

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

November 27, 2007

Agenda Item 3.0

October 23, 2007– Board Agenda

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

1. [Call to Order](#)
2. Roll Call
 - 2.1 [Roll Call](#)
3. [Approval of the Minutes](#)
4. Oral Communications
 - 4.1 [Oral Communications From the Board](#)
 - 4.2 [Oral Communications From the Public](#)
5. Benefit & Actuarial Services
 - 5.1 [Adoption of Consent Agenda](#)
 - 5.2 [Consideration of Items Removed from Consent Agenda](#)
 - 5.3 [Approval of Milliman Inc. Analysis of Sections 31760.2 and 31789.1 of the '37 Act Regarding Spouse Continuances](#)
 - 5.4 [Consideration and Possible Adoption of Sections 31760.2 and 31789.1 of the '37 Act Regarding Spouse Continuances](#)
6. Investment Services
 - 6.1 [Monthly Portfolio Performance Report](#)
 - 6.2 [Acceptance of Strategic Investment Solutions' Report on SamCERA's Small Cap Manager Structure](#)
 - 6.3 [Annual Investment Manager Review – INVESCO Realty Advisor](#)
(Interviewed by the Investment Committee)
 - 6.4 [Annual Investment Manager Review – Barclays Global Investors](#)
(Interviewed by the Board)
 - 6.5 [Approval of SamCERA's Investment Policy Parts One and Two](#)
 - 6.6 [Acceptance of Amendments to SamCERA's Investment Plan Parts Three and Four](#)
 - 6.7 [Introduction of Amendments to Appendix A-F and the Glossary of SamCERA's Investment Policy](#)
7. Board & Management Support Services
 - 7.1 [Monthly Financial Report](#)
 - 7.2 [Quarterly Budget Report](#)
 - 7.3 [Approve Auditor's Reports for June 30, 2007, Financial Audit](#) (At the Audit Committee at 8:00 a.m.)
 - 7.4 [Review Draft Comprehensive Annual Financial Report](#) (Audit Committee)
 - 7.5 [Report on Annual Review of SamCERA's Independent Auditor – Brown Armstrong](#) (Audit Committee)
 - 7.6 [Approval of Changes to the Regulations of the Board of Retirement – Elections of Trustees](#)
 - 7.7 [Discussion of SACRS Initiatives and Resolutions](#)
 - 7.8 [Approval of SACRS Voting Delegate and Alternates](#)
 - 7.9 [Approval to Cancel December Meeting of the Board of Retirement](#)
8. Management Reports
 - 8.1 [Chief Executive Officer's Report](#)
 - 8.2 [Assistant Executive Officer's Report](#)
 - 8.3 [Investment & Finance Manager's Report](#)
 - 8.4 [County Counsel's Report](#)

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

- C1 [Consideration of items, if any, removed from the Consent Agenda](#)

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- 9. [Report on Actions Taken in Closed Session](#)
- 10. [Adjournment](#)

October 23, 2007 – Board Minutes

- 0710.1 **Call to Order:** Mr. Bryan, Chair, called the Public Session of the Board of Retirement to order at 1:03 p.m., October 23, 2007, in *SamCERA's* Board Room, 100 Marine Parkway, Suite 125, Redwood Shores, California.
- 0710.2.1 **Roll Call:** Ms. Arnott for Mr. Buffington, Mr. Bryan, Mr. Hackleman, Mr. Hooley, Ms. Jadallah, Ms. Stuart, Ms. Tashman and Mr. Wozniak. *Excused:* Mr. Lee. *Other Board Members in Attendance:* Mr. Murphy. *Staff:* Mr. Bailey, Mr. Clifton, Ms. Dames and Ms. LeBlanc. *Consultants:* Ms. Carlson, Dr. Fracchia, Mr. Swope and Mr. Thomas. *Retirees:* 1, *Actives:* 2.
- 0710.3 **Approval of the Minutes:** Ms. Arnott submitted the following corrections to the September 25, 2007, board meeting minutes: 0709.8.1 L2: "...*SamCERA's* safety ~~alternative~~ alternate to join the board in closed sessions."
- Motion** by Arnott, second by Tashman, carried unanimously to approve the minutes of the September 25, 2007, board meeting, as amended.
- 0710.4.1 **Oral Communications From the Board:** Mr. Hackleman said that he attended the IFEBP Wharton Advanced Investments Management course from September 24-27. The course focused on alternative investments. Overall, he thought that it was an excellent program and well worth attending.
- 0710.4.2 **Oral Communications From the Public:** Naomi Silverstein, widow of Barnard Silverstein, *SamCERA* retiree, requested time to speak during agenda item 5.3 and 5.4.
- 0710.5 **Benefit & Actuarial Services**
- 0710.5.1 **Adoption of Consent Agenda:** Mr. Bryan removed the disability application of Sarita Ledet (Mr. Wozniak) from the meeting's consent agenda for further consideration under 5.2 in closed session.
- Ms. Arnott stated that she does not personally know or has ever met Pamela Thompson, whose disability application was on the agenda. Ms. Thompson works for Revenue Services and reports to the Treasurer/Tax Collector department where Ms. Arnott is Deputy Treasurer-Tax Collector. Ms. Arnott stated that she felt no reason to abstain from the consideration of Ms. Thompson's disability application as she does not personally know the applicant.
- Motion** by Arnott, second by Hooley, carried unanimously to adopt the consent agenda, as amended, as follows:

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Disability Retirements:

The board finds that **Phillip Watts** is disabled from performing his usual and customary duties as a Deputy Sheriff and **GRANTS** his application for a service-connected disability.

The board finds that **Claudia Calero** is disabled from performing her usual and customary duties as a Shelter Care Counselor III and **GRANTS** her application for a non-service connected disability.

The board approves and adopts the proposed findings and recommendations of the hearing officer, that **Pamela Lynn Thompson** *is not* disabled from the performance of her job as a Revenue Collector and *denies* her application for a service-connected disability retirement.

Routine Actions taken by staff pursuant to the board's *Delegation of Authority* and the *Regulations of the Board of Retirement*:

Service Retirements:

Brum, Brian	October 6, 2007	Department of Health
Guich, Daniel	October 6, 2007	Probation Department
Mshasha, Malka	October 12, 2007	San Mateo Medical Center
Raftery, Mary	October 20, 2007	County Counsel Department
	October 23, 2007	
Verbelli, Sylvia	(from deferred)	District Attorney's Office
Fischback, Patricia	October 24, 2007	Assessor's Office
Parkin, Kathleen	October 27, 2007	County Counsel Department

Continuance of Benefits:

Conti, Lois	Beneficiary of Ross
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Deferred Retirements:

Dhingra, Shashi	G4 vested	
Krause, Lori	S4	Reciprocity
Ordonez, Lissette	P4 vested	
Berjickly, Artin	G4	Reciprocity
Mosqueda, Lourdes	G4 vested	
Abbeduto, James	G4 vested	Reciprocity
Moss, Tammy	G4	Reciprocity

Refunds:

Chen, Christine	G4 non vested
Corbilla, Alexis	G4 non vested
Faust, Cynthia	G4 non vested
Gutierrez, Rosa	G2 vested
Miranda, Pedro	G4 non vested
Thomas, Glenda	G4 non vested

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Traylor, Christopher G4 non vested

Rollovers:

Bakhit, Mahshid	G4 non vested
Gordon, Jessica	G4 non vested
Leland, Jennifer	G4 non vested
McDonnell, Diana	G4 non vested
Minton, Jennifer	G4 non vested
Okeanya, Glory	G4 non vested
Thunem, Craig	G4 non vested

0710.5.2 **Consideration of Items Removed from Consent Agenda:** Please see agenda item 9.0.

0710.5.3 **Approval of Milliman Inc. Analysis of Sections 31760.2 and 31789.1 of the '37 Act Regarding Spouse Continuances:** Mr. Bailey presented the analysis of the two sections of the 1937 Act that would expand the provision of spouse continuances to the spouses of members who married after the date of retirement.

The results of the study are as follows:

Increase in Annual Costs for Expanded Survivor Eligibility		
	\$ Millions	% of Payroll
Actuarial Accrued Liability (AAL) Increase	\$ 10.4	N/A
AAL Increase Amortized over 15 Years	0.9	0.24%
Normal Cost Increase	0.4	0.10%
Increase in Annual County Contribution	\$ 1.3	0.34%

The proposed changes would have no impact on the member contribution rates.

Motion by Hackleman, second by Stuart, carried unanimously to approve the analysis of Sections 31760.2 and 31789.1 of the '37 Act Regarding Spouse Continuances provided by Milliman Inc.

0710.5.4 **Consideration and Possible Adoption of Sections 31760.2 and 31789.1 of the '37 Act Regarding Spouse Continuances:** Mr. Bailey then brought forth the issue of the possible adoption of sections 31760.2 and 31789.1 of the '37 Act regarding spouse continuances. **Reyna Ferrales**, Deputy County Manager/Budget Director, was present on behalf of John Maltbie, County Manager. Ms. Ferrales respectfully urged the board to not adopt the two government codes in question. The additional survivor benefits would increase the liability of the retirement system and increase the county's contribution rate by 0.34% or \$1.3 million annually. She added that the county is currently faced with a structural budget deficit of \$25 million which is projected to grow in future years. Ms. Ferrales opined that the board should make its current liabilities a priority before taking on additional costs by expanding benefits.

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Naomi Silverstein, widow of Barnard Silverstein, *SamCERA* retiree, then spoke in front of the board. She asked that the board address the inequality and unfairness of the current legislation and hoped that the board consider her and those in similar situations when making a decision whether or not to adopt the government code sections of the '37 Act.

Mr. Hooley stated that he has full confidence in Milliman's estimate of \$1.3 million annual increase in county contributions and did not feel the amount significant in relation to other benefit increases. Mr. Hackleman opined that the board should address the association's current liabilities prior to consideration of new benefits. As fiduciaries of the fund, the board should work to address the improvement of its current funding ratio (77.4%).

Motion by Hooley, second by Stuart, to adopt Sections 31760.2 and 31789.1 of the '37 Act regarding retiree spouse continuances. Motion **failed** with four ayes (Bryan, Hooley, Stuart and Wozniak) and four no's (Arnott, Hackleman, Jadallah and Tashman).

Ms. Arnott suggested that the board revisit the topic once the association has reached an 80% funding level. Trustees agreed with Ms. Arnott's recommendation.

0710.6 **Investment Services**

0710.6.1 **Monthly Portfolio Performance Report:** Mr. Clifton reported that *SamCERA*'s 2.95% Total Fund Return for September 2007 underperformed the Total Plan Policy Benchmark return of 3.16%. The fund's return for the trailing twelve months is 12.54%, which is 479 basis points above the Actuarial Discount Rate, 7.75%, but 269 basis points below *SamCERA*'s Total Plan Policy Benchmark of 15.23%. The spread between the actual return and the policy benchmark return continues to widen.

When renewing investment management agreements effective October 1, 2007, Mr. Clifton indicated that he was able to negotiate a lower fee schedule from Chartwell Investment Partners, with *SamCERA*'s most favored nation clause.

Asset Class	Market Value	1-Month	1-year TTWRR*	5-year TTWRR*
<i>Domestic Equity</i>	\$ 987,776,544	3.09%	11.29%	15.94%
<i>International Equity</i>	474,776,653	5.34%	28.61%	23.22%
Total Equity	\$1,462,553,197	3.81%	15.82%	17.77%
Fixed Income	588,054,758	0.86%	4.36%	4.36%
Real Estate Aggregate	161,281,147	3.10%	15.09%	17.06%
Cash Equivalents	10,273,127	0.38%	4.54%	3.22%
TOTAL FUND	\$2,222,162,229	2.95%	12.54%	13.62%
<i>Benchmark</i>		3.16%	15.23%	14.34%

* Total Time-Weighted Rate of Return

0710.6.2 **Acceptance of Strategic Investment Solutions' Report on *SamCERA*'s Small Cap Manager Structure:** Mr. Clifton reported that the Investment Committee thoroughly reviewed SIS' report on *SamCERA*'s small cap manager structure, discussing ten final candidates. After extensive discussion at the committee level, two of the candidates were eliminated, one due to investment style and the other due to recent product closure. Three of the final eight small cap core candidates are quant products.

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Without objection, Mr. Bryan accepted the Investment Committee's recommendation to accept SIS' report on *SamCERA's* small cap manager structure and send the appropriate RFPs to the final eight candidates. The committee will discuss the pros and cons of the candidates at a special December Investment Committee meeting and bring forth three finalists for board approval. The finalists will be interviewed by the board in January.

0710.6.3 **Annual Investment Manager Review – INVESCO Realty Advisors:** Mr. Clifton reported that the Investment Committee conducted INVESCO's annual investment manager review. Mr. Swango and Mr. Grubbs were present at the committee. Mr. Clifton gave a brief overview of the annual review. He reported that the committee also discussed the possibility of real estate diversification. Mr. Clifton said that staff will arrange a real estate educational presentation mid- to late- 2008. He will also bring back cash-flow projections for the upcoming years as well as information on queues in the value-added sector.

0710.6.4 **Annual Investment Manager Review – Barclays Global Investors:** Trey Heiskell and Lynn Roy of Barclays Global Investors were present at the board meeting to provide an overview on the *SamCERA/BGI* relationship and portfolio performance over the past year.

Ms. Roy gave a brief overview of BGI's Russell 1000 Alpha Tilts product strategy. She then discussed the Alpha Tilts fund's underperformance and responded to trustee and consultants' questions.

0710.6.5 **Approval of *SamCERA's Investment Policy* Parts One and Two:** Mr. Clifton presented the final versions of parts one and two of *SamCERA's Investment Policy*. **Motion** by Arnott, second by Stuart, carried unanimously to approve *SamCERA's Investment Policy* Parts One and Two.

0710.6.6 **Acceptance of Amendments to *SamCERA's Investment Policy* Parts Three and Four:** Mr. Clifton presented the redline version of Parts Three and Four to *SamCERA's Investment Policy*. The final version will be presented at the November board meeting for approval.

Without objection, Mr. Bryan accepted the amendments to *SamCERA's Investment Policy* Parts Three and Four.

0710.6.7 **Introduction of Amendments to Appendix A-F and the Glossary of *SamCERA's Investment Policy*:** Mr. Clifton introduced the amendments to the appendix A-F and the glossary of *SamCERA's Investment Policy*. A second version of the amendments will be brought forth at the next board meeting.

0710.7 **Board & Management Support Services**

0710.7.1 **Monthly Financial Report:** Mr. Clifton presented the preliminary monthly financial report for the period ending September 30, 2007. *SamCERA's* Net Assets Held in Trust for Pension Benefits totaled \$2,222,003,984 as of August 31, 2007. The net assets increased by approximately \$59.6 million, month over month, due to market appreciation of assets.

0710.7.2 **Quarterly Budget Report:** Mr. Clifton presented the quarterly budget report for the period ended September 30, 2007. He reported that with 25% of the fiscal year completed, *SamCERA* has expended 21.7% of the appropriations for administrative expenditures. The

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fee for MAXIMUS, the firm that conducted *SamCERA's* comprehensive IT study was not originally budgeted for the current fiscal year. Staff will return to the board in the Spring to request budget amendments. Salary increases resulting from the salary survey will likely require amendments to the budget.

***SamCERA's* Administrative Budget**

	ADOPTED BUDGET	YTD Preliminary
Salaries & Benefits	\$2,064,200	\$ 399,613
Services & Supplies	\$1,280,200	\$ 348,576
Capital Assets	<u>\$ 100,000</u>	<u>\$ 0</u>
Total	\$3,444,400	\$ 748,189

The preliminary aggregate professional services fee as of September 30, 2007, is approximately 27.4 basis points. Investment management fees are driven by contractual agreements and based on total assets under management. Fees for actuarial services, investment consulting services and global custodian services are based on services detailed in the contractual agreements.

- 0710.7.3 **Approve Auditor's Reports for June 30, 2007, Financial Audit:** Mr. Hackleman reported that **Andy Paulden** of Brown Armstrong was present at the Audit Committee and provided an overview of the June 30, 2007, audit process. Brown Armstrong rendered an unqualified ("clean") opinion on *SamCERA's* financial statements. Mr. Hackleman complimented staff on their time and effort during what Mr. Paulden deemed a very smooth audit process. No reportable conditions which would be considered material weaknesses were found. Brown Armstrong recommended four agreed-upon findings, which have been discussed with the appropriate members of management, intended to improve efficiency and the internal control structure regarding (1) wire transfers, (2) travel expenses, (3) investment management fees and (4) investment manager and custodian reconciliation.

Motion by Hackleman, second by Wozniak, carried unanimously to approve Brown Armstrong's report for the June 30, 2007, financial audit.

- 0710.7.4 **Review Draft Comprehensive Annual Financial Report:** Mr. Clifton presented *SamCERA's* Comprehensive Annual Financial Report for trustee's review. He will return with a final version of the CAFR at next month's board meeting.

- 0710.7.5 **Report on Annual Review of *SamCERA's* Independent Auditor – Brown Armstrong:** Mr. Clifton reported that Mr. Paulden was present for Brown Armstrong's independent auditor annual review. He gave a thorough overview of the firm's history, structure and organization. He then gave responses to staff and trustee's questions. Mr. Clifton found the review to be very educational. Mr. Hackleman was particularly impressed with the firm's peer review process, both internal and inter-auditing firm peer review.

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0710.7.6 **Approval of Changes to the Regulations of the Board of Retirement – Elections of Trustees:** Mr. Bailey presented changes to the Regulations of the Board of Retirement. The amendments include changes to Article III regulation 3.5 “Nominating Petitions/Declaration of Candidacy,” regulation 3.11 “Ballots,” regulation 3.13 “Qualification of Voters” and regulation 3.21 “Special Elections.”

Motion by Hackleman, second by Stuart, carried unanimously to adopt **Resolution 07-08-09**, amending the board regulations governing the election of trustees, as follows:

“**WHEREAS**, Article III of the Board’s regulations govern the elections of the trustees; and

“**WHEREAS**, on July 25, 2006, the Board determined that it would have an alternate for the eighth trustee. Pursuant to Government Code §31520.5, the alternate eighth trustee shall be elected separately by the retired members of the association in the same manner and at the same time as the eighth member is elected; and

“**WHEREAS**, on February 27, 2007, the Board amended regulation 3.4 setting forth the qualifications of candidates and regulation 3.5 governing nominating petitions/declaration of candidacy to reflect the separate election of the Eighth Trustee Alternate and it has been determined that minor clarifications should be made to the regulations; and

“**WHEREAS**, Government Code §31525 provides that this Board may make regulations not inconsistent with the California Employees' Retirement Law of 1937; now therefore be it

“**RESOLVED** that regulations 3.5, 3.11, 3.13 and 3.21 of Article III are amended to read as follows:

“**3.5 Nominating Petitions/Declaration of Candidacy:** On and after the third Monday in April, qualified candidates may obtain a Nominating Petition or Declaration of Candidacy, a copy of the Code of Fair Campaign Practices as it appears in the California Elections Code, and a copy of these Election Regulations from the Elections Officer. Candidates for Second, Third and Seventh Trustee shall be nominated by a petition signed by not less than ten *SamCERA* Members eligible to sign the candidate's petition. *SamCERA*'s General Members are eligible to sign a petition for a candidate for Second or Third Trustee. *SamCERA*'s Safety Members are eligible to sign a petition for a candidate for Seventh Trustee. *SamCERA*'s Retired Members are eligible to nominate themselves as a candidate either for the Eighth Trustee or the Eighth Trustee Alternate by filing a Declaration of Candidacy with the Elections Officer. *SamCERA*'s Retired Members may only nominate themselves to one position. To be eligible to sign petitions, or nomination papers, a member's name shall be included on the "List of Eligible Candidates and Nominators." No member shall sign more than one Nominating Petition for each election. Signed Nominating Petitions and Declarations of Candidacy must be filed with the Elections Officer no later than 5:00 P.M. of the first Monday in May. Candidates who file Nominating Petitions after the deadline will be disqualified. Prospective candidates shall appear in person to receive candidate papers from and to deliver candidate papers to the Elections Officer. If a prospective candidate is unable to appear in person, they shall designate in writing an agent to

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receive and/or deliver the candidate's Nomination Papers or Declaration of Candidacy on their behalf.

"3.11 Ballots: The Elections Officer shall certify for inclusion on the ballot the names of qualified candidates who submitted Nominating Petitions containing the number of qualified signatures specified in section 3.5. The Elections Officer shall determine by lot the order in which candidates shall appear on the ballot. There can be elections for multiple trustee positions on a single ballot. There is no provision for write-in candidates. The Elections Officer shall provide for the preparation of a number of ballots sufficient to supply one to each *SamCERA* Member eligible to vote in each election. The Elections Officer shall provide for the mailing of ballots to the member's home address. Ballots shall be mailed no earlier than the third Friday in May and no later than the fourth Friday in May. Ballots mailed shall include a return envelope bearing prepaid postage. The Elections Officer shall make available a replacement ballot upon request by any eligible member who lost or did not receive his or her ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. A replacement ballot will not be provided to any one other than the member who requested the replacement ballot. Candidates are specifically prohibited from handling ballots, whether voted or unvoted, sealed or unsealed, other than their own. Voted ballots must be received by the Elections Officer on or before Election Day. Any voted ballot that is U.S. Postmarked on or before Election Day and received by the Elections Officer on or before 5:00 P.M. on the Friday following the Election Day shall also be counted.

"3.13 Qualification of Voters: The Elections Officer shall confirm the name on the outer ballot envelope with the "List of Eligible Voters." *SamCERA's* General Members are qualified to elect the Second and Third Trustees. *SamCERA's* Safety members are qualified to elect the Seventh Trustee. *SamCERA's* Retired Members are qualified to elect the Eighth Trustee and Eighth Trustee Alternate. To be eligible to vote, a member shall be a part of his or her respective group at the close of the pay period immediately preceding the first day that ballots may be mailed per these bylaws.

"3.21 Special Elections: The Chief Executive Officer shall advise the Board when a vacancy occurs and shall recommend a date for a Special Election to fill the vacancy. If the vacancy occurs within nine months of the end of the term of the seat that has been vacated, there shall be no Special Election. If the vacancy occurs more than nine months prior to the end of the term, the Board shall call a Special Election, which shall be held not less than 90-60 nor more than 120 days from the effective date of the vacancy. Special Elections shall be conducted in conformance with the provisions of this Article for Regular Elections, except that the schedule shall be adjusted by the Elections Officer to comply with the date of the Special Election set by the Board.

"IT IS FURTHER RESOLVED that, the Chief Executive Officer is hereby authorized under Government Code §31525 to transmit these amended regulations to the Board of Supervisors and to take all actions necessary to provide for their implementation upon

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approval by the Board of Supervisors.”

0710.7.7 **Discussion of SACRS Initiatives and Resolutions:** Mr. Bailey presented an issue that will be voted on at the November 16 SACRS Business meeting. The issue concerns a resolution from the SACRS Executive Committee opposing a statewide ballot initiative that would mandate a new retirement plan and new health care limits for all persons hired into California public service on or after January 1, 2009.

0710.7.8 **Approval of SACRS Voting Delegate and Alternates:** Ms. Arnott, Mr. Bryan, Ms. Salas and Mr. Wozniak are the board members registered to attend the SACRS Fall 2007 Conference. **Motion** by Jadallah, second by Tashman, carried unanimously to authorize Tom Bryan as the voting delegate, Sandra Arnott as the first alternate and David Wozniak as second alternate.

0710.7.9 **Approval to Cancel December Meeting of the Board of Retirement:** Mr. Bailey stated that the Investment Committee would like to schedule a special committee and board meeting the week of December 10th to discuss and evaluate *SamCERA*’s small cap core finalists. **Motion** by Hackleman, second by Arnott, carried unanimously to approve to cancel and reschedule the December meeting of the Board of Retirement. Staff will survey the trustees within the next few days to determine the best day to hold the special meeting.

0710.8 **Management Reports**

0710.8.1 **Chief Executive Officer's Report:** Mr. Bailey said that *SamCERA*’s legislation AB1124, that would allow the safety alternate to attend closed sessions, has been approved and signed by the governor. The board will send a thank-you letter to Mary McMillan of the County Manager’s office for her help during this process.

Mr. Bailey reported that *SamCERA*’s classification and salary survey request is currently with the County Human Resources Department. The HR department will study the request within the next few months.

He then gave an update on *SamCERA*’s office space. The current occupant will vacate the premises by the end of October and staff is currently working on blueprints. A construction schedule will be created soon.

Mr. Bailey reported that the first retirement seminar is now published in the county’s course catalog and will take place on November 19th. The seminar will be conducted with the Benefits Department and is aimed towards employees in their early to mid-career. Staff would like to schedule the seminar for every other month.

Mr. Bailey noted the PPCC Standard’s award that the Association recently received. This is the second year in a row that *SamCERA* has received this award.

0710.8.2 **Assistant Executive Officer’s Report:** Mr. Hood was not present at the board meeting. Mr. Bailey reported that Mr. Hood was attending the National Pension Education Association (NPEA) Conference with Gladys Smith, Retirement Benefits Manager.

0710.8.3 **Investment & Finance Manager’s Report:** None.

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0710.8.4 **County Counsel's Report:** Ms. Carlson tracked the most recent legislative session discussing fourteen different bills. Legislative deadlines occurred in mid-October. She presented a handout that gave a brief overview of six of the legislative bills.

0710.9 **Report on Actions Taken in Closed Session:** Ms. Carlson reported that Mr. Bryan convened the board in closed session at 1:06 p.m. with all trustees present for roll call in attendance.

Mr. Hackleman recused himself from the consideration of the disability application of Sarita Ledet.

The board approves and adopts the proposed findings and recommendations of the referee, that **Sarita Ledet** is disabled from the performance of her job as an Administrative Services Manager II and **GRANTS** her application for a service-connected disability retirement, with six ayes, one no and one abstention.

There being no further business, Mr. Bryan adjourned the closed session at 1:22 p.m. He then took up agenda item 5.3.

0710.10 **Adjournment in Memory of Deceased Members:** There being no further business, Mr. Bryan adjourned the meeting at 3:45 p.m., in memory of the following deceased members:

FELLNER, IRVING	AUGUST 27, 2007	DEPARTMENT OF SOCIAL SERVICES
HOWELL, LORA	AUGUST 30, 2007	DEPARTMENT OF SOCIAL SERVICES
CONTI, ROSS	SEPTEMBER 3, 2007	TREASURER TAX COLLECTOR
SILVERSTEIN, BARNARD	SEPTEMBER 10, 2007	COUNTY RECORDER'S OFFICE
PISANO, SAMUEL	SEPTEMBER 18, 2007	DEPARTMENT OF MENTAL HEALTH
FITZGERALD, ARLINE	OCTOBER 7, 2007	SAN MATEO COUNTY SUPERIOR COURT

TOM BRYAN, CHAIR