## Retirement Board Meeting January 23, 2014 1:00 PM

Members Present: Commissioner Anderson, Commissioner Courtney, Commissioner Kopas, Treasurer Jared Squires, Controller Balzer

Commissioner Anderson called the meeting to order.

Controller Balzer called for discussion of the prior meeting minutes. Specifically, Controller Balzer refuted assertions made by Commissioner Courtney that a December 2012 work session was not documented in the minutes. Controller Balzer presented the minutes from the December 20, 2012 where the work session was in fact included. Further Controller Balzer presented the January 2013 minutes where it reflected that Commissioner Courtney made the motion to approve the December 20, 2012 meeting.

Commissioner Kopas reported that Christiaan Brokaw of Gallagher Fiduciary Advisors had presented a written response to Commissioner Courtney's allegation regarding Stewart Capital. Commissioner Kopas asked that a copy of the letter be included as part of the December 19, 2013 minutes

A motion to approve the minutes of December 19, 2013, including the letter from Gallagher, was made by Commissioner Kopas, seconded by Treasurer Squires. Unanimous.

Gene Natale of C. S. McKee presented a manager's report. Dave Immonen of Manning & Napier gave a manager's report.

Chris Brokaw gave the consultant's report on behalf of Gallagher Fiduciary Advisors which included a review of the asset allocation and compliance with the targets required by our investment guidelines.

Mr. Brokaw proposed raising \$20 million (10 million each) from C.S. Mckee and SIT Large Cap equity and transferring \$10 million each to C.S. Mckee and MetWest Fixed Income.

Additionally, Mr. Brokaw recommended that we continue to de-emphasize active management in the Large Cap Core area. He proposed re-allocating \$12 million (\$4 million each) from CIM, Emerald and Manning and Napier to Vanguard S&P 500 Index.

Treasurer Squires made a motion to execute the rebalancing as proposed by Gallagher Fiduciary Advisors, seconded by Controller Balzer. Unanimous.

Commissioner Kopas made a motion to approve the new Gallagher Fiduciary Fee Schedule. Commissioner Courtney offered discussion on the motion questioning whether approval of the fee schedule would lock the fund into another year with Gallagher. Controller Balzer seconded the motion. Commissioner Courtney voted nay. The motion passed 4-1.

A motion to adjourn was made by Commissioner Kopas, seconded by Treasurer Squires. Unanimous.