



RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY BOARD MEETING

9:00 a.m.

January 8, 2014

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Debora Allen, Richard Cabral, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, William Pigeon, Gabe Rodrigues, Jerry Telles and Russell Watts

Absent: None

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Vickie Kaplan, Retirement Accounting Manager; and Christina Dunn, Retirement Administration Manager

Outside Professional Support: Harvey Leiderman Representing: Reed Smith LLP

1. Pledge of Allegiance

Hast led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No members of the public offered comment.

3. Approval of Minutes

It was **M/S/C** to approve the minutes of the October 30, 2013 meeting. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Telles and Watts. Abs.: Cabral and Pigeon)

It was **M/S/C** to approve the minutes of the November 6, 2013 meeting. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)

It was **M/S/C** to approve the minutes of the November 26, 2013 meeting with a correction to Item 5, line 1, changing the first part of the sentence to "Schneider explained this issue was brought before the Board" (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)

It was **M/S/C** to approve the minutes of the December 11, 2013 meeting with a correction of moving the "at the January 22, 2014 meeting" to the end of the sentence for clarity. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts).

4. Routine Items

It was M/S/C to approve the routine items of the January 8, 2014 Board meeting. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts).

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.

The Board moved into open session.

5. Disability Retirements

It was M/S/C to accept the Medical Advisor's recommendation and grant the following disability benefits:

- (a) David Shorum – Service Connected (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)
 - (b) James Daugherty – Service Connected (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)
6. It was M/S/C to accept the Hearing Officer's recommendation and grant the non-service connected disability retirement for Colleen Kay. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)
7. This item was continued to a future agenda.

It was the consensus of the Board to move to Item 12.

12. Consider and take possible action on staff recommendation for the temporary hire of retiree Joelle Luhn to fill a critically needed position

Leedom reported staff is beginning to work on the CAFR and PAFR. The Communications Coordinator retired and we are actively working with Human Resources to begin the recruitment process for this position.

After discussion, it was M/S/C to grant a waiver of the 180 day waiting period for Joelle Luhn, Retirement Communications Coordinator, on a part-time basis, in order to complete the CAFR and the PAFR for 2013. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon and Watts. No: Cabral. Abs.: Telles)

11. Presentation of Market Stabilization Account report

Kaplan and Schneider reviewed the Market Stabilization Account's deferred return as of June 30, 2013.

It was the consensus of the Board to have an educational presentation on the Contra Tracking Account at an upcoming meeting and to also include a cover memo with future Market Stabilization Account reports.

13. Consider and take possible action on staff recommendation regarding the IRS Letter of Determination

Levy requested authorization to file an application with the Internal Revenue Service for a Letter of Determination during Cycle C ending on January 31, 2014 and authorize payment of \$2,500 in filing fees.

It was **M/S/C** to file an application with the Internal Revenue Service for a Letter of Determination during Cycle C ending on January 31, 2014 and authorizing payment of \$2,500 in filing fees. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)

14. Conference Seminar Attendance

a. It was **M/S/C** to authorize the attendance of 4 Board members at the Trustees Roundtable, CALAPRS, February 7, 2014, Burbank, CA. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)

Cabral was not present for subsequent discussion and voting.

b. It was **M/S/C** to authorize the attendance of 4 Board members at the CAPP Program, Part I, IFEBP, June 3-4, 2014, San Jose, CA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

c. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the 21st Annual Investment Forum, Emerald, February 6, 2014, Philadelphia, PA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

d. It was **M/S/C** to authorize the attendance of 1 staff member at the Protecting Securities Portfolios Against Fraud, BLB&G, March 31-April 1, 2014, New York, NY. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

e. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the Roundtable for Public Plans and Taft-Hartley Plans, Institutional Investor, April 23-25, 2014, Beverly Hills, CA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

f. It was **M/S/C** to authorize the attendance of 1 staff member at the Investment Forum for Public CIOs, PIMCO, March 11, 2014, Newport Beach, CA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

g. No action taken on the Annual Member Conference, NIRS, March 3-4, 2014, Washington, D.C.

h. It was **M/S/C** to authorize the attendance of 1 staff member at the Conference 2014, Oaktree, March 12-13, 2014, Beverly Hills, CA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

Cabral was present for subsequent discussion and voting.

It was the consensus of the Board to move to Item #8.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54956.9(a), 54956.9(b) and Govt. Code Section 54957.

The Board moved into open session.

8. There was no reportable action related to Govt. Code Section 54956.9(a).

9. There was no reportable action related to Govt. Code Section 54956.9(b).

Cabral and Mitchoff were not present for subsequent discussion and voting.

10. There was no reportable action related to Govt. Code Section 54957.

Gordon and Kroll were not present for subsequent discussion and voting.

15. **Miscellaneous**

(a) Staff Report –

Price provided handouts regarding the change in CEO at Wellington and a memo from Milliman regarding the change in ownership of the parent company of Ceredex and their assessment of this change.

He reported the onsite with Pyrford was positive and he is working on finalizing the commingled fund structure with them.

He reported there is an onsite visit scheduled to Siguler Guff for the following week.

He reviewed his memo in the agenda packet regarding the OCERS P4 Initiative noting CCCERA's involvement at this time will likely include reviewing the RFP responses and offering notes to OCERS staff.

Leedom reported that she attended the onsite visit to Pyrford, William Blair and JP Morgan with Allen and Helliesen and felt it went well at Pyrford. She also felt the meeting with JP Morgan was fine.

Leedom also reported on the responses to the Vocational Services RFI.

She also reported that CCCERA received a certificate for outstanding financial reporting from the GFOA again.

Leedom provided an update on the on-call pay reported for doctors in Health Services noting the County is working to refund contributions and provide the adjustments needed.

Leedom reported we have started reviewing the Fire-Fighter Recruit job description to determine if the classification should be included in CCCERA membership.

Leedom reported the list of completed educational trainings completed by the Board in 2013 is now on the CCCERA website.

Leedom reported a copy of a letter sent to the County regarding retirees hired as independent contractors are in Board member's mailboxes.

She also reported at the next meeting staff will be requesting to issue an RFP for a new website.

Leedom reported the percentage of the cost of living (COLA) for retirees should be on the next agenda.

(b) Outside Professionals' Report –

Leiderman reported the legislation for CCCERA to establish independent district status is now numbered SB 673.

He also reported on the status of Mayor Reed's pension reform initiative, Public Employees' Pension and Retirees' Health Benefits Initiative Constitutional Amendment.

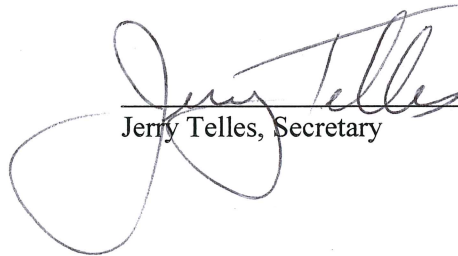
(c) Trustees' comments –

Allen reported on the onsite visit to Pyrford and felt reassured that it was the right choice. She feels there are items to watch with William Blair and she will provide staff with a written report of the onsite visit.

It was M/S/C to adjourn the meeting. (Yes: Allen, Hast, Holcombe, Phillips, Pigeon, Rodrigues, Telles and Watts)



Brian Hast, Chairman



Jerry Telles, Secretary