Wednesday, March 20, 2013
8 – 9 AM
Continental Breakfast

CALL TO ORDER  Chair Piombo called the meeting to order at 9:01 A.M.

ROLL CALL  PRESENT: Bolger, Brenk, Cooper, Given, Gladstern, McFarland, Piombo (alternate safety), Shaw (ex officio alternate), Smith, Stevens, Webb (alternate retiree)

ABSENT: Richardson

OPEN TIME FOR PUBLIC EXPRESSION  Note: The public may also address the Board regarding any agenda item when the Board considers the item.

BOARD OF RETIREMENT MATTERS

9 AM – 12:30 PM
Investment Manager Annual Portfolio Reviews
Panel Presentation and Discussion
Public Equity and Fixed Income

Chair Piombo and Retirement Administrator Jeff Wickman welcomed MCERA’s public equity and fixed income investment managers and workshop attendees. Annual portfolio reviews will be presented in panels of small cap equity, international equity, and fixed income managers.

SMALL CAP EQUITY

Columbus Circle Investors – Small-Cap Growth
Senior Vice President Stephen Weeks, institutional marketing representative with Columbus Circle Investors, reported that the small cap equity growth portfolio returned 14.09% gross of fees (versus 16.35% for the Russell 2000) in calendar year 2012. Portfolio Manager Cliff Fox attributed underperformance to the benchmark to declining price momentum in the fourth quarter, a low quality end-of-year rally, Federal Reserve policies, and the European debt crisis. Mr. Fox described Columbus Circle’s investment strategy as seeking companies with
unanticipated outperformance to fundamentals during periods of fast growth that leads to future price appreciation. Trustee Stevens asked how the strategy changes in different economic environments. In response Mr. Fox explained that small companies can add value in most economies with superior products or services. Secular trends, industry dynamics, and company-specific stories are key factors, he said. Jim Callahan asked whether cross correlation in stocks is a factor. Mr. Fox replied that small cap stocks are less affected by those metrics. Furthermore, he stated, once financial market disturbances wane, there should be less correlation.

Mr. Fox outlined their investment process which includes identifying drivers of a company’s business, understanding market expectations, and tracking favorable divergence. Positive economic factors he listed include lower levels of consumer debt and low interest rates that support real consumer spending and affordable housing. Considerations include the reaction of the equity market to an end to Fed easing and sovereign debt levels. Mr. Fox noted that the U.S. economy is strong relative to most other economies.

*Trustee Given joined the meeting at 9:28 A.M.*

In response to inquiries from Trustees Bolger, Stevens, and Gladstern, respectively, Mr. Fox explained that small cap stocks are less affected by corporate governance or Fed policy and they view climate change as a regulatory matter for companies to address.

**Dimensional Fund Advisors – Small-Cap Value**
Ted Simpson, Vice President and Relationship Manager with Dimensional Fund Advisors, reported that the small cap value portfolio returned 22.41% gross of fees (versus 16.35% for the Russell 2000) in calendar year 2012. Portfolio Manager David Kershner stated that small cap value stocks are expected to perform well over a long period of time. The strategy is to own most stocks in a broadly diversified portfolio, with positions built over time when prices are favorable. Consumer discretionary and financials are favored due to their cyclical characteristics.

In response to Trustee Stevens’ inquiry, Mr. Kershner discussed quantitative measures applied to determine holdings. Trustee Bolger inquired about the effect of dark pools and ETF trading on equity values. Mr. Kershner explained that public exchanges are used unless a better price can be achieved and that ETF trading provides liquidity and rebalancing opportunities. Mr. Kershner discussed the monitoring of outstanding shares to limit ownership and the importance of the firm’s proxy voting policy with Trustee Gladstern.

Counsel Dunning commented that although some of the managers’ written presentations stated that they were for MCERA use only and/or were “confidential,” the presentations were provided for discussion and distribution at a public meeting of the MCERA Board, and thus MCERA will not treat them as confidential under the California Public Records Act. Each manager indicated agreement with this statement.
INTERNATIONAL EQUITY

Artisan Partners – Non-U.S. Growth
Lori Johnson, institutional client services representative with Artisan Partners, introduced Andrew Euretig, Portfolio Manager. The Artisan International Fund returned 26.87% gross of fees (versus 17.32% for the MSCI EAFE Index) for calendar year 2012. Ms. Johnson attributed the fund’s outperformance to stock selection, noting that the top 10 holdings comprise one-third of the portfolio. Mr. Euretig expressed a high degree of conviction in the reliance on top ten holdings that has performed well over time. Investment factors include projections of long-term compounding of returns based on internal research of four key areas: growth, market share, valuation, and sustainability. In response to Trustee Gladstern’s inquiry on the effect of climate change on strategy, Mr. Euretig discussed companies with long-term solutions to European energy-neutral building policies.

Eaton Vance/Parametric – Emerging Markets
Kristen Gaspar, Relationship Manager with Eaton Vance/Parametric, reported that the emerging markets portfolio returned 21.17% gross of fees (versus 18.63 for the MSCI Emerging Markets Index) in calendar year 2012. Portfolio Manager Brian Dillon of Parametric stated that the investment strategy uses broad exposure to the asset class to capture premiums through a disciplined and repeatable rebalancing process of selling into strength and buying into weakness. Country-specific weightings drive returns in the rules-based, top-down format. Frontier markets that are outperforming in 2013 provide for diversification and may be undervalued based on demographics and untapped resources.

In response to Trustee Bolger’s inquiries, Mr. Dillon discussed the tax-managed feature that limits taxable transactions and contains transactions in those countries with higher costs. Over time, he said, performance is similar between tax and non-tax managed funds. Trustee Bolger requested that Eaton Vance consider adding a new institutional share class that would not include a redemption fee. Mr. Dillon discussed the other vehicles that are available without redemption fees.

Morgan Stanley – International Equity
Nancy Jean Norton, Executive Director with Morgan Stanley, introduced William Lock, co-leader of the international equity team in the London office. Mr. Lock stated that the investment strategy focuses on compounding of growth over the long-term through sustainable, high quality companies. Limiting the volatility of unlevered profit streams is a key goal. Research includes a bottom-up analysis of the future value of cash flows, with investment at a discount to that value. Performance characteristics include a favorable asymmetric performance profile, strong capital preservation, and relatively stronger performance in down periods. Mr. Lock stated that the portfolio has outperformed its index over time. For calendar year 2012, the portfolio returned 20.97% gross of fees (versus 17.32% for the MSCI EAFE Index).

Mr. Lock attributed outperformance to stock selection, noting that 26% of holdings are in emerging markets. Following an unprecedented period of high leverage, capital markets will experience a long period of deleveraging going forward, he noted. Mr. Lock believes quality equities are valued favorably relative to U.S. Treasurys.
Pyramis Global Advisors – Select International Small Cap
Sue Curran, Relationship Manager with Pyramis Global Advisors, stated that the international small cap portfolio is built on a bottom-up approach to fundamental analysis by the global research team. Nick Horn, Institutional Portfolio Manager, stated that the strategy is based on the thesis that the international small cap market is inefficient, thus allowing for outperformance over time. Mr. Horn attributed 85% of performance to stock selection. The portfolio is relatively region and sector neutral. In calendar year 2012 the portfolio returned 26.26%, gross of fees, outperforming the S&P Dev ex U.S. Small Cap Index by 7.71%. Sectors contributing to performance included telecom services and financials; the consumer discretionary sector detracted. Mr. Horn reviewed specific holdings that performed well, and provided relative weightings according to sector, region, and country. In response to Trustee Bolger’s inquiry, Mr. Horn stated that environmental-social-governance matters are part of their investment analysis process.

FIXED INCOME

Wellington Management Company – Core Bond Plus
Cristina Hernandez, Relationship Analyst with Wellington Management Company, introduced Investment Director Mike Miller and Portfolio Manager Campe Goodman. Mr. Goodman reported that the portfolio outperformed in 2012, attributed in part to non-agency mortgages and a positive housing market. Mr. Goodman noted that financials and lower coupon mortgages with high yields produced steady income. In calendar year 2012 the portfolio returned 8.03% gross of fees (versus 4.21% for the Barclays Aggregate Index). The portfolio is well diversified with different classes driving performance, according to Mr. Goodman, who reviewed specific bonds that performed well. Macroeconomic factors looking ahead include a positive environment for risk assets as the U.S. economy gains traction from monetary easing. Due to concern for the long-term outlook for European growth, the portfolio is in a moderately pro-cyclical position. Mr. Goodman projects an increase in interest rates based on an improving unemployment rate and related Fed policy.

In response to Trustee Smith’s inquiry, Mr. Goodman indicated that TIPs are not attractively priced. In discussions with Chair Piombo about inflation hedges, he gave the example of an aggressively managed, unconstrained fixed income portfolio and discussed advantages and disadvantages of that approach. Duration would increase if interest rates rise, he said in response to Trustee Stevens’ inquiry.

Western Asset – Core Bond Plus
Frances Coombs, Client Service Executive with Western Asset, introduced Portfolio Manager Julien Scholnick. Ms. Coombs stated that the portfolio is managed by an investment team that includes a new advisor on the intersection of policy and markets. The portfolio outperformed in calendar year 2012, returning 9.79% gross of fees (versus 4.21% for the Barclays Aggregate). Mr. Scholnick attributed performance to non-agency mortgage-backed securities that are becoming more valuable and have responded positively to the improved housing market. U.S. markets drove performance, with selected securities in emerging markets performing well due to favorable growth characteristics. Spreads in credit sectors that performed well during 2012 are being analyzed for characteristics and valuations that warrant trimming to adopt a more
defensive posture. Also, exposure to financials is being reduced and upgraded in quality. Mr. Scholnick reviewed favorable Euro and British Pound currency hedges.

The panel responded to trustee inquiries. According to Mr. Goodman, the cash position of the Wellington portfolio rose due to repositioning and is likely to come down. He further explained to Trustee Bolger that derivatives on U.S. Treasurys are highly liquid, exchange-based futures that are proxies for the actual bonds and are useful for fine-tuning the portfolio. Slow growth in Europe is expected but major systemic fears have been reduced. Chair Piombo inquired about long-term inflation expectations and Mr. Goodman does not expect inflation to rise significantly in the next ten years. Both Mr. Goodman and Mr. Scholnick expect bond performance to temper over the medium term as rates move up slightly and high-yield spreads are compressed. Trustee Bolger asked about exposure to sovereign debt in Italy. Neither manager is invested there.

Chair Piombo recessed the meeting for lunch at 12:34 P.M., reconvening at 1:30 P.M.

12:30 – 1:30 PM
Lunch on site

Chair Piombo directed discussions to public comment.

OPEN TIME FOR PUBLIC EXPRESSION, continued.

Chair Piombo recognized a request for a brief comment from the public.

Mr. Josh Thomas spoke to the Board expressing his concern about the decision by CalPERS to raise the premium for the long term care (LTC) program. He reiterated some of the concerns about the program that he expressed in an earlier MCERA Board meeting. Mr. Thomas also requested that the MCERA Board direct the Retirement Administrator to research the matter and provide a public presentation at the next Board meeting.

Trustee Bolger, Board Chair, asked the Retirement Administrator to raise the long term care issue with other ’37 Act systems at the annual SACRS Conference in May. Ms. Bolger stated that she does not believe the matter should be agendized at an MCERA Board meeting since it is not within the Retirement Board’s authority to address, and she thus does not believe the Board should expend additional MCERA time and resources on the topic. In support of her view, Mr. Wickman explained that pension assets by law may not be used to fund health or long term care benefits. Trustee Smith agreed to withdraw his previous request to agendize the matter.

Chair Piombo redirected discussions to Investment Manager Annual Portfolio Reviews.

Mr. Wickman invited trustee comments on the new panel format for annual portfolio reviews. Discussions included providing more time for interactive dialogue. Mr. Callahan observed that the format sheds light on how well the portfolio is diversified across investment strategies. As to considering an unconstrained fixed income strategy to hedge inflation risk, Mr. Callahan characterized it as a real return strategy that would trade market risk for implementation risk.
Chair Piombo recommended having more time for the Board to strategize once managers have made their presentations. In response to Trustee Smith’s inquiry, Mr. Callahan explained the strategy of the Morgan Stanley portfolio.

1:30 – 2:30 PM  
Economic and Capital Market Review  
Jay Kloepfer  
Callan Associates

Jay Kloepfer, Callan Associates Director of Capital Markets Research, invited questions from the trustees before beginning his economic and capital market review. In response to Trustee Smith’s inquiry, Mr. Kloepfer reviewed variations in investment returns over time. A discussion of inflation followed, which Callan Associates is projecting to be 2.5% over the next ten years. Mr. Kloepfer stated that the U.S. dollar remains the destination point for flights to quality and is already fully devalued relative to the currencies of countries with natural resources such as Canada and Australia. According to Mr. Callahan the Barclays Aggregate index is 75% government securities. The Wellington fixed income portfolio is similarly positioned in anticipation of rising interest rates and uncertainty, he added. A bond ladder approach suggested by Trustee Brenk would depend on the time frame, according to Mr. Callahan. Moreover, he explained that the active managers use strategies other than yield to add value. These active strategies add value and make a strong case for active management of fixed income, he stated in response to Trustee Bolger’s inquiry.

Mr. Kloepfer presented updates to ten-year economic projections that are reduced for all asset classes. He characterized the economic scenario as uncharted waters due in part to the persistence of low interest rates. Trend growth in GDP is likely to be 2.5%, he stated, leading to lower earnings growth. The risk of inflation is balanced by a lack of upward pressure on wages, he said. In the U.S. real fixed income yields are negative, with negative nominal yields in Europe where investors are paying debtors to lend them money. Noting that fixed income assets appear to be overvalued, Mr. Kloepfer pointed out that if bond yields increase, bond values will decline. Callan Associates’ ten-year projected return for bonds is 2.5% and 7.7% for equities. Interest rates are expected to rise with an upward sloping yield curve but no expectation for real return. Considerations include monetary and/or fiscal policy failure, and geopolitical risk.

In response to Trustee Stevens’ inquiry about gaining exposure to emerging markets by investing in U.S. firms, Mr. Kloepfer explained that 55% of the opportunity set is overseas and emerging market holdings help to diversify the Fund. In summary, Mr. Callahan expects subdued returns generally over the next ten years to yield less return per unit of risk and a premium for private equity over public equity.

2:30 – 4 PM  
Asset Allocation Review  
Jay Kloepfer and Jim Callahan  
Callan Associates

Based on capital market projections and asset correlations and returns, Mr. Callahan presented alternative asset mixes for the MCERA portfolio for consideration. Projected rates of return and
standard deviations for different asset allocations were discussed. Mr. Callahan reviewed the
different asset mixes and discussed the challenges that would be presented by trying to take on
more risk to meet the assumed rate return. Counsel Dunning reviewed the governing principles
of diversification, maximizing return, and minimizing risk.

In response to Trustee Smith’s inquiry, Mr. Callahan stated that a diversified portfolio of private
real assets would likely provide a similar return to public equity, but with illiquid and long-term
characteristics. Mr. Callahan pointed out that over the last ten years peer systems have moved to
hedge funds as an asset class by reducing allocations to both fixed income and equities. Trustee
Smith suggested moving 5% from fixed income into alternative investments. Mr. Callahan
offered to present alternative strategies for a reduction to the fixed income allocation.

Mr. Wickman spoke to the importance of a long-term perspective and addressed the discount rate
on the liability side. He noted the secondary duty to minimize employer contributions while
providing for sustainability of the Fund. Trustee Given discussed differences in the real return
and inflation assumptions between the actuary and the investment consultant. Mr. Wickman and
Mr. Schmidt affirmed that the real rate of return of 4.25% is the key factor to study.

Mr. Wickman recommended that the Board provide direction based on Mr. Callahan’s
presentation. Upon the request of Mr. Given, Mr. Callahan offered his recommendation to move
2 or 3% of fixed income assets to core real estate, decrease the domestic equity allocation,
increase the international equity allocation, and within international equities, increase the
allocations to emerging markets and international small cap equity. Global fixed income should
also be used, he said. There was general agreement by a show of hands to Trustee Given’s
recommendation to consider a formal proposal for these recommendations at the May Investment
Committee meeting.

Chair Piombo recessed the meeting for the evening at 4:19 P.M.

EVENING RECESS
Chair Piombo introduced Ashley Dunning for the presentation on fiduciary considerations for investment-related matters focused around environmental-social-governance (ESG) issues. Ms. Dunning stated that today’s presentation addresses the extent to which the Board should or may consider ESG with regard to its investment-related decisions.

Ms. Dunning first discussed Board members’ fiduciary duty of care, which they must exercise as “prudent experts” who thus use the care and skill that a person in a like capacity under the circumstances then prevailing and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

Trustee Given joined the meeting at 9:10 A.M.

Board members must also consult with experts and follow their advice, or if not, then demonstrate an informed, reasonable, and prudent rationale for choosing a different direction. The importance of recording in the minutes the deliberations of the Board was addressed.

The exclusive benefit rule and fiduciary duty of loyalty provides that system assets are for the exclusive benefit of members and beneficiaries, and that, regardless of whether appointed or elected, a Board members’ duty is to the overall best interest of all members of the Plan.

In response to Trustee Smith’s inquiry, Mr. Wickman clarified that annual statutory post-retirement cost of living adjustments (COLAs) are adopted by sponsoring agencies and thus are not granted by the Retirement Board. A brief discussion occurred about attempts in some other states to adjust COLAs claiming they are not a vested right and ensuing litigation in those states.
Turning to ESG, Ms. Dunning noted that the duty of loyalty to members ordinarily prohibits trustees from making investment decisions that serve interests other than those of the members of the system. Ms. Dunning stated that a common thread in case law regarding social investing is that the interests of beneficiaries may not be compromised by consideration of an ESG purpose, requiring therefore that better or the same risk-adjusted returns would reasonably be expected from the ESG investment as from another investment without the ESG component. Mr. Wickman observed that CalPERS divested from tobacco only for internally managed investments, but not for those managed externally.

Trustee Stevens commented that investment managers are investing based on expectations for investment returns.

Ms. Dunning discussed some of the information that CalPERS’s in-house portfolio manager Bill McGrew provided recently to the MCERA Governance Committee with regard to social investing. According to Mr. McGrew, CalPERS is engaged in the ESG discussion and is sponsoring a forum on the topic in June. Based on policies developed by CalPERS, a framework for considering ESG matters will be developed, according to Mr. Wickman. Mr. Wickman stated that a policy would serve to inform the public on what the Board must consider with regard to ESG matters.

Trustee Bolger supported having such a policy, and Trustee Given spoke to the importance of guidelines for staff on the administration of the system. Several trustees also supported the concept of corporate engagement, including Trustee Webb who related the opinion of a member from a non-developed country on the importance of engagement for positive change. Trustee Cooper addressed the proposed ban on automatic weapons and questioned the viability of CalPERS’ use of materiality as a factor.

The MCERA Governance Committee will consider a policy with regard to fiduciary duties in governance matters generally, including specifically with respect to its constructive engagement and/or divestment considerations on ESG matters, at its June meeting.

*Chair Piombo recessed the meeting for a break at 10:57 A.M., reconvening at 11:12 A.M.*

**11 AM – Noon**  
**Board Member Roles and Processes**  
Ashley Dunning  
Manatt, Phelps & Phillips

Mr. Wickman stated that Board member roles and processes are being addressed to assure that sound practices are followed so that everyone hears the Board’s deliberations, the Chair can keep track of the meeting, and subsequently, staff can keep track of the meeting. He invited Board Chair Bernadette Bolger to comment. Ms. Bolger spoke to the need for process, in particular when considering applications for disability retirement, and the importance of being recognized by the Chair.
Ms. Dunning stated that Roberts Rules of Order, MCERA Bylaws, and the Brown Act guide or govern MCERA Board meetings and serve to assist the Board in fulfilling its key function of oversight of the Plan. Ms. Dunning reviewed the Board’s responsibilities which include selection of executive staff, assisting with defining roles and responsibilities, and monitoring reports by staff and consultants. The Retirement Administrator is accountable to the Board regarding executive staff and consultants and reports to the Board regarding any significant matters. Ms. Dunning also reviewed the roles of MCERA’s standing committees.

Ms. Dunning noted the Board is vested with the “plenary” and “sole and exclusive” authority over the administration and investments of the retirement system. Being prepared for and attending Board meetings is presumed and action is taken based on accurate and complete information. New Board members take reasonable steps to learn about the organization, acquire training, and keep pace with the industry.

Board members serve in the overall best interest of all members of the system, not at the pleasure of the appointing authority or contingent of MCERA’s membership that elected him or her. Trustees may not participate in a decision that impacts personal finances in a manner that is different from how it impacts MCERA’s membership generally. Discussions included Trustee Bolger’s comments on the overlap between the Investment and Finance and Risk Management Committees and the ability of the Board to refer matters back to committees.

MCERA Board meetings are also governed by the Brown Act which provides a virtual seat at the table for the public. Meetings must be noticed by the timely posting of agendas and provide for public participation and comment. Furthermore, Committees observe guidelines as to structure and discussions outside of formal meetings are restricted.

Roberts Rules of Order provide a structure and order to Board meetings through concepts such as the need for a quorum to conduct business, majority rules, and not interrupting the speaker. The Chair conducts the meeting, facilitates debate, and recognizes trustees with different viewpoints. Members may speak twice to a motion but only the second time after everyone else who wishes to speak has spoken. Minutes are taken that may be a summary of major points made. Adoption of the minutes at a subsequent meeting is not a forum to reopen debate on subject matters that are not on the agenda for that meeting.

Discussions by the Board included the finer points of debate, motions, and voting procedures. For example, Trustee Brenk inquired about the timing of the vote if discussions continue for an extended period of time. In response Ms. Dunning explained that, absent a call for the question that is seconded and approved by the majority present, discussion should continue until no Board members have additional comments or questions. In response to Trustee Brenk’s inquiry, Ms. Dunning explained the process involved in a call for the question.

The unique structure of disability sessions was addressed by Trustee Bolger where order is especially important. Trustee Cooper inquired about discussing disability retirement applications in public session. In response, Ms. Dunning explained that the California Attorney General has opined that the personnel exception in the Brown Act permits, but does not require, disability retirement applications to be considered in closed sessions. If such applications were considered in open session, however, the Board and staff would need to maintain the confidentiality of the
applicant’s medical information. Changing the current practice of considering disability retirement applications in closed session would be up to the Board, she stated.

*Chair Piombo recessed the meeting for lunch at 12:55 P.M., reconvening at 1:38 P.M.*

**Noon – 1:30 PM**

*Lunch on site*

**1:30 – 3:30 PM**

*Disability Processing Improvements*

Jeff Wickman  
MCERA  
Ashley Dunning  
Manatt, Phelps & Phillips

Mr. Wickman summarized the proposed disability process improvements that were presented at the March 2011 Strategic Workshop. As a result of that discussion, a disability group comprised of the Retirement Administrator, Assistant Retirement Administrator, and Disability Coordinator was established to review applications and reports prior to initial consideration and develop a summary and recommendation that would be presented to the Board along with the other application material.

Mr. Wickman presented new ideas to assist with streamlining the initial consideration of disability applicants. Mr. Wickman recommended placing disability applications on the consent agenda when the medical advisor and staff agree on granting the application. The Board could approve the application on consent or pull the item from consent for consideration in closed session. Discussions included Chair Piombo’s suggestion to form a disability committee to consider disability applications in order to streamline Board meetings.

Trustee Smith made a motion to approve Recommendation #1, and Trustee Gladstern seconded the motion.

Discussions included Trustee Brenk’s comments on the value of the discussion when considering disability applications. The practicality of having attorneys and applicants present at the right time was mentioned by Chair Piombo. Trustee Bolger discussed the importance of due process where the applicant has a burden of proof in a quasi-judicial process that is therefore not analogous to other Board functions such as investments. Ms. Bolger indicated that she believes a consent calendar is not appropriate for disability retirement applications, indicating that all Board members should participate in disability matters. In response, Trustee McFarland addressed the importance of thorough consideration of disability retirement applications and recommended that the Board form a committee to consider all disability cases. In response to Trustee Webb’s inquiry about the anticipated time savings by moving items to the consent calendar, Mr. Wickman estimated that 25% of cases would fall into the consent category.
Trustee Brenk expressed confidence in staff’s recommendations with regard to disability applications. Mr. Wickman stated that his recommendation is designed to save time for the applicant and the Board, adding that staff will do the same work in any event. Mr. Wickman was not supportive of a separate committee for disabilities.

Trustee Gladstern proposed retaining the current process and analyzing cases with the view of moving to the recommended process in the future. Trustee Given concurred and recommended considering first those cases that would have been recommended for consent.

Trustee Smith withdrew his motion. Trustee Webb requested a point of order to have the second agree with the withdrawal of the motion. Ms. Gladstern agreed to withdraw her second.

There was general agreement to direct staff to indicate which cases would have been recommended for consent by listing them first on the disability retirement section of the regular Board meeting agenda.

*Chair Piombo recessed the meeting for a break at 3:01 P.M., reconvening at 3:12 P.M.*

**3:30 – 4 PM**

**Items for Future Agendas**

Chair Piombo requested trustee comments on the new format for the Workshop. There was general agreement that the panel format is a positive change and more time should be allotted for investment manager presentations. Trustees Stevens and Brenk supported further detail and interactive dialogue.

There being no further business, Chair Piombo adjourned the meeting at 3:51 P.M.

__________________________________   _____________________________________
Alan Piombo, Chair                 Attest:  Jeff Wickman
Retirement Administrator