

**MCERA INVESTMENT RETIREMENT
BOARD MEETING MINUTES
Thursday September 26, 2013**

Roll Call: 8:17 AM

Board Members Present:

Mark Bodley, Ronald Kinchloe, Darlene Ingersoll, David Ness, Karen Adams, Mary McWatters, and Jim Pacheco, **Counsel:** Michael Calabrese. **Staff:** Maria L. Arevalo, David Liu and Gale Garcia. **Also Present:** Nate Pratt, Paul Harte, and Matt Silva

Absent: Al Peterson, Scott Johnston, Deidre Kelsey and Michael Rhodes - Excused.

**Approval of Minutes: Motion to approve September 12, 2013 Board meeting minutes.
Ingersoll/Bodley U/A**

PUBLIC COMMENT: None

CLOSED SESSION—CONFERENCE WITH LEGAL COUNSEL—SIGNIFICANT EXPOSURE TO LITIGATION:

Existing Litigation Government Code Section 54956.9(a): AFSCME Local 2703 et al v. MCERA, Merced Sup. Ct. Case No. CV003073.

No Closed Session held.

BOARD ACTION/DISCUSSION:

1. Asset Allocation Study: Examine Proposed Asset Mixes and Board direction; Board direction on possible additional education programs related to asset classes: SIS.

Mr. Harte reviewed MCERA's current portfolio and asset class expectations. There was a discussion of alternative portfolio mixes and the possibility of considering additional asset classes. The Board reviewed the proposed asset mixes and directed SIS to provide educational sessions on the asset classes related to inflation sensitive assets and hedge funds.

2. Risk Dish Board: A review of MCERA's portfolio risks related to liquidity, risk tolerance and portfolio construction: SIS.

Mr. Pratt discussed the MCERA's risk dashboard document. Mr. Pratt reviewed MCERA's current allocation as of 6/30/2013 and the different risk factors along with MCERA's current portfolio liquidity.

3. Manager Compliance Monitoring Report: SIS.

Mr. Harte reviewed MCERA's manager compliance and performance information.

4. Monthly Preliminary Report for August 2013: SIS

Mr. Harte noted for the month ending August 2013, the total fund returned -1.6% versus -1.3% for the benchmark and fiscal year to date return for the total fund was 1.6% which matched the policy index of 1.6%

Trustee David Ness abstained from the discussion related to the recruitment for a Plan Administrator and left the Board room.

5. Discussion of recruitment process for position of Plan Administrator and Board direction

on whether to contract with outside consultant.

Ms. Arevalo presented the current job specifications of the Retirement Plan Administrator to the Board. Trustees discussed two options for recruitment, the hiring of an outside consultant firm or utilizing the services of the Merced County Human Resources Department after discussion, the Board asked Ms. Arevalo to obtain further information related to the position and process and requested that the Strategic Committee review the options and make a recommendation to the full Board. Trustees Ness and Rhodes were replaced on the committee by Trustees Ingersoll and Pacheco who will join Trustees Adams and Peterson. The committee will meet on 10/4/2013 to discuss the recruitment process.

6. Selection of Voting Delegates for SACRS Fall conference.

The Board approved trustees Kinchloe and Rhodes as voting delegate and alternate voting delegate for the SACRS fall conference.

Motion to approve voting delegates for SACRS business meeting on November 15, 2013.

Ness/Bodley. U/A.

INFORMATION ONLY: NONE

CORRESPONDENCE: NONE

OTHER BUSINESS: Future Meetings, Conferences, Future Agenda Items.

Strategic Committee Meeting following September 26, 2013 Board Meeting – Meeting postponed to 10/4/2013.

ADJOURNMENT 10:42 p.m.

Respectfully Submitted,



David Ness, Chairman



Al Peterson, Secretary

October 10, 2013

Date