

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

July 22, 2008

Agenda Item 3.0

**May 27, 2008 – 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](#)
6. Investment Services (*The Investment Committee will meet at 10 A. M., also at Franklin Templeton.*)
  - 6.1 [Monthly Portfolio Performance Report](#)
  - 6.2 [Quarterly Investment Performance Analysis for Period Ended March 31, 2008](#)
  - 6.3 [Annual Review of SamCERA's Fixed Income Asset Class and Investment Managers Roundtable Discussion](#)
    - 6.3 a [Annual Investment Manager Review – Aberdeen Asset Management](#)  
(Interviewed by the Investment Committee)
    - 6.3 b [Annual Investment Manager Review – Pyramis Global Advisors](#)  
(Interviewed by the Investment Committee))
    - 6.3 c [Annual Investment Manager Review – Western Asset Management](#)  
(Interviewed by the Board)
  - 6.4 [Approval of Large Cap Manager Structure](#)
  - 6.5 [Approval of Topics for Manager Review – Julius Baer Investment Management](#)
  - 6.6 [Approval of Topics for Manager Review –Mondrian Investment Partners](#)
  - 6.7 [Approval of Topics for Manager Review –](#)
    - 6.7 a [INVESCO Realty Advisors](#)
    - 6.7 b [Brandes Investment Partners](#)
    - 6.7 c [Chartwell Investment Partners](#)
  - 6.8 [Approval of Topics for Investment Consultant Review – Strategic Investment Solutions](#)
7. Board & Management Support Services
  - 7.1 [Monthly Financial Report](#)
  - 7.2 [Approval of the 2008 Strategic Plan](#)
  - 7.3 [Approval of SamCERA's Sources, Uses & Budget for Fiscal Year 2008/2009](#)
  - 7.4 [Report on Trustee Election to Fill Second and Seventh Seats on the Board of Retirement](#)
  - 7.5 [Appointment of Ad Hoc Nominating Committee for Board Officers](#)
  - 7.6 [Approval of the Budget Appropriation Transfer Request \(ATR\)](#)
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](#)
9. [Report on Actions Taken in Closed Session](#)

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

10. [Adjournment](#)

**May 27, 2008 – Board Minutes**

0805.1     **Call to Order:** Ms. Tashman, Chair, called the Public Session of the Board of Retirement to order at 1:00 p.m., May 27, 2008, in Franklin Templeton Investments, Building 920, Room A, One Franklin Parkway, San Mateo, California.

0805.2     **Roll Call:** Ms. Arnott for Mr. Buffington, Mr. Hooley, Ms. Jadallah, Ms. Stuart, Ms. Tashman and Mr. Wozniak. *Excused:* Ms. Salas. *Other Board Members in Attendance:* Mr. Murphy. *Staff:* Mr. Bailey, Mr. Clifton, Ms. Dames, Mr. Hood and Ms. Smith. *Consultants:* Ms. Carlson, Mr. Meier and Mr. Thomas. *Retirees:* 0, *Actives:* 0.

Mr. Hooley then took up agenda item 3.

0805.3     **Approval of the Minutes: Motion** by Wozniak, second by Arnott, carried unanimously to approve the minutes of the April 22, 2008, board meeting, as submitted.

0805.4.1   **Oral Communications From the Board:** None.

0805.4.2   **Oral Communications From the Public:** None.

0805.5     **Benefit & Actuarial Services**

0805.5.1   **Adoption of Consent Agenda: Motion** by Wozniak, second by Arnott, carried unanimously to adopt the day's consent agenda, as submitted, as follows:

**Disability Retirements:**

The board finds that **Tom Bryan** is unable to perform his usual and customary duties as a Principal Appraiser and **GRANTS** his application for a service-connected disability retirement.

The board finds that **Leigh Herman** is unable to perform her usual and customary duties as a Deputy County Counsel and **GRANTS** her application for a service-connected disability retirement.

The board finds that **Hans De Klerk** is unable to perform his usual and customary duties as a Systems Engineer II and **GRANTS** his 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:**

Brasseur, Thomas	April 16, 2008	Deferred from Mental Health
Cruz, Yolanda	April 17, 2008	Assessor
Moore, Jerry	April 19, 2008	San Mateo Medical Center

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

Nobles, Henry	May 1, 2008	Deferred from Probation
Hill Long, Rebecca	May 2, 2008	Deferred from Library
Weise, Victoria	May 10, 2008	Human Services Agency
Henry, Kathleen	May 14, 2008	Deferred from Superior Court
Bradley, Diane L	May 31, 2008	Parks Department

**Continuance of Benefits:**

Pitt, Evelyn	Beneficiary of Pitt, Calvin
Barnett, Philip	Beneficiary of Dover, Peggy

**Deferred Retirements:**

Cardin, Kenneth	G4 Vested	
Bouja, Alexander	S4 Vested	
Plutchok, Salina	G4 Vested	
Chayarria, Vilma	G4 Vested	
Soosaipillai, Miruni	G2 Vested	
Sowerbrower, James	G2 Vested	Reciprocity
Reed, Edward	G4 Vested	Reciprocity
Moher, James	S4 Vested	Reciprocity
Ekers, Lisa	G2 Vested	Reciprocity
Love, Nadyne	G4 Vested	

**Refunds:**

Acevedo, Patricia	G4 Non-vested
Aldan, Raymundo	G4 Non-vested
Cabanez, Aurelio	G4 Non-vested
Carlos, Neil	G4 Non-vested
Gomez, Monica	G4 Non-vested
Prado, Mario	3/ G4 Vested
Sipion, Miguel	G4 Non-vested
Tabangcura, Carmen	G4 Non-vested

**Rollovers:**

Bautista, Emelita	G4 Non-vested
Koh, Jeffrey	G4 Non-vested
Lewis, Amie	P4 Vested
Madsen, Julia	G4 Non-vested
Stein, Juliet	G4 Non-vested
Yee, Peter	G4 Non-vested

0805.5.2 **Consideration of Items Removed from Consent Agenda:** None.

Ms. Tashman then took up agenda item 6.3.

0805.5.3 **Introduction to Annual Valuation Report and Triennial Experience Study:** Nick Collier of Milliman Inc. was present to introduce the actuarial valuation process for the period ending June 30, 2008. Mr. Collier also discussed the Experience Study which is conducted every third year. The study looks at demographic changes affecting the membership as well as economic issues in order to assess the validity of the assumptions about future assets and liabilities used

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

in the valuation.

0805.5.4 **Approval of Actuarial Economic Assumptions for the June 30, 2008, Study:** Mr. Collier reviewed the economic assumptions that Milliman recommends to use for the June 30, 2008, actuarial valuation. Milliman did not recommend any changes to the current economic assumptions. The board must also adopt demographic assumptions; however, those will be brought to the board after the completion of the Triennial Experience Study.

**Motion** by Jadallah, second by Stuart, carried unanimously to adopt the economic assumptions recommended by Milliman Inc. for the June 30, 2008, actuarial valuation, as follows:

<b>Economic Assumption</b>	<b>Proposed Assumption (Annual Rate)</b>
Consumer Price Inflation	3.50%
Investment Return <sup>(1)</sup>	7.75%
Wage Growth (includes inflation and productivity)	4.00%
Real Wage Inflation (wage growth less price inflation)	0.50%
Payroll Growth	Assumed to be the same as Wage Growth

(1) *Net of investment and administrative expenses.*

Ms. Tashman then took up agenda item 8.4.

0805.6 **Investment Services**

0805.6.1 **Monthly Portfolio Performance Report:** Mr. Clifton reported that *SamCERA's* 2.85% Total Fund Return for April 2008 underperformed the Total Plan Policy Benchmark return of 3.49%. The fund's return for the trailing twelve months is -3.24%, which is 1,099 basis points below the Actuarial Discount Rate, 7.75%, and 417 basis points below *SamCERA's* Total Plan Policy Benchmark of 0.93%. The realized return continues to trail both the policy return and the actuarial assumption rate for the trailing twelve-month period.

<b>Asset Class</b>	<b>Market Value</b>	<b>1-Month</b>	<b>1-year TTWRR*</b>	<b>5-year TTWRR*</b>
<i>Domestic Equity</i>	\$869,767,605	4.81%	-9.85%	10.95%
<i>International Equity</i>	453,581,510	3.98%	-0.10%	20.75%
Total Equity	1,323,349,115	4.53%	-6.76%	13.44%
Fixed Income	594,195,840	0.14%	1.76%	3.86%
Real Estate Aggregate	166,888,025	0.00%	10.74%	15.77%
Cash Equivalents	5,282,683	0.25%	4.10%	3.48%
<b>TOTAL FUND</b>	<b>\$2,089,715,663</b>	<b>2.85%</b>	<b>-3.24%</b>	<b>10.73%</b>
<i>Benchmark</i>		3.49%	0.93%	11.68%

\* Total Time-Weighted Rate of Return

0805.6.2 **Quarterly Investment Performance Analysis for Period Ended March 31, 2008:** Mr. Thomas from Strategic Investment Solutions was present to review the quarterly investment performance report for the period ended March 31, 2008. The composite fund returned -6.1% in the first quarter of 2008 and ranked 80<sup>th</sup> among other public funds greater than \$100 million

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

(median of -5.4%). The fund trailed its policy index (-5.6%) during this time period. Longer term, the three and five-year returns of 7.1% (73<sup>rd</sup> percentile) and 11.4% (54<sup>th</sup> percentile), respectively, were below and at median among large public plans (8.0% and 11.4%).

- 0805.6.3 **Annual Review of *SamCERA*'s Fixed Income Asset Class and Investment Managers Roundtable Discussion:** Ms. Jadallah gave a brief summary of the roundtable discussion with *SamCERA*'s fixed income managers conducted at the Investment Committee. During the roundtable, the investment managers discussed current economic issues, the impact on fixed income markets with the market dislocations of 2007, portfolio management, risk management and the general outlook for the economy and the market.

Ms. Jadallah reported that the managers continue to foresee a rough fixed income market within the next six to eighteen months. Although the managers have underperformed their benchmark, each manager indicated that their portfolio was invested in high quality names and explained the reasons as to why these names performed poorly within the past year. Ms. Jadallah found the discussion rather reassuring. She considered the fixed income portfolios as conservative and highly liquid portfolios that have been underperforming versus considering them as high risk portfolios.

Ms. Tashman then took up agenda item 6.3c.

- 0805.6.3a **Annual Investment Manager Review – Aberdeen Asset Management:** Ms. Jadallah reported that the Investment Committee conducted Aberdeen Asset Management's annual review. Christopher Gagnier, Senior Portfolio Manager, and Boris Karol, Portfolio Manager, were present for the review.
- 0805.6.3b **Annual Investment Manager Review – Pyramis Global Advisors:** Ms. Jadallah reported that the Investment Committee performed the annual review for Pyramis Global Advisors. Art Greenwood, Senior Vice-President, Relationship Manager, Chris Pariseault, Fixed Income Investment Director, and Daniel Tremblay, Institutional Portfolio Manager were present for the review.
- 0805.6.3c **Annual Investment Manager Review – Western Asset Management:** Joseph Carieri, Client Service Executive, and Dan Plotsky, Head of Product Development, were present for Western Asset Management's annual review.

Mr. Carieri briefly discussed WAM's investment philosophy. He then reviewed historical sector returns and portfolio performance. As of April 30, 2008, the portfolio has underperformed the Lehman Aggregate by approximately 490 basis points the past year. In response to a question from Ms. Jadallah, Mr. Plotsky estimated the actual tracking error for the portfolio was around 3%. Mr. Carieri also reviewed the portfolio's sector and credit quality allocation, mortgage-backed sector analysis, high yield allocation and opportunity non-benchmark sector allocation. Mr. Carieri then discussed Western's requests to add more latitude in certain areas of the portfolio which is currently not within *SamCERA*'s investment guidelines such as the allowance of derivatives and swaps and allowance of the use of Western Asset Opportunistic Local Market Debt Securities. In response to a question from Ms. Jadallah, Mr. Plotsky indicated that the addition of these investments would not materially impact the tracking error of the portfolio.

Ms. Jadallah then took up agenda item 5.3.

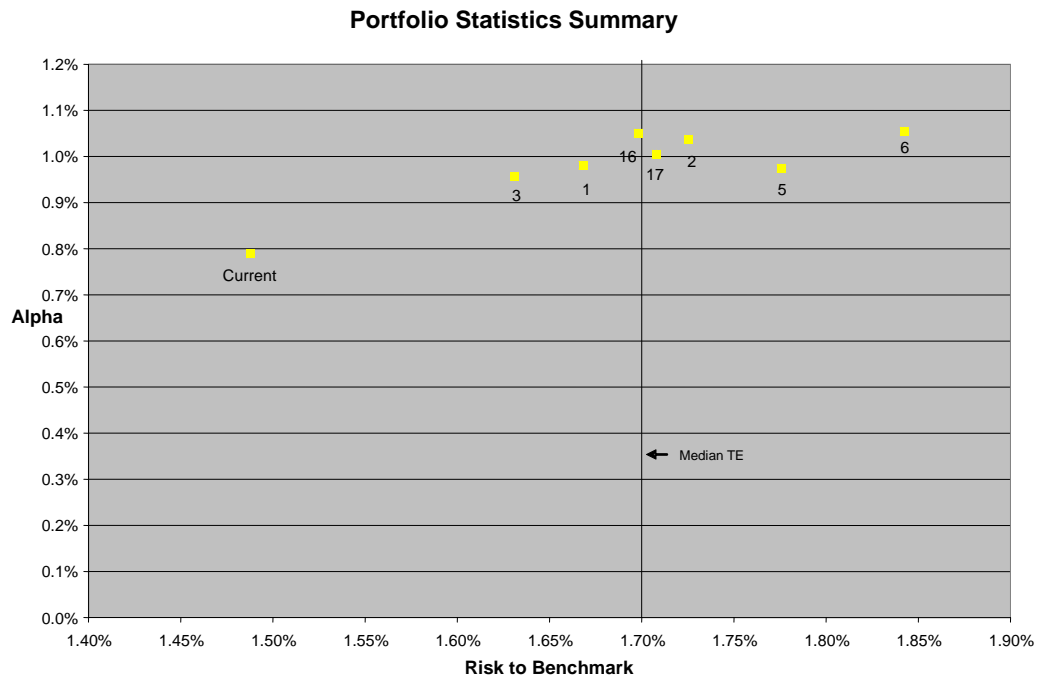
San Mateo County Employees' Retirement Association  
**Minutes of the Meeting of the Board of Retirement**

0805.6.4 **Approval of Large Cap Manager Structure:** Mr. Clifton reported that the Investment Committee reviewed SIS' report on Manager Structure: U.S. Equity Alternatives. They discussed the following large cap alternatives, which are expressed as a percentage of *SamCERA's* large cap allocation:

- 1) 35% BGI R1000 Index, 25% BGI Alpha Tilts, 20% LC Growth, 20% LC Value
- 2) 35% BGI R1000 Index, 20% BGI Alpha Tilts, 20% LC Growth, 20% LC Value, 5% 130/30
- 3) 40% BGI R1000 Index, 20% BGI Alpha Tilts, 20% LC Growth, 20% LC Value
- 5) 50% BGI R1000 Index, 25% LC Growth, 25% LC Value
- 6) 45% BGI R1000 Index, 25% LC Growth, 25% LC Value, 5% 130/30
- 16) 30% BGI R1000 Index, 30% BGI Alpha Tilts, 15% LC Growth, 15% LC Value, 10% 130/30
- 17) 30% BGI R1000 Index, 30% BGI Alpha Tilts, 20% LC Growth, 20% LC Value

The current large cap structure is 80% BGI Alpha Tilts, 20% BGI R1000 Index.

Below is where these alternatives appear in risk/return space:



Mr. Clifton reported that, following extensive discussion, the Investment Committee recommended that the board allocate 60% of the large cap assets to an index and enhanced index while the other 40% of large cap assets will be allocated to active managers in the form of large cap value, large cap growth and possibly 130/30.

**Motion** by Wozniak, second by Stuart, carried unanimously to approve the recommendation of the Investment Committee.

0805.6.5 **Approval of Topics for Manager Review – Julius Baer Investment Management:** Mr.

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

Clifton presented the list of questions for Julius Baer Investment Management's annual review. The committee did not recommend any changes to the list of topics. Mr. Clifton said that Julius Baer will be called Artio Global Investors effective June 15<sup>th</sup>.

**Motion** by Arnott, second by Wozniak, carried unanimously to approve the topics for the Julius Baer Investment Management's annual review to be held at the July Investment Committee.

- 0805.6.6 **Approval of Topics for Manager Review –Mondrian Investment Partners:** Mr. Clifton presented the topics for Mondrian Investment Partner's annual review. The committee did not recommend any changes to the list of topics.

**Motion** by Arnott, second by Wozniak, carried unanimously to approve the topics for Mondrian's annual review to be held at the July Investment Committee.

- 0805.6.7 **Approval of Topics for Manager Review:**

- 0805.6.7a **INVESCO Realty Advisors:** Mr. Clifton presented the Compliance Certification Statement (CCS) and a series of questions designed for INVESCO Realty Advisors' annual review. Pursuant to board direction, the CCS had been modified from the one in Appendix D of *SamCERA's* Investment Policy. The modified version strives to include only questions that may apply to INVESCO's asset mandate.

**Motion** by Arnott, second by Wozniak, carried unanimously to approve the topics for INVESCO's annual review.

- 0805.6.7b **Brandes Investment Partners:** Mr. Clifton presented the list of questions for Brandes Investment Partner's annual review. He also presented the Compliance Certification Statement which had been modified to inquire about Brandes' portfolio. Ms. Jadallah then recommended two additions to the list of topics.

**Motion** by Arnott, second by Wozniak, carried unanimously to approve the topics for Brandes' annual review.

- 0805.6.7c **Chartwell Investment Partners:** Mr. Clifton presented the list of questions for Chartwell Investment Partner's annual review. He also presented the Compliance Certification Statement which had been modified to inquire about Chartwell's portfolio. Ms. Jadallah also recommended that the board ask Chartwell about their outlook regarding the small cap growth market.

**Motion** by Arnott, second by Wozniak, carried unanimously to approve the topics for Chartwell's annual review.

- 0805.6.8 **Approval of Topics for Investment Consultant Review – Strategic Investment Solutions:** Mr. Clifton presented a suggested list of questions for Strategic Investment Solutions' annual review. Ms. Jadallah added two questions to the list of topics regarding: (1) SIS' plans to help *SamCERA* with its real estate portfolio and (2) SIS' plans to add a second consultant to the *SamCERA* team. Ms. Tashman also wanted to add a question regarding SIS performing an alternatives search. Staff will forward the approved list to SIS and request that the consultant provide written responses prior to their annual review. Mr. Clifton also asked the trustees to

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

complete the Investment Consultation evaluation form and submit it to him as soon as possible. Staff will then compile the board's responses, compare them to the consultant's responses, and provide the results for the annual review.

**Motion** by Hooley, second by Arnott, carried unanimously to approve the topics for SIS' annual review.

0805.7     **Board & Management Support Services**

0805.7.1     **Monthly Financial Report:** Mr. Clifton reported that *SamCERA's* Net Assets Held in Trust for Pension Benefits as of April 30, 2008, totaled \$2,091,861,983. The net assets increased by approximately \$54.9 million, month over month, due to market appreciation of assets.

0805.7.2     **Approval of the 2008 Strategic Plan:** Mr. Bailey presented a draft 2008 Strategic Plan. The staff worked through a strategic planning process at their annual staff retreat as well as in follow-up meetings. He also discussed the change from a fiscal year Strategic Plan to a calendar year Strategic Plan. Mr. Bailey then performed a brief overview of the various projects staff intends to accomplish for the rest of the year.

**Motion** by Stuart, second by Jadallah, carried unanimously to approve the 2008 *SamCERA* Strategic Plan, as submitted.

0805.7.3     **Approval of *SamCERA's* Sources, Uses & Budget for Fiscal Year 2008/2009:** Mr. Clifton presented *SamCERA's* Budget for Fiscal Year 2008-2009. Mr. Clifton stated that there was one change to the budget document from the one the board saw at their previous meeting. Staff added \$50,000.00 to "other administration" to possibly obtain the resources required to respond to the IRS' intention to step up its enforcement against government pension plans as discussed in agenda item 8.4. The amount is just an estimate of the costs.

Mr. Clifton also reminded the board that *SamCERA* is currently undergoing a classification/salary survey. Staff has factored a 10% salary increase into the budget as an estimate.

Mr. Wozniak suggested the staff research the possibility of paperless member statements.

**Motion** by Stuart, second by Wozniak, carried unanimously to adopt **Resolution 07-08-13**, and approve *SamCERA's* Sources, Uses & Budget for Fiscal Year 2008/2009, as follows:

**"WHEREAS**, Government Code §31580.2 vests authority in the Board of Retirement to  
*...annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings of the retirement fund;* and

**"WHEREAS**, Government Code §31580.2 requires that *...the expense incurred in any year shall not exceed eighteen-hundredths of 1 percent of the total assets of the retirement system;* and

**"WHEREAS**, the retirement fund had total assets with a market value of approximately \$2,032.6 million on March 31, 2008; and



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

“**WHEREAS**, the Investment & Finance Manager has recommended a budget for the next fiscal year, which the board has reviewed and revised as necessary. Therefore, be it

“**RESOLVED**, that the Board hereby adopts the following Budget to cover the entire expense of the administration of the retirement system for the period specified, which expenses shall be charged against the earnings of the retirement fund:

<b><u>Budget Item</u></b>	<b><u>Fiscal 2008-2009</u></b>	<b><u>Basis Points</u></b>
	(000)	(Information Only)
Salaries & Benefits	\$2,487.2	
Services & Supplies	1,812.4	
Fixed Assets	0.0	
<b>Total</b>	<b>\$4,299.6</b>	<b>~17.9 Estimate</b>

“**RESOLVED**, that the Chief Executive Officer is hereby authorized to implement the expenditure of funds authorized by this approved budget in accordance with his Delegation of Authority; be it further

“**RESOLVED**, that, his Delegation of Authority notwithstanding, the Chief Executive Officer is hereby specifically authorized to approve the expenditure of funds from this budget for the annual maintenance and enhancement of *PensionGold Version 1*; be it further

“**RESOLVED**, that, his Delegation of Authority notwithstanding, the Chief Executive Officer is hereby specifically authorized to approve the expenditure of funds from this budget for the purchase of fiduciary liability insurance coverage with the assistance of the County’s Risk Manager; be it further

“**RESOLVED**, that the Controller or the Custodian is hereby authorized to disburse funds on behalf of the Board for expenditures which are in accordance with this adopted Budget.”

0805.7.4    **Report on Trustee Election to Fill Second and Seventh Seats on the Board of Retirement:**

Mr. Hood provided an update of the trustee election to fill the second and seventh seats on the Board of Retirement. He reported that the County Elections Officer has certified the qualification of candidates for *SamCERA*’s June 23<sup>rd</sup> election. Albert David and Michael Wentworth were the candidates for the second seat and Lance Henderson and Natalie Kwan Lloyd were the candidates for the third seat on the Board of Retirement. He said that ballots were going to be mailed on June 2<sup>nd</sup>.

0805.7.5    **Appointment of Ad Hoc Nominating Committee for Board Officers:** Mr. Bailey stated that an ad hoc committee is required to nominate officers to the 2008-2009 fiscal year.

Ms. Tashman **appointed** Ms. Arnott, Chair, Mr. Hooley and Ms. Staurt to the Ad Hoc Nominating Committee for Board Officers.

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

- 0805.7.6 **Approval of the Budget Appropriation Transfer Request (ATR):** Mr. Clifton presented amendments made to the appropriations for *Salaries & Benefits, Services & Supplies and Fixed Assets*. During the course of the fiscal year, the board approved additional costs for space expansion, an information technology study, and a salary study, including the possible impact upon Salaries and Benefits for the remainder of the year.

Salaries are increased by \$50,000 to allow increases related to the county study of management compensation. Services and Supplies will be increased by \$50,000 mainly attributed to an information technology study that was completed in the fall. And Capital Assets will also be increased by \$50,000 related to the tenant improvements and other move related costs associated with the acquisition of expanded office space.

**Motion** by Jadallah, second by Wozniak, carried unanimously to adopt **Resolution 07-08-14**, as follows:

“**WHEREAS**, Resolution 06-07-13 approved *SamCERA's* administrative budget for fiscal year 2007-2008; and

“**WHEREAS**, After adoption of the administrative budget the board authorized additional expenditures for an information technology study, and expenditure related to expansion into additional office space ; and

“**WHEREAS**, the County of San Mateo Human Resources commissioned a management salary survey which impacted *SamCERA's* budget; and

“**WHEREAS**, monies are not available elsewhere in the administrative budget; Therefore, be it

“**RESOLVED** that the board hereby amends Resolution 00-01-06, as follows:

<u>Fiscal Year 2001-2002</u>		
<u>BUDGET ITEM</u>		
Salaries & Benefits	\$2,064,200	\$2,114,200
Services & Supplies	<del>1,280,200</del>	1,330,200
Fixed Assets	<del>100,000</del>	250,000
<b>TOTAL</b>	<u><b>\$3,444,400</b></u>	<u><b>\$3,694,400</b></u>

“Be it further

“**RESOLVED** that the board hereby authorizes the Chief Executive Officer to implement the provisions of this Resolution. Be it further

“**RESOLVED** that the Controller is hereby authorized to disburse funds on behalf of the board for expenditures that are in accordance with this adopted budget.”

0805.8 **Management Reports**

- 0805.8.1 **Chief Executive Officer's Report:** Mr. Bailey provided an update on *SamCERA's* classification and salary survey and answered trustee questions. He then reported that Scott Lee resigned from his seat on the Board of Retirement due to a position change at Franklin Templeton that would require him to market to 1937 Act counties.

- 0805.8.2 **Assistant Executive Officer's Report:** Mr. Hood provided an update on the office expansion project. He also reported that staff is researching a firm, Financial Knowledge Network, that

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

will be able to provide conflict-free retirement planning seminars for *SamCERA* members.

0805.8.3    **Investment & Finance Manager's Report:**   None.

0805.8.4    **County Counsel's Report:**   Ms. Carlson stated that at the most recent SACRS conference attorney's breakout, there was a presentation regarding the IRS' intention to step up its enforcement against government pension plans.   She stated that the IRS is making a push for governmental plans to file a tax determination letter by January 31, 2009.   The IRS expects to put more resources into obtaining tax compliance by government systems.   Ms. Carlson stated that the determination letter will be a significant amount of research to retrieve all necessary documentation.   *SamCERA's* tax attorney and actuary will be required during this process.   She explained the three options that the board can perform in response to this issue.   A timeline will be provided to the board regarding this process at a future board meeting.

Ms. Tashman then took up agenda item 6.1.

0805.9        **Report on Actions Taken in Closed Session:**   None.

0805.10      **Adjournment in Memory of Deceased Members:**   There being no further business, Ms. Tashman adjourned the meeting at 3:02 p.m., in memory of the following deceased members:

Oling, Harold	December 3, 2007	Beneficiary of Oling, Audrey
Morales, Helen	March 27, 2008	Beneficiary of Morales, Philip
Pitt, Calvin	April 8, 2008	Environment Health
Gatto, Nicholas	April 15, 2008	Beneficiary of Gatto, Carla
Schaffner, Thomas	April 23, 2008	Child Support Services
Dover, Peggy	April 26, 2008	County Counsel
Williams, Louise	April 27, 2008	Mental Health
Burch, Alma	April 30, 2008	Mental Health

EMILY TASHMAN, CHAIR