of the iPad for board meetings. Mr. Hood then said that staff is in the process of conducting interviews for the Retirement Communications Specialist position. He also said that the county is going through employee lay-offs, including some with early retirement incentives.

1103.8.3 **Chief Investment Officer's Report:** Mr. Clifton reported that the documentation for one of the ABRY private equity funds that was approved at the February board meeting, was ready to be executed by the board chair. He then said that he received a letter from the association's

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custodian, State Street, regarding the transparency of foreign exchange transactions. He also received a letter from Pyramis regarding recent changes to the firm's business structure. Art Greenwood, *SamCERA's* previous client relationship manager, will now be focused on new business development. Sue Curran, will now be *SamCERA's* client relationship manager.

1103.8.4 **County Counsel's Report:** None.

1103.9 **Report on Actions Taken in Closed Session:**

First Closed Session:

Mr. Silberman reported that Mr. David took the board meeting into closed session, with all trustees present for roll call in attendance.

The board unanimously found **Eugenia Verbeckmoes** unable to perform her usual and customary duties as a Principal Appraiser and granted her application for a service-connected disability retirement. Ms. Kwan Lloyd abstained from the vote.

Mr. David then adjourned the closed session and took up agenda item 6.1.

Second Closed Session:

Mr. Silberman reported that Mr. David took the board meeting into closed session, with all trustees present for roll call in attendance, except for Mr. Tashman and Ms. Arnott. The board met in closed session for the Public Employee Performance Evaluation in accordance with Government Code section 54957 Title: Chief Executive Officer.

No action was taken.

Mr. David then adjourned the closed session and took up agenda item 10.0

1103.10 **Adjournment in Memory of Deceased Members:** There being no further business, Ms. Arnott adjourned the meeting at 5:10 p.m., in memory of the following deceased members:

Dundas, Malcolm	February 2, 2011	Housing Authority
Bryant, Luberta	February 3, 2011	San Mateo Medical Center
Panero, Joseph	February 5, 2011	Sheriff's Department
Lombardo, Grace	February 8, 2011	Superior Court
Ryser, Hans	February 9, 2011	Engineering Department
Davis, Elizabeth	February 18, 2011	San Mateo Medical Center
Schoenneauer, Harlan	February 18, 2011	Assessor's Office
Lusnich, Edward	February 19, 2011	Information Systems
Gagliani, Josephine	February 22, 2011	Business Administration
Revo, Helen	February 26, 2011	Environmental Health
Smith, Rex	February 27, 2011	District Attorney's Office

AL DAVID, CHAIR