**AGENDA**

**RETIREMENT BOARD MEETING**

SECOND MONTHLY MEETING
July 27, 2016
9:00 a.m.

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

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.

2. Accept comments from the public.

3. Approve minutes from the April 27, May 4 and May 25, 2016 meetings.

*CLOSED SESSION*

4. The Board will meet in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding potential litigation (one case).

*OPEN SESSION*

5. Consider authorizing the attendance of Board and/or staff:
   a. Public Retirement Seminar, The Public Retirement Journal, September 8, 2016, Sacramento, CA.
   b. Torchlight Investment Summit, Torchlight Investors, October 5-6, 2016, New York, NY.
   c. Wastewater Opportunity Fund Annual and Advisory Committee Meetings, Wastewater Capital Management, October 24-25, 2016, Columbus, OH.

6. Miscellaneous
   a. Staff Report
   b. Outside Professionals' Report
   c. Trustees' Comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

Meeting Date
07/27/16
Agenda Item
#3

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

**MINUTES**

**RETIREMENT BOARD MEETING MINUTES**

| SECOND BOARD MEETING | Retirement Board Conference Room |
|---|---|
| April 27, 2016 | The Willows Office Park |
| 9:00 a.m. | 1355 Willow Way, Suite 221 |
| | Concord, California |

Present: Debora Allen, Candace Andersen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, John Phillips, William Pigeon, Todd Smithey, Jerry Telles and Belinda Zhu (Deputy Treasurer, present and voting in Russell Watts' absence)

Absent: Gabe Rodrigues, Russell Watts

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

| Outside Professional Support: | Representing: |
|---|---|
| Harvey Leiderman | Reed Smith LLP |
| Paul Angelo | Segal Consulting |
| Eva Young | Segal Consulting |
| Ed Hoffman | Verus Consulting Group |

1. **Pledge of Allegiance**

   Gordon led all in the *Pledge of Allegiance.*

2. **Accept comments from the public**

   There were no comments from the public.

3. **Approval of Minutes**

   It was **M/S/C** to approve the minutes of the February 25, 2015 Board meeting. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)

4. **Presentation from Segal Consulting: Review of Economic Actuarial Assumptions** – Paul Angelo and Eva Young

   Angelo reviewed the Economic Assumptions noting the expected return on assets is the most important assumption and salary increases are the next important. He reviewed the difference between demographic assumptions and economic assumptions. He also reviewed a selection of actuarial assumptions.

Pigeon was present for subsequent discussion and voting.

Angelo reviewed the Economic Actuarial Assumptions for the December 31, 2015 Actuarial Valuation highlighting the following recommendations:

**Inflation** – Future increases in the Consumer Price Index (CPI) which drive investment returns and active member salary increases, as well as COLA increases to retired members.
**Recommendation:** Reduce the rate from 3.25% to 3.00% per annum. Segal also recommends decreasing the assumed COLA for those tiers with a 4.00% maximum COLA from 3.25% to 3.00% per year.

Angelo noted the CPI is used throughout all entities and is not specific to CCCERA. Trustee Allen asked if the National Association of State Retirement Administrators (NASRA) publishes other numbers besides the median. Zhu asked if the 3% median inflation assumption is a nationwide number. Angelo noted the CPI is a national number, not a local number.

**Investment Return** – The estimated average future rate of return, net of investment expenses, on current and future assets of CCCERA as of the valuation date. This rate is used to discount liabilities.
**Recommendation**: Maintain the investment return assumption at 7.25% per annum. He also recommends moving from net of administrative expenses to gross of administrative expenses.

**Individual Salary Increases** – Increases in the salary of a member between the date of the valuation and the date of separation from active service. This assumption has three components: inflationary salary increases, real "across the board" salary increases, and merit and promotional increases.
**Recommendation**: Reduce the current inflationary salary increase assumption from 3.25% per annum to 3.00% per annum and reduce the current real "across the board" real wage growth assumption from 0.75% to 0.50%. This means the combined inflationary and real "across the board" wage inflation will decrease from 4.00% to 3.50%. The merit and promotional increase assumption ranges from a 0.75% to 9.50% for General and 0.75% to 10.0% for Safety. The merit and promotional increases will be reviewed as part of the triennial experience study of non-economic assumptions.

Angelo reviewed investment earnings assumptions noting it is also known as the discount rate. He discussed how the earnings assumptions are set: inflation, real returns by asset class, reduced by assumed expenses, and reduced by risk adjustment. There was a lengthy discussion on the assumed expenses and the risk adjustment. He described how Segal arrives at the assumed inflation as compared to other entities, i.e. Social Security and investment consultants.

He reviewed when the earnings assumption should be changed. There was a discussion on how the change in our asset allocation will affect the assumptions over time. Angelo reviewed the trend of risk adjustment and corresponding confidence level. There was also a discussion on the standard deviation decrease from 12.44% to 10.80%.

Angelo reviewed how the investment return assumptions are used in GASB 67 and 68 financial reporting noting they use a smoothed value basis and not a market value basis. He stated CCCERA currently sets the investment return assumption for funding on a net of administrative expenses basis and he is recommending we set the investment return assumption for funding on a gross of administrative expenses basis. This would be the equivalent of about $7 million annually, or 1.0% of payroll and .77% would be allocated to the employer and .23% would be allocated to the member.

5. **Consider and take possible action to adopt the economic assumptions recommended by Segal Consulting to be utilized in the December 31, 2015 actuarial valuation report**

It was **M/S** to establish the assumed inflation rate at 2.75% and the assumed investment return at 7.00% and defer the GASB discussion with respect as to how to handle the administrative expense load. The Board discussed the motion noting there may be an increase in contribution rates for both the employers and the employees as well as the effects of recently changing the asset allocation which includes a 7.25% assumed investment return.

A substitute motion was **M/S** to follow Option A recommendations for both funding and financial reporting as stated in Slide 25 which sets the inflation rate at 3.00% and the assumed investment return at 7.25%. Angelo noted that in June when they do the demographic assumption review they will be recommending a longer mortality table which will increase costs. Leiderman asked the Board to focus on risk adjustment and timing and to look at what their comfort level is. (Yes: Hast, Pigeon, Smithey and Telles. No: Allen, Andersen, Gordon, Phillips and Zhu). Motion Failed.

The original motion was clarified: It was **M/S/C** to establish the assumed inflation rate at 2.75% and the assumed investment return at 7.00% and defer the GASB discussion with respect as to how to handle the administrative expense load. (Yes: Allen, Andersen, Gordon, Phillips and Zhu. No: Hast Pigeon, Smithey and Telles). Motion Passed.

It was **M/S/C** to continue the administrative portion to a future meeting for a deeper analysis. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Pigeon, Smithey, Telles and Zhu).

6. **Presentation and recommendation from Verus on Updated Asset Allocation and Implementation Plan**

Hoffman reviewed an analysis of the asset allocation decisions based on updated capital market assumptions. He stated the forecast of the 10-year return in the current policy is set to generate 7.1%, in 2015 and 7.2% in 2016; it is 7.9% with the standard deviation going from 12.1% to 11.0%. He reviewed three different scenarios that would generate a higher return, 7.6%, 7.5% and 7.6%, with lower risk, 10.3%, 9.8%, and 9.6% respectively. Examples of changes in allocations would be a decrease in emerging markets from 14% to 10%, an increase in US Treasury, not investing in core real estate, an increase in value-add real estate and opportunistic real estate, and a decrease in private equity and private credit.

He reviewed risk diversifying strategies noting they are designed to have low correlations with traditional asset classes. Risk diversifying strategies currently in the CCCERA portfolio include AFL-CIO, PIMCO All Asset, and Wellington Real Return. He also reviewed hedge funds noting they haven't been a favorable place to invest in the past 5 years but that has changed. He stated operational due diligence is the key as each hedge fund in unique and they have partnered with Aksia to assist in the due diligence noting they have 100 people dedicated to reviewing hedge funds. He reviewed the different styles of hedge funds: alternative beta, event driven, long/short equity, Commodity Trading Advisor (CTA) and global macro, and relative value.

Pigeon was no longer present for subsequent discussion and voting.

Hoffman defined risk parity as a long-only portfolio seeking to generate returns through persistent exposure to global equity, global fixed income, and global inflation-protected assets noting it seeks balanced exposure for consistent performance across market environments. The risk parity approach uses leverage to adjust the volatility of each asset class to the same level and weights the asset class exposures so that each asset class contributes an equal amount of expected volatility to the portfolio. He gave an update on implementation milestones including establishing overlay and transition management providers, establish liquidity strategy, transition assets among public equity and fixed income strategies to begin migrating current portfolio to target asset allocation, conduct education & searches for ne mandates, and identifying holding strategies suitable for achieving risk/return characteristics until capital is called into illiquid strategies. He also reviewed the approach to private markets noting there are different models that need to be evaluated separately. He also noted the Verus office in San Francisco provides private market consulting and to avoid any conflicts CCCERA staff will be reviewing the models and making recommendations to the Board.

Hoffman and Price asked the Board for direction on which asset allocation model, A, B or C, to use for the investment policy statement. Price noted that his preference was for Option B.

It was **M/S/C** to give direction to staff to proceed with Option B. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey and Zhu. No: None. Abs: Telles).

7. **Consider and take possible action to adopt governance models as recommended by Verus, including delegation of authority of the following investment functions to CCCERA staff:**

Hoffman gave an overview of the items objectives noting there will be discussion on rebalancing, managing managers and obtaining direction from the Board to be able to develop policy language. He gave a recap of the current status of the preferred governance model noting the Board is moving from a Board-dominant model to a team-based model. He reviewed the investment policy development principles including the delegation of duties. He also reviewed the current structure of the investment policy statement and the potential structure highlighting the Governance section.

Pigeon was present for subsequent discussion and voting.

He reviewed the benefits of delegation. He discussed the potential adjustments to the rebalancing policy noting rebalancing can occur at any time as opposed to semi-annually to maintain policy targets.

It was **M/S** to approve the recommended change to current policy to include the potential adjustments reflected on the right column of page 9 and that the delegation would be to the Chief Investment Officer and staff for these adjustments with a detailed statement of policy and suggested ranges to be brought back to the Board.

There was a discussion on the differences between maintaining policy targets and effecting tactical tilts. Hoffman noted that tactical tilts are away from policy and would require Board approval.

An amended motion was **M/S** to approve the recommended change to current policy to include the potential adjustments reflected on the right column of page 9 and that the delegation would be to the Chief Investment Officer for these adjustments with a detailed statement of policy and suggested ranges to be brought back to the Board.

Pigeon was no longer present for subsequent discussion and voting.

The motion was restated. It was **M/S/C** to provide direction to staff and Verus to develop the policy change recommendations identified on page 9 of the Verus report on the right hand column for both maintenance of policy targets or effecting tactical tilts with the understanding that in bringing it back we are giving direction for Verus to develop proposed Board established ranges to be determined along with a definitive final policy document. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)

Hoffman briefly reviewed the current policy on hiring new managers. He reviewed a potential policy which would: 1) give staff the authority to hire new managers up to a pre-defined limit; 2) provide a detailed report to the Board prior to execution of investment manager agreement which would provide an opportunity for negative consent; 3) Board members may participate in on-site due diligence visits; and 4) assignments greater than $100 million will follow the standard search process. He also reviewed investing in follow-on funds and if there should be a dollar limit on it. The Board felt there should be a dollar limit. The Board discussed the potential new delegation of staff hiring new managers and then reporting to the Board as well as the Board's involvement in hiring new managers. The Board asked what the process would be if they become aware of a fund they would like staff to review. Price reported it would be the same. They currently have a work flow process in place and will continue to use the process. He noted they would be reporting to the Board monthly.

It was **M/S/C** to provide direction to the Chief Investment Officer ("CIO") and Verus to develop a policy for investment manager hires that is both for manager selection in the implementation of established asset allocations as well as for investment in follow-on funds, and for each of those two categories, that the CIO would be given authority to hire new managers up to a predefined limit to be established in a recommendation from staff and Verus back to the Board, currently exampled at $100 million, that the hiring of new managers would provide for a detailed reporting to the Board prior to execution of investment manager agreements subset so that the Board has the opportunity to not approve. Board members should be allowed and may participate in any on-site due diligence visits, and any hiring of new managers above a predetermined limit would follow the standard search process. For follow-on funds, in addition to what is in writing, that the CIO would be given the authority to make additional new investments for follow-on funds with a predetermined dollar limit. In all respects, that this policy would be brought back to the Board so that we can have a definitive policy and established ranges and predetermined limits. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey and Telles. No: None, Abs.: Zhu)

Hoffman reviewed the current policy on manager terminations and the potential updates.

It was **M/S/C** to provide direction to Verus and the CIO to develop a policy update on manager termination which is the policy update reflected on page 13 of the Verus report with the following addition to Normal Circumstances a new Number 1: CIO to determine if manager under review and notify the Board; and thereafter Number 2: CIO has the authority to terminate a manager; and Number 3: a detailed report to the Board prior to termination provides opportunity for Board approval or disapproval. Under Emergency Situations, Number 1: the Chair and CEO would be notified immediately by the CIO by all available means; Number 2: the CIO given authority to terminate and find suitable short-term alternative; and bullet 3: CIO presents long-term remediation plan to Board as soon as practical, thereby providing opportunity for negative consent (i.e. veto). (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey and Telles. No: None. Abs.: Zhu)

## 8. Presentation from Verus on Angelo Gordon personnel changes

Hoffman gave an update on personnel changes at Angelo Gordon noting they appear to have a large, stable organization. However, they will continue to monitor the firm.

## 9. Consider authorizing the attendance of Board and/or staff:

a. It was **M/S/C** to authorize the attendance of 1 Board member and 2 staff members at the California Public Plan Roundtable, PIMCO, May 9, 2016, Newport Beach, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)

b. It was **M/S/C** to authorize the attendance of 2 Board members and 2 staff members at the A Road Map for Growing Your Institution's Investment Assets, Commonfund, May 16, 2016, San Francisco, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)
c. It was **M/S/C** to authorize the attendance of 2 Board members and 2 staff members at the 2016 Adams Street Partners Client Conference, Adams Street Partners, June 1-2, 2016, Chicago, IL. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)
d. It was **M/S/C** to authorize the attendance of 1 Board member and 1 staff member at the Equilibrium's Fifth Annual Forum, Equilibrium, June 16, 2016, San Francisco, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips,, Smithey, Telles and Zhu)
e. It was **M/S/C** to authorize the attendance of 1 Board member and 1 staff member at the DBL 2016 Annual Meeting, June 16-17, 2016, San Francisco, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips,, Smithey, Telles and Zhu)
f. It was **M/S/C** to authorize the attendance of 3 Board members at the 2016 Trustees and Administrators Institute, IFEBP, June 27-29, 2016, Las Vegas, NV. (Yes: Allen, Andersen, Gordon, Hast, Phillips,, Smithey, Telles and Zhu)
g. It was **M/S/C** to authorize the attendance of 2 Board members at the International and emerging market Investing, IFEBP, July 25-27, 2016, San Francisco, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips,, Smithey, Telles and Zhu)
h. It was **M/S/C** to authorize the attendance of 1 staff member at the Principles of Pension Management, CALAPRS, August 9-12, 2016, Malibu, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)
i. It was **M/S/C** to authorize the attendance of 3 Board members at the Public Pension Funding Forum, NCPERS, August 21-23, 2016, New Haven, CT. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey, Telles and Zhu)

**10. Miscellaneous**

(a) Staff Report –

Strohl read the following for the record:

The Board met in closed session pursuant to Govt. Code Section 54956.81 to consider the sale of a particular pension fund investment on December 9, 2015, Agenda Item No. 6. In accordance with Govt. Code Section 54957.1(a)(7), the Board reports as follows: It was **M/S/C** to sell the Willows Office Park to Graham Street Realty for a gross purchase price of $8.55 million, subject to Graham Street's due diligence, and to authorize the CCCERA CEO to execute all necessary documents. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

Strohl reported we have added an afternoon session for group counseling to accommodate members;; and, we are in the process of preparing the CAFR and asked the Board if they are comfortable with having their pictures in the CAFR.

Zhu was no longer present for subsequent discussion and voting.

Dutkiewicz reported he is continuing to update procedures and controls in the member services and benefits departments; and, we have re-engaged with our pension administration system vendor.

Price reported Verus made a modest revision in the positive direction to the 4th quarter report due to missing cash flow data. Strohl added the information was provided to Segal who then produced 5-year projected contribution rates that we provided to the employers. Based on the new data there may or may not be revised letters sent out.

Levy reported SACRS has published their 2016 edition of the lawbook, which includes the 1937 Act, PEPRA, and other statutes. It is available in electronic format and will be sent to all Trustees. Hard copies are also available. A memo was previously presented to the Board outlining the changes in the law effective January 1, 2016.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Phillips reported he has formed an Ad Hoc CEO Compensation Committee. Phillips is the Chairman, Hast is the Vice Chair, and Gordon is a member. They will be meeting several times prior to June.

Andersen reported the Internal Operations Committee of the Contra Costa County Board of Supervisors met on Monday and Gordon was the only applicant to the CCCERA Board and they recommended he be re-appointed.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Smithey and Telles)

John Phillips, Chairman

Scott Gordon, Secretary

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

# MINUTES

## RETIREMENT BOARD MEETING MINUTES

| | |
|---|---|
| REGULAR MEETING<br>May 4, 2016<br>9:00 a.m. | Retirement Board Conference Room<br>The Willows Office Park<br>1355 Willow Way, Suite 221<br>Concord, California |

Present: Debora Allen, Candace Andersen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, 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; Wrally Dutkiewicz, Compliance Officer; Christina Dunn, Administrative/HR Manager; Tim Hoppe, Retirement Services Manager; and Alexis Cox, Member Services Manager

| Outside Professional Support: | Representing: |
|---|---|
| Harvey Leiderman | Reed Smith LLP |
| Susan Hastings | Laughlin, Falbo, Levy & Moresi LLP |

### 1. Pledge of Allegiance

Kroll led all in the *Pledge of Allegiance.*

### 2. Accept comments from the public

Karen Bennett, retiree, stated she received a letter from CCCERA stating that the COLA on her account had been overpaid and that she would have to pay it back with interest. She stated she doesn't feel she is responsible because she didn't do anything to cause the overpayment and shouldn't have to pay the interest. She distributed a letter she wrote to CCCERA outlining her questions noting her concerns with the legality of paying back the overpayment as well as the tax ramifications for the years she was overpaid.

William Gregory, retiree, reiterated what Bennett said. He had no idea he was being overpaid. He asked what interest rate would be applied and also questioned the tax ramifications.

The Board felt this item needs to be on a future agenda very soon. Strohl stated there are 14 retirees that are affected and all 14 will be properly noticed of the meeting.

### 3. Routine Items

It was **M/S/C** to approve the routine items of the May 4, 2016 meeting. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

**CLOSED SESSION**
The Board moved into closed session pursuant to Govt. Code Section 54957 and 54956.9(d)(2) to discuss Items 4 and 6. Item 5 will be discussed later in the meeting.

The Board moved into open session.

4. It was **M/S/C** to approve the Service Connected Disability for Rhonda Williams as recommended by the Hearing Officer. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

5. This item was tabled for a future meeting.

6. There was no reportable action related to Govt. Code Section 54956.9(d)(2).

7. **Consider and take possible action to adjust the retirement allowance of CCCERA retired Hazardous Materials Specialists IIs pursuant to Government Code Section 31539 to exclude compensation improperly increased by the members.**

   a. Dutkiewicz reviewed the background of the lookback project that reviewed the past incidents of unusual compensation increases at the end of employment. He reviewed the department practice of how Hazardous Materials Specialists IIs were scheduled to work on-call hours during the period of 2006-2014. He reviewed how the records were kept by the department commenting on how shifts were scheduled and how employees were able to sign up for additional shifts or trade shifts. He reviewed the average monthly on-call hours during the Final Average Salary (FAS) period noting a consistent pattern that all active members on the Incident Response Team (IRT) increased their on-call hours during the FAS period as compared to the twelve month period immediately preceding it and the pattern repeated itself over and over. It was determined that some of the on-call shifts worked by the IRT members were on a voluntary basis above and beyond what was originally scheduled by the department and therefore were not required work of all Specialists IIs during the same time period and should be excluded from pensionable compensation on this basis.

      Dutkiewicz reviewed his recommendations to determine that the excess on-call hours were voluntary, that the excess on-call pay was an improper increase in the members' final compensation caused by the member, obtained by signing up or trading for additional on-call hours in order to boost up the members' final compensation.

      There was a lengthy discussion on whether the shifts were voluntary, how they were assigned, the requirements of having six members on the work schedule, and how the work schedules were traded and additional sign-ups were allowed.

   b. In public comment, Eric Jonsson, retired Hazardous Materials Specialist II, distributed a letter to the Board. He commented on an article from the Contra Costa Times stating he felt it was very misleading. He described how the on-call schedule was made and how changes were made to the schedule noting nobody ever changed the schedule on their own. He didn't feel the on-call shifts were voluntary as it is a state mandated program which was taken seriously. He stated he worked on-call the entire 21 years he was employed and that they were told their entire careers that on-call pay would go towards their FAS and were advised by CCCERA to be available in their last year to get as much on-call pay as they could. He asked why didn't anyone come and talk to them before and that this is very stressful to them.

Pigeon was no longer present for subsequent discussion and voting.

Gabriel Adebiyi, retired Hazardous Materials Specialist II, worked for the County from 1994-2007, noted that on Table 2 on page 5 of the memo shows retirees compared to active employees average monthly on-all hours from 2006-2014 yet he retired in 2007 and he doesn't feel it is fair in his case to use statistics from when he was already retired. Dutkiewicz stated Table 2 is just the average from 2006-2014 but Table 3 on page 6 are the individual on-call averages compared to the average of all the rostered Hazardous Materials Specialist IIs that were active during each month of their FAS period. Mr. Adebiyi again stated the statistics are not relevant to him personally.

Scott Hanson, retired Hazardous Materials Specialist II, referenced Tab 6, the MOU from October 1, 2008-June 30, 2011, the last sentence of section 9 states "Where on-call arrangements exist, the Department Head shall designate which employees are on-call" noting it is the Department Head that schedules the on-call. He also stated he has tried to get out of being on-call when he had plans but was not able to. He stated he was told during a group counseling session to make himself available to work on-call in order to maximize his on-call pay. He felt CCCERA encouraged working on-call and did not object to it until the newspaper article came out. He also felt they can't get a fair hearing by the Board. He stated all of his estimates included on-call pay and that it was CCCERA's job to review his retirement application.

Isaac Stevens, representing retiree Charles Nicolson, asked if Federal holidays were included in the total hours on Table 1. He stated his legal arguments were in the statement he sent to the Board last week. He commented the staff report asked the Board to determine if the hours worked were voluntary and caused an improper increase by Mr. Nicolson noting it does not apply in Mr. Nicolson's case, the hours were not voluntary. On-call hours had to be covered. He stated any department that has a mandate can't be volunteer. He stated Chart A doesn't show on-call hours but he did work them and they may have been coded incorrectly. He felt the number of hours showing as average for each employee during their FAS period varied wildly.

Neal Price, retired Hazardous Materials Specialist II, stated he retired in February of 2013 and was not going to retire until August of 2017 but retired earlier because of PEPRA. He attended group counseling and was advised by CCCERA staff to increase his accruals including on-call and call back pay. He stated he changed his retirement date and wasn't responsible for establishing the schedule. At the end of 2012 two people from other teams retired and he was available to fill those slots. He stated the supervisor had a seniority list and on-call was assigned.

Jerry Yoshioka, retired Hazardous Materials Specialist II, distributed a handout of his presentation. He stated he wasn't ready to retire but did in March of 2014 because of the new pension laws and changes in his health. He felt the statement on page 8 of the memo "that excess on-call compensation paid was for voluntary non-required work that was beyond the average on-call hours performed by other Hazardous Materials Specialists IIs during the same pay period" was inaccurate. Agreeing to work when asked to doesn't make it voluntary. He was a professional and took his duties and responsibilities seriously. During his final year, all HMS IIs in his pay grade were performing on-call work. He didn't know how many on-call hours others were working. The County was aware of the hours because they made the assignments, reviewed the calendars and approved the time sheets and they did not tell him his hours were above the average. The memo also suggests the excess on-call pay was an improper increase caused by the members. He didn't cause the increase, the County was responsible for the shortage of staff which caused the increase in on-call hours. He stated trading on-call shifts has been a common practice of the County since before he worked there. He did not create the County's policy on on-call pay, he did not cause an increase in on-call, and it was not his intent to increase his final compensation. His pension was not evaluated individually but lumped together with others even though their situations are all different. Trustee Watts asked if there was any time that Hazardous Materials Specialist IIs did not serve on the IRT. He said yes but when staff dwindled down they were required to be on the team.

Mike Wedl, retired Hazardous Materials Specialist II, stated there were 9 Hazardous Materials Specialist IIs covering 19 spots when he retired and at times they were assigned to be on-call twice in one day. He had planned to work a couple of more years but was forced to because of legislation. He believes his numbers were higher because of the shortage of staff. At the time he felt he was doing a service to the County by stepping up and taking the on-call that was offered to him.

It was **M/S** to table this item for further discussion at a meeting to be determined and in the interim to fully digest what the board has heard so far, get some additional advice from legal counsel because of the several references to potential litigation against the Board, and schedule this item as soon as practicable thereafter for discussion in a public meeting.

c. Levy asked if any employer present had any comments. Lisa Driscoll, County Finance Director stated that the County has no additional information to present.

The Board reconvened into closed session pursuant to Govt. Code Section 54956.9(d)(2) to discuss this item.

The Board moved into open session.

A substitute motion was **M/S** to take no action and do not reduce the pension benefits of the 10 members in question.

d. In public comment, Jerry Yoshioka, stated he hoped the Board votes for the substitute motion.

e. The Board voted on the substitute motion:

It was **M/S** to table this item for further discussion at a meeting to be determined and in the interim to fully digest what we've heard so far and get some additional advice from counsel because we've heard several references to potential litigation and schedule this as soon as practicable thereafter for discussion in a public meeting. (Yes: Rodrigues, Smithey and Telles. No: Allen, Andersen, Gordon, Hast, Phillips and Watts). Motion Failed.

The Board voted on the original motion:

It was **M/S/C** to table this item for further discussion at a meeting to be determined and in the interim to fully digest what the board has heard so far, get some additional advice from legal counsel because of the several references to potential litigation against the Board, and schedule this item as soon as practicable thereafter for discussion in a public meeting. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts).

The Board directed staff to include Paul Andrews with this item when it returns.

Gordon and Watts were no longer present for subsequent discussion and voting.

**8. Consider and take possible action to direct the CCCERA Board voting delegate to vote in support of the 2016 SACRS legislative proposal at the May 2016 SACRS Conference**

Levy reported on the two SACRS legislative proposals noting the first proposal has been receiving opposition from the labor unions and that the bill is in the process of being amended by the author. The proposal may be on the SACRS business meeting agenda on Friday.

It was **M/S/C** to abstain from voting on Proposal 1 until further information is received. (Yes: Allen, Andersen, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)

Levy reported Proposal 2 will allow CERL systems to maintain the requirement of receiving sworn statements from members when they enroll and also allow the board to accept electronic enrollment data from the employers. She noted that CCCERA is already doing this in some situations. Leiderman commented this is already a bill that is pending, Bill 2376, and SACRS is adding to it and since it is already a bill it doesn't need a sponsor. Levy explained that SACRS is seeking to sponsor only the portion of the bill pertaining to Section 31526, receiving electronic enrollment data from employers.

It was **M/S** to abstain from voting on proposal 2.

A substitute motion was **M/S** that if the proposal is limited to what is in the agenda, the CCCERA Board delegate is authorized to vote in favor of the proposal. If it expands to include any other items on AB 2376, the delegate will abstain.

Andersen was no longer present for subsequent discussion and voting.

The substitute motion was withdrawn.

It was **M/S/C** to abstain from voting on proposal 2. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles).

**9. Miscellaneous**

(a) Staff Report –

Strohl reported the external auditors are on site this week conducting the 2015 field audit; she is working on the CAFR; she is working with departments on strategic planning; and current recruitments are Accounting Manager, Deputy Chief Executive Officer, Member Services Technician, and Office Specialist.

Hoppe reported they have identified an error that affected the COLA's of 14 benefit recipients. This happened during the conversion of CPAS in 2006. 9 recipients were underpaid and 5 recipients were overpaid.

Dutkiewicz thanked staff for their help putting together his item on this agenda.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Telles recognized and thanked Dutkiewicz for all his work.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)

| | |
|---|---|
| John Phillips, Chairman | Scott Gordon, Secretary |

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

# MINUTES

## RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING
May 25, 2016
9:00 a.m.

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

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

Absent: Debora Allen

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

| Outside Professional Support: | Representing: |
|---|---|
| Harvey Leiderman | Reed Smith LLP |
| Ed Hoffman | Verus |

1. **Pledge of Allegiance**

   Holcombe led all in the *Pledge of Allegiance.*

2. **Accept comments from the public**

   No member of the public offered comment.

3. **Approval of Minutes**

   It was **M/S/C** to approve the minutes of the March 9, 2016 meeting with corrections to page 2, Item 9, 4th paragraph, first line, take out the word "he" after retired physician and on the second line, change the word "not" to "no." (Yes: Andersen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

Pigeon was present for subsequent discussion and voting.

**CLOSED SESSION**
The Board moved into closed session pursuant to Govt. Code Section 54957, 54957.6, 54956.9(d)(2) and 54956.9(d)(4).

The Board moved into open session.

4. There was no reportable action related to Govt. Code Section 54957.6.

**5.** There was no reportable action related to Govt. Code Section 54957.

**6.** There was no reportable action related to Govt. Code Section 54956.9(d)(4).

**7.** There was no reportable action related to Govt. Code Section 54956.9(d)(2).

Andersen was no longer present for subsequent discussion and voting.

**8. <u>Consider and take possible action to establish the Disability Specialist classification based on the recommendation received from Koff and Associates, effective June 1, 2016</u>**

Katie Kaneko was present via conference call.

Strohl gave a brief overview of the request to establish a Disability Specialist classification.

Kaneko reported the same group of employers was surveyed that was used in the study of the CCCERA unrepresented employees. She stated she used the current Retirement Counselor II classification as the base salary noting the current monthly salary of the Retirement Counselor II is 23.1% below the market median and recommends the salary for the Disability Specialist be placed at range 25 of the CCCERA salary schedule. It was noted this classification was not a flexibly staffed series like the Retirement Counselor I, II and III.

It was **M/S/C** to establish the Disability Specialist classification based on the recommendation received from Koff and Associates, effective June 1, 2016 and the salary be placed range 25 of the CCCERA salary schedule. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

**9. <u>Consider and take possible action to grant a 3% increase in base pay and a $500 lump sum payment for all unrepresented staff, except for the CCCERA executive classifications</u>**

a. It was **M/S/C** to adopt BOR Resolution 2016-2 granting a 3% increase in base pay effective July 1, 2016 and lump-sum payment in the amount of $500, to be paid on July 10, 2016 for all unrepresented staff, except for the Chief Executive Officer, Deputy Chief Executive Officer, Compliance Officer, General Counsel, and Chief Investment Officer positions. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

b. It was **M/S/C** to adopt CCCERA Position Pay Schedules effective July 1, 2016 which reflects a 3% increase in base pay for all CCCERA classifications, except for those classifications listed above. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

**10. <u>Review of total portfolio performance for the period ending March 31, 2016</u>**

Hoffman reported on the outlook of the economy including the GDP, inflation, the Federal Funds Rate and unemployment noting global inflation remains low, the Federal Funds Target Rate was unchanged, and the unemployment rate continues to drop. He also noted the numbers haven't changed much from the last quarter. He discussed Brexit and the possible outcomes of a vote for the U.K. to leave the European Union. He reviewed the energy markets noting the price of oil has increased and the number of companies that have filed bankruptcy has increased. He also reviewed the S&P 500 sector returns noting most active managers underperformed last year. He reported that the month of March was a big recovery for the quarter.

He reported on cash reconciliation for the period ending March 31, 2016 noting the ending market value of the total fund portfolio is $7,093,536,664. He reviewed the asset allocation vs. the long term target policy. He reviewed a comparison of the total fund risk and return. He reported the past five years had an actual return of 8.0% with lower standard deviations of 7.6% noting that the plan has done really well.

Hoffman reviewed the total fund performance by manager noting Jackson Square Partners had a difficult quarter. Hoffman reported PIMCO All Asset Fund outperformed and Wellington Real Total Return underperformed.

He reviewed the risk dashboard noting it is going through some changes as we adopt Functionally Focused Portfolio ("FFP"). He commented on portfolio risk, equity beta, interest rate risk, and credit risk.

Hoffman reviewed the investment fund fee analysis noting closed end carried interest is not captured in the analysis.

**11. Consider and take possible action to add or remove investment managers from the watch list**

Price reported staff has not identified any additional managers that should be added to the Watch List at this time nor do they recommend removing any managers from the list. He noted changes will occur with the implementation of FFP.

**12. Presentation and recommendation from Verus regarding the establishment of a pool of transition managers**

Hoffman gave an overview of the transition manager program noting staff would have discretion to select a provider based on transition types. He reviewed the transition managers that were evaluated and the quantitative and qualitative factors that each of the managers were evaluated on. He also reviewed the managers being recommended for each transition type and the basis of their recommendation. The recommendations are as follows: Penserra, Russell and Vertas for US equity (direct & indirect); BlackRock, Citigroup and Russell for Non-US equity (direct & indirect) and US fixed income; and, Citigroup and Russell for Complex multi-asset classes. He noted State Street is not being recommended as part of the pool.

**13. Consider and take possible action to establish a pool of transition managers and execute standing agreements with one or more transition managers**

It was **M/S/C** to authorize the creation of a pool of transition managers as outlined on page 13 of Tab IV entitled Transition Manager Recommendations. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

It was **M/S/C** to enter into evergreen agreements with BlackRock, Citigroup, Penserra, Russell and Vertas for transition management services subject to legal review by authorizing the Chief Executive Officer to execute said agreements. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

Hoffman noted there are sample pre-trade analysis from each of the recommended transition managers in the appendix beginning on page 16 of Tab IV.

**14. Presentation and recommendation from Verus regarding cash overlay services**

Hoffman noted cash overlay providers provide a variety of services but they are only recommending them for cash equitization and rebalancing.

**15. Consider and take possible action to contract with a cash overlay manager**

It was **M/S/C** to retain Parametric as the overlay manager to include overlay services of cash equitization and rebalancing subject to due diligence, a successful onsite visit, and legal review by authorizing the Chief Executive Officer to execute the necessary agreements (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

**16. Consider and take possible action to authorize the CEO to execute a lease agreement with Caltronics for copier machines effective June 1, 2016**

Dunn reported on the need for new copier machines throughout the office noting it would be more cost effective to change the copier machine provider.

It was **M/S/C** to authorize the CEO to execute a lease agreement with Caltronics for copier machines for the period of June 1, 2016 to June 1, 2019, in the amount of $1,299.75 per month. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

**17. Consider authorizing the attendance of Board and/or staff:**

a. It was **M/S/C** to authorize the attendance of 2 staff members at the DLJ Real Estate Capital Partners Annual Meeting, DLJ, June 15, 2016, New York, NY. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)
b. It was **M/S/C** to authorize the attendance of 3 Board members at the Modern Investment Theory & Practice for Retirement Systems, SACRS, July 17-20, 2016, Berkeley, CA. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

**18. Miscellaneous**

(a) Staff Report –

Strohl commented on the All Staff meeting noting she provided employees with information from the CEO of San Bernardino County Employees' Retirement Association on the shootings that occurred in December 2015 noting County employees were targeted; she acknowledged CCCERA Retirement Counselor Jessica Irby who recently received her Master's in Public Administration; and Price gave a presentation on FFP at SACRS.

Dunn reported we had training for all staff on the Injury Illness Prevention Program (IIPP) and the Emergency Action Plan; we are creating a Safety Committee; the Communications Coordinator gave a presentation on organizational branding; the Compliance Business Analyst position opened; interviews have started for the Retirement Office Specialist positions and the Retirement Member Services Technician positions; and, an Accounting Manager has been hired and will be starting on May 31, 2016.

Dutkiewicz reported Brown Armstrong will be presenting their draft findings at the June 8, 2016 Audit Committee meeting; and, he will be going over the Health Services audit at that meeting as well as giving an overview of employer contribution reporting.

Price reported an RFP has been issued for a liquidity manager and there is a quiet period; and, staff is undertaking a cost-benefit analysis on how we engage in the private markets and how best to access the resources required to manage a successful private markets allocation.

Levy gave an update on the SACRS ethics training and noted she gave a presentation at the attorneys' breakout session on retirement system becoming an independent employer for all its staff.

(b) Outside Professionals' Report -

Hoffman reported they are working on the investment policy statement with staff; he apologized for leaving prior to the end of the last meeting; and, the fourth quarter report was revised due to cash flow reporting of closed end funds.

(c) Trustees' comments –

Telles congratulated Strohl, Price and Dutkiewicz on winning the bocce tournament at SACRS; he attended NCPERS and took the TEDS; and, he attended the SACRS meeting where they voted on the bill for independence and 11 of the 20 systems voted to authorize the bill.

Rodrigues followed up on the SACRS vote; he attended their legislative committee noting it was a learning experience as this was the first bill SACRS initiated; and, he thanked Dutkiewicz for agreeing to speak at the next CALAPRS Trustee Roundtable.

Phillips reported on the SACRS sessions he attended.

It was **M/S/C** to adjourn the meeting. (Yes: Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

John Phillips, Chairman

Scott Gordon, Secretary

Meeting Date
07/27/16
Agenda Item
#5a.

Amy Brown's

PRJ

THE PUBLIC RETIREMENT JOURNAL

The Inside Stories on Retirement in California

29th Annual Northern California

# PUBLIC RETIREMENT SEMINAR
## September 8th, 2016

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**KEYNOTE SPEAKER**

## FIONA MA

**CHAIRWOMAN**

CALIFORNIA STATE BOARD OF EQUALIZATION

Fiona Ma serves as Chairwoman of the California State Board of Equalization. She is serving her first term as a member of SBOE, representing 23 counties and nine million Californians of the Second District. Ms. Ma was previously elected to represent the 12th Assembly District from December 2006 to November 2012 and served as the first Asian-American woman Assembly Speaker pro Tempore in California history.

As Chair of the SBOE, Ms. Ma is working hard to promote a culture of fairness, efficiency and respect for California's taxpayers and businesses. She is aggressively combatting the underground economy which deprives California of approximately $8.5 billion in tax revenue. In her first year as a Board Member, Ms. Ma launched an outreach effort through her district offices that significantly decreased the number of cannabis dispensaries operating without proper permits or collecting taxes. She has participated in efforts to crack down illegal sales of cigarettes, and has been a leading advocate in ensuring that e-Cigarettes are taxed and regulated like traditional tobacco products.

Throughout her service as an elected official, she has been an outspoken advocate for California's women. In her time in the Assembly and Board of Supervisors, she championed a number of proposals to crack down on human trafficking, reform unjust sentencing laws that kept domestic abuse survivors from presenting expert testimony in criminal trials, and to provide support and resources for victims of domestic violence.

Ms. Ma's commitment to public service while she was a small business owner and was elected to serve as President of the Asian Businesses Association in San Francisco, where she quickly emerged as a leading voice for San Francisco's small business community. She was an elected delegate to the White House Conference on Small Business under President Bill Clinton, which produced a report to Congress on the 60 top policy recommendations to help small businesses grow and prosper in the 21st century. She was later appointed to the Assessment Appeals Board, and joined the staff of former Senator John Burton as a constituent advocate.

Ma received her B.S. from the Rochester Institute of Technology (NY), her M.S. in Taxation from Golden Gate University (SF), and an MBA from Pepperdine University. She has been licensed in California as a Certified Public Accountant since 1992.

She is a card carrying member of SAG-AFTRA, the labor union representing theater, television, radio and film actors, having appeared in a number of productions filmed in San Francisco, and she was appointed to serve on the California Film Commission in 2016. Additionally, Ms. Ma serves as Treasurer of California Women Lead, the only statewide, nonpartisan women's organization in the committed to providing women the training and support they need to be successful in the political arena.

**SEMINAR DATE**

September 8, 2016
9am - 4pm

Registration: 8am

**LOCATION**

**CalPERS Auditorium**
**400 Q Street**
**Sacramento, CA**


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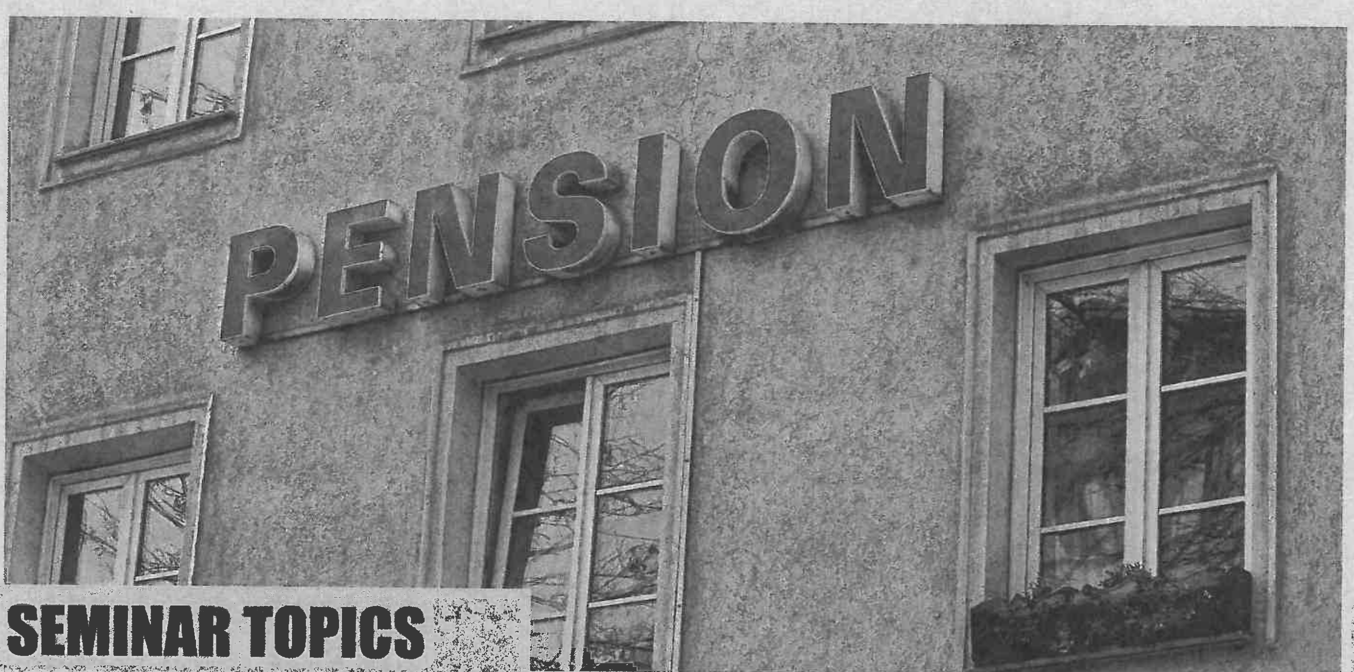


# SEMINAR TOPICS

**Defined Benefits Still Under Attack**
We will hear from experts about the history behind the failed attempts to end defined benefit plans and cut pensions for existing workers and the possibility of a 2018 initiative.

**CalPERS - Rate Increases on the Horizon?**
We'll explore why CalPERS actuaries believe the pension fund needs to be taking less risk, and we'll take look at why, when and how contribution rates will increase over the next five to ten years, and beyond.

**Legislators at Work**
The pension gurus of the Legislature will be on hand to discuss the current legislative session, the current political climate, issues of importance, and an overview of the bills that become law in January 2016.

**Actuarial Realities of Pension Benefits**
Despite politics and legislation, there's still the reality of funding promised benefits. We'll hear from a top pension actuary about the impacts of increased rates and issues on the horizon.

**Labor's Perspective on Public Employee Benefits**
We'll hear from labor representatives about their take on current events. How is the PEPRA affecting bargaining? How is labor addressing constant attacks on defined benefits?

**Management and Labor**
We will have attorneys from both sides discussing the implications of prefunding, the PEPRA, bankruptcies, vested rights, and concessions at the bargaining table.

**Prefunding: A New Reality**
There are several local agencies that have started prefunding pensions and other post employment benefits. Hear from experts who will tell you why you should and how you do it.

**Retiree Health Care**
Are these vested benefits? In the wake of the Affordable Care Act implementation and the rising costs of health care coverage, are your retiree benefits volatile?

**Local Ordinances to Scale Back Pensions**
We will discuss the legal challenges facing local agencies whose elected bodies vote to either scale back existing benefits, implement new tiers, or terminate their contracts with their retirement systems.

Stay informed about future seminars and public retirement news.

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# PUBLIC RETIREMENT SEMINAR

**September 8th, 2016**

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Attendee Name(s): ____________________

____________________

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City, State, Zip Code: ____________________

Email Address: ____________________

Phone Number: ____________________

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Card Number: ____________________

Exp Date and 3 Digit VCode: ____________________

Dietary Restrictions: ____________________

TORCHLIGHT
INVESTORS

*Meeting Date*
***07/27/16***
*Agenda Item*
***#5b.***

# Torchlight Investment Summit 2016

Wednesday, October 5th
Thursday, October 6th

Andaz 5th Avenue
485 Fifth Avenue (on 41st Street)
New York, NY 10017

*Torchlight is honored to host Niall Ferguson*

Economic Historian, Professor and Bestselling Author

To Register:
Contact Jennifer Yuen at 212-883-2773 or jyuen@torchlightinvestors.com
http://www.torchlightinvestors.com/event/Torchlight_Investment_Summit

# TORCHLIGHT
INVESTORS

## Key Note Speaker

# Niall Ferguson

Torchlight is honored to host Niall Ferguson who is known for his insightful and provocative views on contemporary politics and economics. An International Emmy award winner, Ferguson is a regular contributor to television and radio on both sides of the Atlantic. Ferguson's many books include The Ascent of Money, The Cash Nexus: Money and Power in the Modern World, Civilization: West and the Rest, The War of the World, Twentieth Century Conflict, and the Idealist, a Biography of Henry Kissinger.

Ferguson is a Laurence A. Tisch Professor of History at Harvard University, a resident faculty member of the Minda de Gunzburg Center for European Studies, a Senior Research Fellow of Jesus College, Oxford University, and a Senior Fellow of the Hoover Institution, Stanford University.

To Register:
Contact Jennifer Yuen at 212-883-2773 or jyuen@torchlightinvestors.com
http://www.torchlightinvestors.com/event/Torchlight_Investment_Summit

# TORCHLIGHT
INVESTORS

# Investment Summit 2016 - Agenda

**Wednesday, October 5th**

| | |
|---|---|
| 4:30 PM | Tour of the Whitney Museum of American Art<br>*99 Gansevoort Street* |
| 5:30 PM | Cocktails at The Standard, High Line |
| 6:30 PM | Dinner at the Standard, High Line<br>*Garden Room, 848 Washington Street* |

**Thursday, October 6th**
Investment Summit - Andaz Hotel
*485 5th Avenue (on 41st Street)*

| | |
|---|---|
| 9:30 AM | Investment Summit Breakfast and Registration |
| 10:30 AM | Unintended Consequences of Government Policy - Impact and Opportunity<br>*Daniel Heflin, Chief Investment Officer - Torchlight* |
| 11:15 AM | Political Risk and the Global Business Environment<br>*Niall Ferguson and Daniel Heflin* |
| 12:15 PM | Lunch |
| 2:00 PM | Torchlight Strategies<br>*Bill Stasiulatis, Partner, Managing Director of Portfolio Management - Torchlight*<br>*Marc Young, Partner, Managing Director, Chief Credit Officer - Torchlight* |
| 2:45 PM | The Transformation of the CMBS Market |
| 3:30 PM | Closing Remarks<br>*Daniel Heflin, Chief Investment Officer - Torchlight* |

To Register:
Contact Jennifer Yuen at 212-883-2773 or jyuen@torchlightinvestors.com
http://www.torchlightinvestors.com/event/Torchlight_Investment_Summit

TORCHLIGHT
INVESTORS

# Registration

**Attendee Information**

Name: ______________________________

Title: ______________________________

Firm: ______________________________

Address: ______________________________

______________________________

Email: ______________________________

Phone: ______________________________

**Kindly RSVP below:**

*Wednesday, October 5th*

_____ Tour of the Whitney Museum of American Art

_____ Cocktails and Dinner at The Standard

*Thursday, October 6th*

_____ Investment Summit Sessions and Lunch

Dietary restrictions or special accommodations: ______________________________

To Register:
Contact Jennifer Yuen at 212-883-2773 or jyuen@torchlightinvestors.com
http://www.torchlightinvestors.com/event/Torchlight_Investment_Summit

TORCHLIGHT
INVESTORS

# Lodging

**Investment Summit Venue**

Andaz 5th Avenue
485 5th Avenue (on 41st Street)
A room block is available at a conference rate. Please contact Jennifer Yuen to reserve.
http://newyork.5thavenue.andaz.hyatt.com/en/hotel/home.html

**Nearby Lodging Alternatives**

**Bryant Park Hotel**
40 West 40th Street (between 5th Ave & 6th Ave)
(212) 869-0100
http://bryantparkhotel.com

**Courtyard Marriott New York Manhattan**
3 East 40th Street (on 5th Ave)
(212) 477-1500
http://www.marriott.com

**Dylan Hotel**
52 E 41st Street (between Park Ave & Madison Ave)
(212) 338-0500
http://www.dylanhotel.com/

**Grand Hyatt New York**
109 East 42nd Street (at Grand Central Terminal)
(212) 833-1234
http://grandnewyork.hyatt.com

**The Library Hotel**
299 Madison Avenue (on 41st Street)
(212) 983-4500
http://www.libraryhotel.com/

Wastewater Capital Management
An Equilibrium Capital Asset Manager

Meeting Date
07/27/16
Agenda Item
#5c.

**Wastewater Opportunity Fund Annual and Advisory Committee Meetings**

Date: October 24th and 25th, 2016

Location: The Westin Columbus, Columbus, Ohio

Register: https://www.eventbrite.com/e/wastewater-opportunity-fund-annual-investor-meeting-tickets-26363622304

DRAFT Agenda:

Monday, October 24, 2016

5:30-8:30 Investor Dinner

Tuesday, October 25, 2016

8:30-12:00 Annual Meeting

Introductions

Fund Performance

Portfolio and Pipeline

Break

Risk Management

2017-2018 Plan and Market Trends

12:00-1:00 Lunch

1:00-2:00 LPAC (Advisory Committee Members Only)

1:00-2:00 Renewable Gas Market Overview (For non-Advisory Committee members)

2:00-4:00pm Site Tour of Central Ohio BioEnergy (COBE) Facility

4pm – Leave for airport or return downtown