

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

September 28, 2010

Agenda Item 3.0

**August 24, 2010 – 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
    - None
  - Service Retirements
  - Continuances
  - Deferred Retirements
  - Member Account Refunds
  - Member Account Rollovers
  - Topics for Manager Review – BlackRock
  - Topics for Manager Review – Invesco Realty
  - Approval of Securities Litigation Agreements
5. Benefit & Actuarial Services
  - 5.1 Consideration of Items Removed from the Consent Agenda
6. Investment Services
  - 6.1 Monthly Portfolio Performance Report
  - 6.2 Annual Review, Revision & Reaffirmation of the Investment Committee Charter
  - 6.3 Quarterly Investment Performance Analysis for period ended June 30, 2010
  - 6.4 Annual Investment Manager Review – Small Cap Equities (**Interviews will occur at the Investment Committee**)
    - 6.4 a Chartwell Investment Partners (Set for 9:00 a.m. time certain on Tuesday, August 24)
    - 6.4 b The Boston Company (Set for 10:00 a.m. time certain on Tuesday, August 24)
    - 6.4 c Jennison Associates (Set for 11:00 a.m. time certain on Tuesday, August 24)
  - 6.5 Asset Liability Study – Review Suitability of Optimal Portfolios and Liability Inputs
  - 6.6 Approval of Private Equity Investments – Two Strategies
  - 6.7 Annual Investment Consultant Review – Strategic Investment Solutions
  - 6.8 Approval of Investment Consultant Agreement – Strategic Investment Solutions
  - 6.9 Investment Educational Presentation – Investing in Institutional Commodities
7. Board & Management Support Services
  - 7.1 Monthly Financial Report
  - 7.2 Report on Status of the Financial Audit for the Period Ended June 30, 2010
  - 7.3 Approval of Amendments to *SamCERA's* Education Policy
  - 7.4 Discussion of Date & Topics for Board/Staff Retreat
  - 7.5 Review of Draft Policy Regarding Electronic Delivery of Board Materials and Delivery Demonstration
  - 7.6 Approval of Amended Agreement for Services of Chief Executive Officer
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

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

- C1 Consideration of disability items, if any, removed from the Consent Agenda and appropriate for closed session
- C2 Anticipated Litigation – One Item
9. Report on Actions Taken in Closed Session
10. Adjournment

**August 24, 2010 – Board Minutes**

1008.1 **Call to Order:** Ms. Jadallah, Chair, called the Public Session of the Board of Retirement to order at 1 p.m., August 24, 2010, in *SamCERA's* Board Room, 100 Marine Parkway, Suite 125, Redwood Shores, California.

**Roll Call:** Ms. Arnott for Mr. Buffington, Ms. Agnew, Mr. Bowler, Mr. David, Mr. Hackleman, Ms. Jadallah, Ms. Salas for Ms. Kwan Lloyd and Mr. Spinello. *Excused:* Mr. Tashman. *Other Board Members in Attendance:* Mr. Murphy. *Staff:* Mr. Bailey, Mr. Hood, and Mr. Clifton. *Consultants:* Ms. Carlson, Dr. Fracchia, Mr. Brody, Mr. Gesell, Mr. Shooshani, and Mr. Thomas. *Retirees:* 0, *Public:* 0.

1008.2.1 **Oral Communications From the Board:** None.

1008.2.2 **Oral Communications From the Public:** None.

1008.3 **Approval of the Minutes:** Ms. Arnott submitted a change to the July 27, 2010, meeting minutes: 1007.6.2 L2: "Mr. Thomas provided a brief overview of the Global Bond..." **Motion** by Salas, second by Hackleman, carried unanimously to approve the July minutes, as amended.

1008.4 **Approval of the Consent Agenda:** **Motion** by Bowler, second by Spinello, carried unanimously to approve the consent agenda, as amended, as follows:

**Disability Retirements:**  
None.

**Service Retirements:**

<b>Member Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Alexander, Sandra	May 15, 2010	Admin and Emer Med Svcs
Silvera, Arlene	June 3, 2010	Def'd from Superior Court
Manders, Jan	June 12, 2010	Aging and Adult Services
Salet, Mary	June 15, 2010	Sheriff's Office
Abbey, Susan	June 19, 2010	Human Services Agency
Shively, Steven	June 19, 2010	Sheriff's Office
Curtin, Dorothea	June 19, 2010	Information Services
Caprista, Lorriann	June 23, 2010	Probation
Crandall, John	June 24, 2010	Probation
Aaronian, Robert	June 26, 2010	Probation
Austin, Brian	June 26, 2010	Information Services
Bailey, Alban	June 26, 2010	Probation
Bennett, Deborah	June 26, 2010	County Counsel

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

Fitzgerald, Robert	June 26, 2010	Probation
Juergens, Robert	June 26, 2010	Probation
Navarette, Francisco	June 26, 2010	Probation
Ng, Tim	June 26, 2010	Def'd from Social Service
Rothkrug, Barbara	June 26, 2010	Def'd from Correctional Svcs.
Corey, Mary	June 30, 2010	Probation
Garcia, Andres	June 30, 2010	Def'd from Human Services
Humphreys, Judy	June 30, 2010	Def'd from Library
Altman, Maya	July 1, 2010	Admin and Emer Med Svcs
Arias, Jesse	July 1, 2010	Def'd from Public Works
Jabbour, Angela	July 1, 2010	

**Continuance of Benefits:**

<b>Member Name</b>	<b>Beneficiary of:</b>
Decker, Dorothy	Decker, Herbert
Perez, Ventura	Brown, Raymond

**Deferred Retirements:**

<b>Member Name</b>	<b>Retirement Plan Type</b>	
Adan, Sandra	G4-vested	
O'Rourke, Dennis	G4-vested	Auto defer per code 31700
Karwatt, Carol	G4-vested	Auto defer per code 31700
Zorfas, Lauren	G2-vested	Auto defer per code 31700
Lopez, Lisa	3, G4-vested	Reciprocity

**Member Account Refunds:**

<b>Member Name</b>	<b>Retirement Plan Type</b>
Alonzo, Rose	G4 Non-vested
Chopra, Bimal	G4 Non-vested
Goodwin, Taylor	G4 Non-vested
Greene, Darren	P4 Non-vested
Marty, Michelle	G4 Non-vested
Mascorro Jr., Jose	G4 Non-vested
Morris, Erin	G4 Non-vested
Royal, Judith	P4 Vested
Stok, Alejandra	G4 Non-vested

**Member Account Rollovers:**

<b>Member Name</b>	<b>Retirement Plan Type</b>
Courtney, Eileen	G4 Non-vested
Everett, Nicole	G4 Non-vested
Levy, Nicole	G4 Non-vested
Perez, Mark	G4 Non-vested
Quilala, Oscar	G4 Non-vested
Volokitin, Andrew	G4 Non-vested

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

1008.5 **Benefit & Actuarial Services**

1008.5.1 **Consideration of Items Removed from the Consent Agenda:** None.

1008.6 **Investment Services**

1008.6.1 **Monthly Portfolio Performance Report:** Mr. Clifton reported that *SamCERA's* 4.74% Total Fund Return for July 2010 underperformed the Total Plan Policy Benchmark return of 5.38%. The fund's return for the trailing twelve months is 11.51%, which is 376 basis points (bps) above the Actuarial Discount Rate, 7.75%. It is 36 basis points below *SamCERA's* Total Plan Policy Benchmark of 11.87%.

Asset Class	Market Value	1-Month	1-year TTWRR*	5-year TTWRR*
<i>Domestic Equity</i>	\$858,573,669	6.78%	15.05%	-1.36%
<i>International Equity</i>	<u>386,046,692</u>	7.97%	7.07%	3.32%
Total Equity	\$1,244,620,361	7.15%	12.41%	-0.18%
Fixed Income	596,037,751	1.24%	14.48%	5.20%
Real Estate Aggregate	109,210,472	0.00%	-7.29%	0.06%
Cash Equivalents	26,775,704	0.09%	0.86%	2.00%
<b>TOTAL FUND</b>	<b>\$1,976,644,287</b>	<b>4.74%</b>	<b>11.51%</b>	<b>1.56%</b>
<i>Benchmark</i>		5.38%	11.87%	3.07%

\* Total Time-Weighted Rate of Return

1008.6.2 **Annual Review, Revision & Reaffirmation of the Investment Committee Charter:** Mr. Clifton reported that the Investment Committee thoroughly reviewed the charter at the day's morning meeting. The committee made no changes to the charter. The board unanimously reaffirmed the charter.

1008.6.3 **Quarterly Investment Performance Analysis for period ended June 30, 2010:** Mr. Thomas and Mr. Brody of Strategic Investment Solutions gave a brief overview of the quarterly investment performance report for the period ended June 30, 2010. SIS performed a thorough review of the portfolio's performance with the Investment Committee. The composite fund returned -6.5% in the second quarter of 2010 and ranked 90th among other public funds greater than \$100 million (median of -5.1%). The fund beat its policy index (-6.6%) during this time period. Longer term, the three and five-year returns of -6.4% (93rd percentile) and 1.1% (95th percentile), respectively, were below median among large public plans (-4.0% and 2.7%).

1008.6.4 **Annual Investment Manager Review – Small Cap Equities**

1008.6.4a **Chartwell Investment Partners:** Mr. Brody reported that the Investment Committee conducted the annual review of Chartwell Investment Partners. Dave Reidinger, Principal, Portfolio Manager, Senior Portfolio Analyst, and Michael McCloskey, Managing Partner, Director of Client Services & Marketing, were present for the review. Mr. Brody provided an overview of Chartwell's annual review conducted at the committee. SIS reviewed Chartwell's organizational changes, investment philosophy and performance.

1008.6.4b **The Boston Company:** Mr. Brody reported that the Investment Committee conducted the

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

annual review of The Boston Company. Edward Walter, Senior Portfolio Manager, and Paul Leahy, Senior Relationship Manager, were present for the review. Mr. Brody provided an overview of The Boston Company's annual review conducted at the committee. SIS reviewed the firm's organizational changes, investment philosophy and performance.

- 1008.6.4c **Jennison Associates:** Mr. Brody reported that the Investment Committee conducted the annual review of Jennison Associates. Jason Swiatek, Managing Director, and Dan Nichols, Vice President, were present for the review. Mr. Brody provided an overview of Jennison's annual review conducted at the committee. SIS reviewed the firm's organizational changes, investment philosophy and performance.

- 1008.6.5 **Asset Liability Study – Review Suitability of Optimal Portfolios and Liability Inputs:** Marc Gessell of SIS was present to discuss Part III of *SamCERA*'s Asset-Liability Study, Asset-Liability Integration. Mr. Gesell addressed asset mix optimization, including the expected return and standard deviation of asset classes. He presented a sample set of asset mix optimizations with *SamCERA*'s current asset classes as well as asset classes the board has expressed interest in, specifically alternatives (Private Equity, Commodities, Hedge Funds and Risk Parity). Mr. Gesell and Mr. Thomas discussed the efficient frontiers and range of returns between the optimization mixes of the current asset classes, and the optimization mixes that include alternatives. Mr. Gesell said that notwithstanding alternative asset classes, the current asset mix is risk-efficient. He also said that there is a modest but significant increase in risk-efficiency with an alternatives program and SIS opines it would justify the increase in total fund risk level. He added that full funding of alternative mandates may take time. Mr. Gesell and Mr. Thomas then answered trustee questions and concerns.

Following extensive discussion, **motion** by David, second by Spinello, carried unanimously to select Mix 4 of the asset mix optimization with alternatives allocation (35% US Equity, 22% Fixed Income, 18% International Equity, 5% Real Estate, 20% Alternatives).

- 1008.6.6 **Approval of Private Equity Investments – Two Strategies:** Faraz Shooshani of Strategic Investment Solutions was present to discuss two investment executive summaries regarding two private equity investments. Sheridan Production Partners II has a focus to buyout income producing oil and gas properties. Third Rock Ventures II has a fund focus on venture capital in early stage life sciences. Mr. Shooshani discussed the in-depth review and analysis that SIS had performed for the aforementioned private equity funds. SIS recommended that the board approve to commit up to \$10 million to Third Rock Ventures II and up to \$20 million to Sheridan Production Partners II, pending legal due diligence by *SamCERA* and counsel. *SamCERA* is currently contemplating an allocation of 7-8% to Private Equity, with sub-asset class allocations of 60% buyouts, 20% venture capital, and 20% debt-related/special situations. The commitment to Third Rock Ventures would be allocated to venture capital and the commitment to Sheridan to debt-related/special situations.

Following extensive discussion, **motion** by Agnew, second by David, carried unanimously to approve the two private equity strategies (1) Sheridan Production Partners II, and (2) Third Rock Ventures II, as recommended by SIS. Mr. Hackleman recused himself from the vote.

Ms. Jadallah then took up agenda item 6.9.

- 1008.6.7 **Annual Investment Consultant Review – Strategic Investment Solutions:** Mr. Clifton reported that the Investment Committee reviewed SIS and discussed the strengths and

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

weaknesses of *SamCERA*'s investment consultant. Overall, the committee was very pleased with the work SIS had done over the past year. Through the discussion, the committee set up a list of goals for SIS as their relationship continues with the association. Mr. Thomas said that he enjoys SIS' relationship with *SamCERA* and is looking forward to working with the board in the future.

- 1008.6.8 **Approval of Investment Consultant Agreement – Strategic Investment Solutions:** Mr. Clifton presented a three-year Investment Consultant Agreement between *SamCERA* and Strategic Investment Solutions. The changes to the agreement increase the scope of SIS' mandate to include consulting for alternative investments and increasing the retainer fee to include the increased mandate. Mr. Clifton reported that the Investment Committee recommends that the board approve the three-year contract with SIS.

**Motion** by Hackleman, second by David, carried unanimously to adopt **Resolution 10-11-02**, approving the three-year contract with SIS for investment consulting services, as follows:

**“WHEREAS**, Article XVI, §17 of the Constitution of the State of California vests the Board of Retirement (“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 consultants *"... in connection with administration of the Board's investment program ..."*; and

**“WHEREAS**, On August 8, 2001 the Board reviewed proposals and interviewed representatives from Wurts Associates and Strategic Investment Solutions, Inc., as the finalists proposing to perform investment consulting services for the Board; and

**“WHEREAS**, on August 28, 2001, the Board selected Strategic Investment Solutions as the successful candidate for a full retainer investment consultant relationship; and

**“WHEREAS**, on July 27, 2004, then again on August 25, 2007, the Board renewed Strategic Investment Solutions' agreement for additional three year periods; and

**“WHEREAS**, County Counsel has approved the contract as to form and the Investment and Finance Manager has recommended approval of the contract; and

**“WHEREAS**, In late 2009 and early 2010 the Board issued and worked through a Request for Proposal for investment consulting services expanding the consulting mandate to include alternative asset consulting and on March 23, 2010, Strategic Investment Solutions was selected to fulfill that mandate. Therefore, be it

**“RESOLVED** that the Board hereby approves the contract between the Board and Strategic Investment Solutions, Inc. for a term of three years, cancelable by either party on thirty days notice. 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 Government Code §31596.1 in accordance with *SamCERA*'s internal controls. Be it further

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

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

**“RESOLVED** that the Board hereby designates the Chief Investment Officer as its designee to perform those functions so identified in the contract 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. Be it further

**“RESOLVED** that the Board hereby reserves to itself sole authority to accept, modify, or reject the recommendations that the investment consultant may present from time to time pursuant to the provisions of the contract.”

Ms. Jadallah then took up agenda item 7.1.

- 1008.6.9 **Investment Educational Presentation – Investing in Institutional Commodities:** Mr. Clifton introduced Eric Nelson, U.S. Alternatives Director, and Bob Formisano, Client Service Director, of Shroeder Investment Management. Mr. Nelson and Mr. Formisano conducted an educational presentation on the commodity universe and discussed tactical and strategic applications, including various studies. They also opined that commodities are not correlated to traditional asset classes, which should provide diversification. Mr. Nelson and Mr. Formisano then answered trustee questions.

This presentation was merely informational. No action was taken.

Ms. Jadallah then took up agenda item 6.7.

1008.7 **Board & Management Support Services**

- 1008.7.1 **Monthly Financial Report:** Mr. Clifton reported that *SamCERA*’s Net Assets Held in Trust for Pension Benefits as of July 31, 2010, totaled \$1,973,924,158. Net assets increased by approximately \$158.0 million, month over month. The increase in net assets is attributed to market appreciation of assets, \$88.9 million and prepayment of approximately 50% of fiscal year 2010/2011 required contributions by the plan sponsor, \$76.7 million.

- 1008.7.2 **Report on Status of the Financial Audit for the Period Ended June 30, 2010:** Ms. Wong provided an oral report on the interim field work and current status for the June 30, 2010, Financial Statement Audit conducted by *SamCERA*’s auditor, Brown Armstrong Paulden McCown Starbuck Thornburg & Keeter. A Brown Armstrong audit team headed by Connie Perez and Ashley Casey conducted interim field work in *SamCERA*’s office the weeks of June 21<sup>st</sup> and August 9<sup>th</sup>. Ms. Wong reported that the auditors have discovered one finding regarding outstanding, stale-dated checks. The auditors have not completed the audit and may report more findings.

- 1008.7.3 **Approval of Amendments to *SamCERA*’s Education Policy:** Mr. Clifton presented an amendment to *SamCERA*’s Education Policy, as amended April 27, 2010. At the previous board meeting, the board discussed the merits of excluding the cost of certain education and networking conferences from an individual’s annual educational budget. It was noted that peer plans with similar education and travel policies encourage attendance at SACRS and CALAPRS by covering the cost of attendance through the plans “general fund” budget versus reflecting the cost on an individual’s education budget. After discussing the pros and cons of

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

attending SACRS and CALAPRS, the board opined that they also wish to encourage attendance at those events. Staff was directed by the board to place an amendment to the Education Policy on the day's agenda.

**Motion** by Spinello, second by Salas, carried unanimously to approve the amendment to *SamCERA's* Education Policy, Resolution 98-99-12, 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 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 (IFEBP), 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) IFEBP 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 3<sup>rd</sup> Resolve Clause prior to participation in the following: Fiduciary Institute @ Stanford, IFEBP Public Funds



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

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.”

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

1008.7.4 **Discussion of Date & Topics for Board/Staff Retreat:** Mr. Bailey said that staff suggests a Board/Staff two-day retreat on March 22 and 23, 2011. The retreat will be similar to the January 2010 retreat which included educational presentations from consultants, staff members and outside professionals who addressed several topics, which the board found beneficial. Mr. Bailey presented several potential topics for the 2011 retreat. He asked the board for input and/or direction to staff regarding the suggested dates and topics for the 2011 retreat.

1008.7.5 **Review of Draft Policy Regarding Electronic Delivery of Board Materials and Delivery Demonstration:** Mr. Bailey said that board materials for each board meeting are now available online. At the July board meeting, the board heard about the costs and benefits of e-readers from Tariq Ali, Chief Technology Officer. The board also discussed legal and procedural issues that should be addressed in a policy on trustee use of employer-provided devices with counsel. Mr. Bailey said that staff has begun to draft a policy, but believes the policy would benefit from additional guidance from the board. He said he surveyed other counties regarding their policies and will return at a future meeting with a draft policy.

1008.7.6 **Approval of Amended Agreement for Services of Chief Executive Officer:** Ms. Carlson reported that under Government Code 31522.2, the Board entered into an agreement with Mr. Bailey for services as *SamCERA* Chief Executive Officer. She presented amendments to Mr. Bailey's agreement that delete the provisions regarding his commencement of employment which are no longer necessary and add provisions regarding adjustments to his accrued vacation and authorization to telecommute.

**Motion** by Agnew, second by David, carried unanimously to approve the amendments to the Agreement between the Board of Retirement and David Bailey for Services of Chief Executive Officer.

1008.8 **Management Reports**

1008.8.1 **Chief Executive Officer's Report:** Mr. Bailey reminded the board that Milliman will be at the next board meeting to discuss the June 30, 2010, Actuarial Valuation report. He also mentioned that *SamCERA* has a public records request and will be providing the information to the requesting party.

Mr. Bailey also discussed reimbursable travel expenses. He requested that trustees provide comparable prices if their travel arrangements extend outside the normal travel times required for an educational event. Mr. Bailey said that the Board of Supervisors office indicates that there have been no applications for Ms. Jadallah's seat.

He also congratulated Scott Hood for graduating from the CALAPRS Management Academy.

1008.8.2 **Assistant Executive Officer's Report:** Mr. Hood said that staff has been working with the building architect with the details of *SamCERA*'s office space expansion. Staff is also working on the *SamCERA* annual statement which will be mailed in September.

1008.8.3 **Chief Investment Officer's Report:** Mr. Clifton reported that *SamCERA* received a capital distribution from Angelo Gordon.

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

1008.8.4    **County Counsel's Report:** None.

1008.9        **Report on Actions Taken in Closed Session:** Ms. Carlson reported that all trustees present for roll call were in attendance in closed session.

Ms. Carlson reported that the board discussed One Matter – Potential Litigation, with counsel. No reportable action was taken.

Ms. Jadallah then adjourned the closed session and reconvened the meeting in open session.

1008.10    **Adjournment in Memory of Deceased Members:** There being no further business, Ms. Jadallah adjourned the meeting at 5:20 p.m., in memory of Cindy Perry and the following deceased members:

Collins, J. Carolyn	June 8, 2010	Mental Health Services
Gallagher, Brian	June 29, 2010	Beneficiary of Gallagher, Mary
Tennant, Paula	July 1, 2010	District Attorneys Office
Stanton, Evelyn	July 3, 2010	Mental Health Services
Mervish, Margaret	July 5, 2010	County General Hospital
Pinneo, Ruth	July 6, 2010	Parks and Recreation
Decker, Herbert	July 9, 2010	Assessor
Persson, Zelpha	July 14, 2010	QDRO of Persson, Larry
Ailio, Carl	July 15, 2010	Assessor
Brown, Raymond	July 24, 2010	Mental Health Services
Boles, Bernice	July 26, 2010	Library
Boselly, Gwendolyn	July 31, 2010	Communications Services

MARGARET JADALLAH, CHAIR