

## **MINUTES OF THE RETIREMENT BOARD**

### **September 17, 2015**

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A regular meeting of the Retirement Board convened on Thursday, September 17, 2015 at 8:40 a.m. in the Large Training Resource Center (TRC) Room. The meeting was called to order by President Doug Higashi.

**Roll Call** – The following Retirement Board Members were present: Alex Coate, Doug Higashi, Tim McGowan, Frank Mellon, Marguerite Young, and Lisa Ricketts.

The following staff members were present: Laura Brunson, Elizabeth Grassetti, Scott Klein, Saji Pierce and Sophia Skoda.

### **PUBLIC COMMENT**

Eric Larsen from AFSCME 2019 announced that AFSCME 2019 approved the Responsible Investing Resolution that he had shared with the Retirement Board at the May 21, 2015 meeting.

1 - 4. **Consent Calendar** – A motion was made by Frank Mellon and seconded by Marguerite Young to approve the Consent Calendar. The motion carried (5-0) by the following voice vote: AYES (Coate, Higashi, McGowan, Mellon), NOES (none), ABSTAIN (none), ABSENT (none).

### **ACTION**

5. **Appoint Laura A. Brunson as Secretary of the Retirement Board (Resolution No. 6829)**  
In accordance with Section 4(b) of the Retirement Ordinance, the Manager of Human Resources, Laura A. Brunson is appointed as the Secretary of the Retirement Board. Frank Mellon moved the motion and Alex Coate seconded the motion. Tim McGowan stated that he would vote no because he would like to see the Board be more autonomous and select its own administrator, secretary, consultant and attorney. Frank Mellon said that the retirement system should be an arm of the District. Marguerite Young and Lisa Ricketts expressed support for more autonomy. The motion carried (4-1-0) by the following voice vote: AYES (Coate, Higashi, Mellon, Young,), NOES (McGowan), ABSTAIN (none), ABSENT (none).

6. **Review Barrow Hanley Performance and Release from Watch Status** - Based on the Investment Policy criteria and performance review by PCA it was recommended that Barrow Hanley be removed from watch status. Over the past quarter and one year period Barrow Hanley has outperformed its benchmark by 1.4% and 2.5% respectively. The portfolio has tracked the benchmark for the three and five year periods. Doug Higashi made the motion to remove from watch status and Tim McGowan seconded the motion. The motion carried (5-0) by the following voice vote: AYES (Coate, Higashi, McGowan, Mellon, Young), NOES (none), ABSTAIN (none) ABSENT (none).

### **INFORMATION**

7. **1st Quarter Performance Review as of June 30, 2015** - Eric White from PCA presented the second quarter performance review. The portfolio was at \$1.4 billion as of June 30, 2015, a decrease of \$2.0 million over the quarter, but an increase of \$60.4 million for the year. Over the

longer periods the portfolio has outperformed both the policy benchmark and the median public fund. The portfolio is overweight on domestic equities due to market movement and underweight on international equities and fixed income.

8. **Training Module – Real Estate** - Eric White of PCA provided an overview of the Real Estate investments and EBMUD's portfolio. Real Estate encompasses a broad range of sectors including apartments, offices, shopping malls, warehouses, etc. Each sector has different risk/reward opportunities. Real Estate investments are classified as private or public depending on whether the investment is publicly traded or privately held. Real Estate in a portfolio provides diversification, low correlation, income, and a hedge against inflation.

9. **Investment Manager Presentation – Centersquare** Scott Maguire gave an overview of the firm, which was founded in 1987 and focuses solely on Real Assets and has \$7.2 Billion under management. It has three strategies, listed real estate, private real estate and listed infrastructure. EBMUD's portfolio value is \$45 million dollars and is slightly trailing the benchmark for the quarter, and has returned 6.09% for the one year period and 10.11% for the three year period.

#### **REPORTS FROM THE RETIREMENT BOARD:**

10. Brief report on any course, workshop, or conference attended since the last Retirement Board meeting.

- Frank Mellon said he will be attending the International Foundation Conference in November.
- Alex Coate said that he was going to attend the CALAPRS Trustee Roundtable on September 18<sup>th</sup>.
- Lisa Ricketts thanked staff for running an article in Splashes that invited retirees to sign up for her e-mail list.
- Doug Higashi congratulated Rod Deiter on his Retirement.

#### **ITEMS TO BE CALENDERED / UPCOMING ITEMS**

- ESG Education - November

**ADJOURNMENT** – Frank Mellon moved to adjourn the meeting at 11:29 a.m. and Marguerite Young seconded the motion; the motion carried (5-0) by the following voice vote: AYES (Coate, Higashi, McGowan, Mellon Young), NOES (none), ABSTAIN (none), ABSENT (none).

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President

ATTEST: \_\_\_\_\_

Secretary

11/19/2015