

MCERA RETIREMENT BOARD MEETING MINUTES
THURSDAY, JANUARY 25, 2018
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348

ROLL CALL: 8:15 A.M.

Board Members Present: Darlene Ingersoll, Karen Adams, David Ness, Michael Rhodes, Sandy Teague, Janey Cabral, Al Peterson, Jerald O'Banion, Jason Goins and Samuel Spangler. **Counsel:** Forrest Hansen, Ashley K. Dunning, Nossaman LLP. **Staff:** Kristen Santos, Bren Horrocks and Michelle Lee. **Other:** John Nicolini, Verus; Andy Paulden, Brown Armstrong.

Absent: Ryan Paskin

APPROVAL OF MINUTES: January 11, 2018

Motion to approve the January 11, 2018 meeting minutes.

Teague/Peterson U/A (8-0)

PUBLIC COMMENT

No public comment.

CLOSED SESSION

RETURN TO OPEN SESSION

(1) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

(Govt. Code § 54956.9(a))

Name of Case: AFSCME Local 2703, et al. v. MCERA, et al., Court of Appeal First Appellate District, Division 4, Case No. A141913.

Plan Administrator recused herself for a portion of the discussion.

Staff was given direction.

(2) DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED

(Govt. Code § 54956.81)

Motion to approve amended terms of the Taurus Master and Annex Fund.

Adams/Ness U/A (8-0)

Roll Call Vote:

Yes – Goins, O'Banion, Cabral, Ness, Ingersoll, Peterson, Adams, Teague.

(3) DISCUSSION AND POSSIBLE ACTION REGARDING THREAT TO PUBLIC SERVICES OR FACILITIES

(Govt. Code § 54957)

No action taken.

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Presentation, discussion and possible action on Audit of MCERA and CAFR– Andy Paulden, Brown Armstrong.
Motion to approve the Audit and CAFR.
O’Banion/Cabral U/A (8-0)

2. Presentation and discussion of the January 2018 Monthly Flash Investment Performance Report and market update with possible board action on any funds - Verus.
Motion to approve the rebalancing of the fund due to being overweight in US and International equities. \$13M to Barrow Hanley from Mellon Capital and Copper Rock.
Adams/Ness U/A (8-0)

3. Discussion and possible action on updated Net Cash Flow presentation – Verus.
Direction given to seek passive investments options for a possible treasury allocation for possible cash flow matching within MCERA’s fixed income allocation.
Action taken to put cash in Northern Trust short term investment fund.
Ness/Peterson U/A (8-0)

4. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - a. CALAPRS General Assembly, March 3-6, 2018, Indian Wells, CA
 - b. CALAPRS Advanced Principles of Pension Management, March 28-30, 2018, Los Angeles, CA.
 - c. Cliffwater Client Conference, April 10, 2018, New York City, NY.
 - d. SACRS Spring Conference, May 15-18, 2018, Anaheim, CA.
 - e. SACRS Public Pension Investment Program, July 15-18, 2018, UC Berkeley.
 - f. Due Diligence Trip to Redwood City, CA and Portland, OR for Trustees Paskin, Adams, and Plan Administrator Santos on February 5-6, 2018.**Approval for Trustees Paskin, Adams and Plan Administrator Santos to attend Due Diligence meetings in Redwood City, CA and Portland, OR on February 5-6, 2018.**
Goins/O’Banion U/A (8-0)

INFORMATION ONLY

- Plan Administrator reported that MCERA did not invest in Senator Hedge Fund.
- Copper Rock’s Senior Portfolio Manager, Denise Selden, will be retiring.
- Och Ziff Hedge Fund is in the news due to a CEO search.

¹ “Action” means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

ADJOURNMENT

The meeting adjourned at 11: 12 A.M.

Respectfully submitted,



Darlene Ingersoll, Chair



Al Peterson, Secretary

02/08/18
Date