



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
November 2, 2016
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

Present: Debora Allen, Candace Andersen, Scott Gordon, Jerry Holcombe, Louie Kroll, David MacDonald, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Karen Levy, General Counsel; Timothy Price, Chief Investment Officer; Wrally Dutkiewicz, Compliance Officer; Christina Dunn, Administrative/HR Manager; Timothy Hoppe, Retirement Services Manager; Alexis Cox, Member Services Manager; and Henry Gudino, Accounting Manager

Outside Professional Support: Harvey Leiderman Representing: Reed Smith LLP

1. Pledge of Allegiance

Gordon led all in the *Pledge of Allegiance*.

2. Accept comments from the public

Eileen O'Grady, Unite Here, provided a handout regarding the investment manager Oaktree Capital Management noting Oaktree has purchased over 5,000 total loans through the Department of Housing's Distressed Asset Sale Program with 612 loans in Baltimore City and Baltimore County, MD. She requested the Board investigate Oaktree to ensure they can meet their Department of Housing and Urban Development requirements.

JoAnn Rodriguez, representing Baltimore homeowners currently in foreclosure, noted that she currently was living in one of the houses that Oaktree held the loan on and she is close to losing her home to foreclosure. She stated she attempted to negotiate with Oaktree for a loan modification but failed to negotiate a modification. She stated the individuals the Board represents do not know how their money is invested and there is an ethical expectation.

3. Approval of Minutes

It was M/S/C to approve the September 28, 2016 meeting minutes. (Yes: Allen, Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

It was M/S/C to approve the October 12, 2016 meeting minutes. (Yes: Allen, Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

4. Routine Items

It was M/S/C to approve the routine items of the November 2, 2016 meeting. (Yes: Allen, Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

Pigeon was present for subsequent voting and discussion.

5. Educational Presentation on the Ralph M. Brown Act open meeting laws

Levy noted this was an annual educational presentation that is provided to the Board. She reviewed the rules regarding open meetings held by local legislative bodies, which includes the CCCERA Board of Retirement.

Gordon was no longer present for subsequent discussion and voting.

6. Educational Presentation on fiduciary duties

Leiderman distributed a handout.

Leiderman discussed the roles and responsibilities of fiduciaries including the exclusive benefit rule, primary loyalty rule, the prudent expert standard, duty to diversify and the requirement to act lawfully.

Holcombe was no longer present for subsequent discussion and voting.

The Board discussed the CCCERA code of fiduciary conduct and ethics policy and environmental, social and governance concerns.

Telles was no longer present for subsequent discussion and voting.

7. Miscellaneous

(a) Staff Report –

Strohl reported staff will be attending trainings on creating positive relationships; the 2017 Board meeting calendar will be on the November 22, 2016 agenda for consideration and the Special Board meetings will not be included and if a need arises throughout the course of the year then the Board can decide to add a Special Board meeting at that time; there will be an audit committee meeting following the Board meeting.

(b) Outside Professional's Report –

None

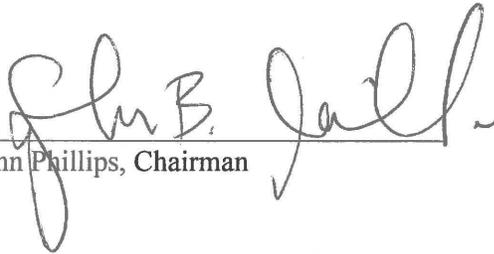
(c) Trustees' Comments –

MacDonald requested clarification regarding the public comment made by Unite Here: What action would they like the Board to take.

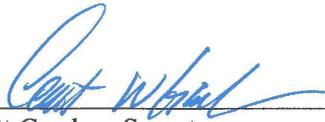
In public comment, Alyssa Giachino, Unite Here, clarified that the intent is not to request that the Board divest their money but that they engage with Oaktree. The intent is for the Board to become aware of how Oaktree intends to mitigate possible risks to their investors.

Andersen requested that staff have a discussion with Oaktree regarding this item and report back to the Board.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Andersen, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)



John Phillips, Chairman



Scott Gordon, Secretary