

**California Public Agencies
Self-directed Tax Advantaged Retirement System (STARS)
Joint Teleconference of the 401 and 457 Board of Trustees**

Teleconference Minutes

Wednesday, May 3, 2017

Members Present

Richard Averett, Chair
Joseph Chan, Secretary

Agency

Regional Government Services Authority
Local Government Services Authority

Others Present

Edward Wagner
Rebecca Searles
Paula Roberts
Gary Bozin
Jeff Kise

SageView Advisory Group
SageView Advisory Group
MassMutual
MassMutual
Regional Government Services Authority

- (1) The meeting was called to order by Chair Averett at 10:05 AM.
- (2) The agenda for the May 3, 2017 STARS Board teleconference was approved with no changes.
/M/Chan/S/Averett /C/
- (3) Minutes of the March 28, 2017 teleconference were approved as presented. /M/Chan/S/Averett/C/
- (4) Wagner presented the investment performance report for the quarter ending March 31, 2017. The report covers investment performance for both new MassMutual investment options as well as the current portfolio as of March 31, 2017. All investment options in the plan performed well against their benchmarks (top 50%). They will be mapped over to the new STARS investment options under MassMutual in April. The Pioneer Fundamental Growth Fund was put on watch list due to a change in management, but no performance issue is expected.
- (5) Transition to MassMutual went smoothly with the end of the blackout period in April. All assets were transferred from UTC and mapped to new investment options as planned. SageView will follow-up with MassMutual about their approval of the revised Joinder Agreement, and an IRS letter of confirmation.
- (6) Chan reported that as part of the ABAG/MTC merger negotiation, ABAG staff will become MTC staff as of July 1, 2017. It has been agreed that ABAG staff will be offered fringe benefits that MTC currently offers to its employees. For retirement asset management plans, MTC offers two options- ICMS and CalPERs. The STARS program will not be available after July 1. After discussion, STARS's strategy will be to encourage ABAG participants to keep their assets in STARS. Wagner will draft letter

in the next couple weeks. After the merger settles, STARS will appeal to MTC management to add STARS or replace one of the existing options with STARS.

With the transition to MassMutual completed successfully, the Board believes STARS is now in a good position to start marketing to potential employer agencies. Ideas discussed were:

- Continue to advertise on CSMFO website
- Submit articles to CSMFO
- Update marketing materials to take to conferences
- Consider opportunity to get on agenda of CSMFO or CMTA conferences
- Consider going national

(7) Jeff Kise presented the Board of Trustees financial reports as of March 31, 2017. They were accepted as presented.

(8) Jeff Kise presented the FY 2017-18 Board of Trustees operating budget. Budget was approved with no changes. /M/Chan/S/Averett/C/ There was a question whether the STARS financial cycle is on a fiscal year or calendar basis. It was confirmed to be on a July 1 to June 30 fiscal year.

(9) Wagner presented the revised SageView/STARS agreement with new fees provisions in schedules A and B. Agreement was approved as presented. /M/Chan/S/Averett/C/

(10) Date of next meeting: SageView will send query for meeting date.

(11) Meeting adjourned at 11:35 AM.