

MCERA RETIREMENT BOARD MINUTES

Thursday September 10, 2009

Roll Call: 8:15 AM

Board Members Present:

Dwayne McCoy, Sandy Teague, Karen Rodriguez, Mark Bodley, Tom Mackenzie, Al Peterson, Mike Rhodes and David Ness. **Counsel:** Michael Mason, James Fincher **Staff:** Maria L. Arevalo, Gale Garcia and David Liu. **Also present:** Bill Cottle

Absent: Karen Adams - excused
Deidre Kelsey - excused
Mark Bodley - excused

Approval of Minutes: Motion to approve the minutes of August 13th and August 27th, 2009. Rodriguez/Rhodes. U/A

Public Opportunity:

Mr. Mike Tanner thanked the Board and Staff for the exceptional job they have done to keep MCERA in a sound fiscal state. Mr. Tanner noted he concurred that the Board in accordance with Counsel's opinion, had to disclose retiree benefit amounts. Mr. Tanner suggested releasing additional information such as the fact that employees must contribute to their retirement fund and that the number of years worked for the county would impact a pension amount. There were also comments from Board members who agreed further information should be provided such as the presentation given to the Board on how benefits are calculated. Ms. Arevalo noted that she was compiling the information requested and would also add additional information.

Closed Session:

Motion to deny Anna Partida a SCD and a NSCD
Rodriguez/Teague U/A

Board Action/Discussion

1. Update on Asset Allocation Implementation

Mr. Cottle presented to the board the report on the Fixed Income Manager search. Mr. Cottle identified 12 firms that have products in all three areas (active core, high yield, and TIPs) These 12 firms and possibly a couple of other firms that may have a strong product but do not have all three product areas will comprise the universe of fixed income managers to handle the fixed income responsibilities for MCERA. Mr. Cottle noted that he should have the final analysis and his recommendation available at the October investment meeting. Mr. Cottle briefed the Board on his conversations with MCERA current equity managers regarding a global mandate. Mr. Cottle noted he would also be completing this analysis and will update the Board on October 22, 2009.

Mr. Cottle reported on the conference call with Standish and MCERA staff regarding the liquidation of the RMBS securities as a portfolio. Mr. Cottle noted Standish received bids for this transaction; however the bid price was much lower than what Standish had anticipated. Mr. Cottle noted there are two options; one is to accept the offer now and take the loss or wait and continue to try and liquidate the securities when the market improves. It was the direction of staff to wait and see if the market improves over the next six (6) weeks at which time staff will review again.

2. Contract Recommendation for CPAS

Ms. Arevalo noted that all the issues regarding the CPAS contract have been resolved. Ms. Arevalo asks for the Board's approval to have the Board chair sign the contract.

Motion to approve MCERA Board Chair to sign CPAS contact.

Peterson/Rodriguez U/A

3. Update on RFP for Actuarial Services

Ms. Arevalo noted MCERA had sent out two RFPs; one for actuarial consulting services including the annual valuation and triennial experience study and one for an audit of MCERA's 2008 Actuarial Valuation Report. Ms. Arevalo noted that after reviewing the responses from the three finalists it was within the scope of these firms' services that a parallel valuation would be performed on the 2008 actuarial report. It was the consensus of the committee that under these circumstance, a separate audit of the 2008 valuation was not necessary. The committee recommended that the RFP regarding the audit of MCERA's 2008 actuarial valuation report be closed without selecting a firm. Ms. Arevalo asked for Board approval to close the RFP for the actuarial audit.

Motion to close the RFP for the Actuarial Audit

Rodriguez/Teague U/A

Ms. Arevalo reported that the evaluation committee had selected three finalists from the RFP responses for actuarial consulting services. Arevalo asked the Board if they would like to interview the three (3) actuarial finalists or have the committee do the interviews. After Board discussion there was a motion regarding this decision.

Motion to have the Board interview the 3 finalists at the October 8th Board meeting.

Mackenzie/Teague

Ayes: Ness, Rodriguez, Rhodes, Mackenzie and Teague.

Noes: Peterson

Absent: Bodley, Adams, Kelsey

4. SACRS voting delegates

Ms. Arevalo noted Ms. Garcia from staff and Trustees Peterson, Rhodes, Bodely and Teague will be attending the November 10-13 SACRS conference in Costa Mesa. A voting delegate and alternate needs to be selected.

Motion to nominate Mr. Teague as the primary and Mr. Bodley as alternate voting delegates.

Peterson/Rodriguez U/A

CORRESPONDENCE:

SACRS: Re: County Retirement Board Trustees

OTHER BUSINESS: Future Meetings, Conferences, Future Agenda Items

Due to the SACRS conference and the Thanksgiving holiday, the Board meeting in November is changed to November 19, 2009

ADJOURNMENT 10:14 AM

Respectfully Submitted,

David Ness, Chairman

Al Peterson, Secretary

Date