

MCERA RETIREMENT BOARD MEETING MINUTES
THURSDAY, MARCH 22, 2018
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348

ROLL CALL: 8:15 A.M.

Board Members Present: Ryan Paskin, Jerald O'Banion, David Ness (arrived 8:19 am), Michael Rhodes, Jason Goins, Janey Cabral, Al Peterson, and Samuel Spangler. **Counsel:** Forrest Hansen, Ashley Dunning. **Staff:** Kristen Santos, Angelo Lamas, Mark Harman and Michelle Lee. **Other:** John Nicolini, Verus; Jaime Fielder, Cliffwater; Graham Schmidt, Cheiron.

Absent: Darlene Ingersoll, Karen Adams, Sandy Teague.

APPROVAL OF MINUTES: March 8, 2018.

Motion to approve the March 8, 2018 meeting minutes.

Peterson/Cabral U/A (7-0)

PUBLIC COMMENT

No public comment.

CLOSED SESSION

RETURN TO OPEN SESSION

1) DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED.

(Govt. Code § 54956.81)

1. Discussion and possible action on purchase/redemption of hedge fund investment manager recommendations – Cliffwater.

MCERA Board voted to:

1. Approve a partial redemption of \$8M from Och-Ziff,
2. Invest \$5M in Laurion Capital Ltd Fund and delegate authority for MCERA staff to execute all fund documents pending legal review,
3. \$2M additional investment in KLS Hedge Fund,
4. \$3M additional investment in wellington Archipelago,
5. \$3M additional investment in Silver Point Hedge Fund.

2) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

(Govt. Code § 54956.9(a))

1. Alameda County Deputy Sheriff's Assn. et al v. Alameda County Employees' Retirement Assn., et al. (2018) 19 Cal.App.5th 61.

No action taken.

2. In re Wilmington Trust Securities Litigation, 10-cv-00990-SLR-SRF.
Staff given direction.

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action to amend Resolution 2018-01 to reflect updated implementation date and language pertaining to elected officials and employees as reflected in the original post Ventura Settlement Agreement - Staff.
Motion to adopt Resolution 2018-03 that amends Resolution 2018-01 as modified per discussion.
O'Banion/Cabral U/A (8-0)
2. Presentation and possible action to approve the Actuarial Valuation Report and new rates for Tier 3R and 2R as of June 30, 2017 – Cheiron.
Motion to approve the Actuarial Valuation Report and adopt the new rates for all Tiers, pending Courts and Cemetery District Tier 2R rates – Tier 2R rates will be brought back to the MCERA Board.
Spangler/Goins U/A (8-0)
3. Presentation and discussion of the February 2018 Monthly Flash Investment Performance Report and market update with possible board action on any funds – Verus.
No action required.
4. Presentation and discussion of the Quarterly Performance Report ending on December 31, 2017 – Cliffwater, LLC.
No action required.
5. Discussion and possible action to approve the contract for general investment consulting services with Meketa Investment Group for three years with two 1-year extensions – Staff.
Motion to approve the Meketa contract with amendments to contract start date and add Board Chair to authorized personnel.
Ness/Peterson U/A (8-0)
6. Appointment of ad hoc investment committee to assist with transition of the General Investment Consultant for estimated duration of 6 months – Vice Chair.
Vice Chair Paskin appointed Trustees Paskin, Adams, and Rhodes to the Ad Hoc Investment Committee.
7. Discussion and direction to SACRS Spring Conference voting delegate(s) on SACRS legislation and/or proposed bylaw changes – Staff.
Agenda item was pulled.
8. 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 Advanced Principles of Pension Management for Trustees, March 28-30, 2018, Los Angeles, CA.
 - b) Cliffwater LLC Client Conference, April 10, 2018, New York City, NY.
 - c) Pension Bridge Annual, April 10-11, 2018, San Francisco, CA.
 - d) Raven Capital Management Annual Investor Meeting, May 3, 2018, New York, NY.

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.

- e) SACRS Spring Conference, May 15-18, 2018, Anaheim, CA.
- f) CALAPRS Trustees' Roundtable, June 8, 2018, Oakland, CA.
- g) CALAPRS Administrators' Roundtable, June 22, 2018, Oakland, CA.
- h) SACRS Public Pension Investment Management Program, July 15-18, 2018, Berkeley, CA.
- i) CALAPRS Principles of Pension Management for Trustees, August 27-30, 2018, Malibu, CA.

Approval for Trustee Paskin to attend the Pension Bridge Annual Conference in San Francisco, California on April 10-11, 2018.

Ness/O'Banion U/A (8-0)


INFORMATION ONLY


None.


ADJOURNMENT

The meeting adjourned at 10:41 A.M.

Respectfully submitted,


Darlene Ingersoll, Chair


Al Peterson, Secretary


Date