



MINUTES

RETIREMENT BOARD MEETING MINUTES

INVESTMENT STRATEGY DEVELOPMENT

WORKSHOP – DAY 1

September 29, 2015

9:00 a.m.

McHale Room

Pleasant Hill Community Center

320 Civic Drive

Pleasant Hill, California

Present: Debora Allen, Candace Andersen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, John Phillips, William Pigeon, Gabe Rodrigues and Russell Watts

Absent: Todd Smithey and Jerry Telles

Staff: Gail Strohl, Retirement Chief Executive Officer, Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Wrally Dutkiewicz, Retirement Compliance Officer; and Christina Dunn, Retirement Admin/HR Manager.

Outside Professional Support:

Harvey Leiderman

Edward Hoffman

Scott Whalen

Representing:

Reed Smith LLP

Verus Consulting Group

Verus Consulting Group

1. Pledge of Allegiance

Allen led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No members of the public offered comment.

3. Presentations regarding Investment Strategy Development

Price gave a brief overview of the format for the day and the goals of the workshop.

Andersen and Pigeon were present for subsequent discussion and voting.

Whalen reviewed the framework, goals and objectives for the workshop. He also reviewed the status of the integrated consulting process.

Leiderman distributed “Fiduciary Considerations for Establishing Prudent Asset Allocation.” He reviewed fiduciary duties noting the Board needs to know the long term objectives and goals of the trust when deciding how to invest. He also reviewed best practices to assure prudent investment processes and fiduciary considerations in setting asset allocations.

Price distributed “Developing a Statement of Investment Philosophy: Stage 1.” Whalen reviewed the purpose of the Statement of Investment Philosophy. He reviewed the Plan purpose, goals & constraints, the portfolio design and construction, and performance evaluation.

Dr. Ashby Monk, Stanford University, gave a presentation on the production of investment returns and thinking outside of the box.

Gordon was no longer present for subsequent discussion and voting.

Price distributed “CCCERA’s Investment Evolution”. Whalen reviewed the long-term policy allocations and the historical actual asset allocation. He also reviewed the historical strategy selections over the last 10 years noting 12 strategies were terminated and 16 new strategies were selected.

Price distributed “Understanding, Recognizing, and Overcoming Behavioral Biases.” Whalen reviewed traditional vs. behavioral finance and why it matters. He also discussed decision making and monitoring managers.

Andersen was no longer present for subsequent discussion and voting.

Price distributed “Goals and Constraints.” Hoffman discussed the context when thinking about goals and constraints and achieving goals within regulatory, public, media and self-imposed constraints.

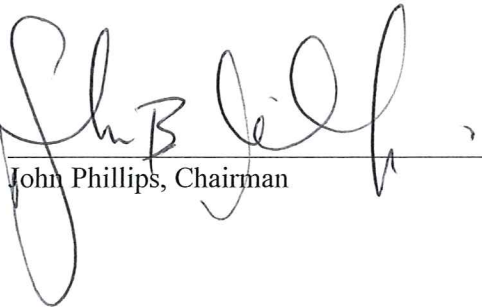
Price distributed “Developing a Statement of Investment Philosophy: Stage 2.” Whalen reviewed the session objectives. The Board discussed the possible wording for the portfolio design and construction. The Board also discussed the current approach and an alternative approach to performance evaluation.

Whalen re-capped the day and gave a preview of Day 2.

4. Miscellaneous

- (a) Staff Report – None
- (b) Outside Professionals’ Report - None
- (c) Trustees’ comments – None

It was M/S/C to adjourn the meeting. (Yes: Allen, Hast, Holcombe, Kroll, Phillips, Pigeon, Rodrigues and Watts)


John Phillips, Chairman


Scott Gordon, Secretary