

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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May 8, 2013

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, May 8, 2013 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Terry Buck, Richard Cabral, John Gioia, Jerry Holcombe, Sharon Naramore, John Phillips, Jerry Telles, Maria Theresa Viramontes and Russell Watts

Absent: Debora Allen, Brian Hast and Gabe Rodrigues

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; and Christina Dunn, Retirement Administration Manager

Outside Professional Support: Harvey Leiderman
Representing: Reed Smith LLP

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Chih-Chi Chu	CCCERA Staff
Tracy Kroll	CCCERA Staff
Justine Rossini	CCCERA Staff
Mike Sloan	Contra Costa County Retired Employees Association
Todd Smithey	Central Contra Costa Sanitary District
William Pigeon	Local 1230

1. Pledge of Allegiance

Viramontes led all in the *Pledge of Allegiance*.

2. Public Comment

No members of the public offered comment.

3. Approval of Minutes

It was **M/S/C** to approve the minutes of the March 21, 2013 and the March 27, 2013 Board meetings. (Yes: Buck, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)

4. Routine Items

It was **M/S/C** to approve the routine items of the May 8, 2013 Board meeting. (Yes: Buck, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)

It was the consensus of the Board to move to Item 7.

7. Consider and take possible action on review of CCCERA real estate investments

Price reported that CCCERA's availability to commit to private real estate has grown due to the increase in total CCCERA fund value and meaningful distributions from the existing private real estate managers.

He reviewed a survey of the most recent investments made by existing CCCERA managers and the strategic positioning of CCCERA's private real estate managers. Price recommended making additional commitments of up to \$60 million in value add real estate funds, up to an additional \$25 million to opportunistic funds and up to \$175 million in distressed real estate funds. Price stated that staff would review the current fund offerings from existing real estate managers before considering new managers.

After discussion, it was **M/S/C** to accept staff's recommendation to make additional commitments to closed end real estate funds up to a total of of \$240 million. (Yes: Buck, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)

Cabral was present for subsequent discussion and voting.

8. Review of Budget vs. Actual for 2012

Leedom distributed detailed Budget vs. Actual reports for 2012 for Administration and for Legal and Investment noting that we are substantially under-budget. She reported Attorney-disabilities and Telephone Services for Administration were over-budget. Salaries were under-budget due to vacancies taking longer to fill which caused the Temporary-Salary to be over-budget.

Leedom reported the main charges for salaries on the Legal and Investment budget are for on-site visits, which is under-budget.

Leedom reported the CAFR will be presented at the last meeting in June.

It was **M/S/C** to accept the Budget vs. Actual Report for 2012. (Yes: Buck, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts. Abs.: Cabral)

9. Conference Seminar Attendance

- a. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the Annual Meeting, Paladin, June 11, 2013, Washington, D.C. (Yes: Buck, Cabral, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)
- b. It was **M/S/C** to authorize the attendance of 2 Board members at the Investment Management Program, SACRS, July 28-31, 2013, Berkeley, CA. (Yes: Buck, Cabral, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)
- c. It was **M/S/C** to authorize the attendance of 2 Board members at the Trustees' Roundtable, CALAPRS, June 14, 2013, Burbank, CA. (Yes: Buck, Cabral, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)
- d. It was **M/S/C** to authorize the attendance of 4 Board members at the Program for Advanced Trustee Studies, NCPERS, August 19-21, 2013, Harvard Law School, Cambridge, MA. (Yes: Buck, Cabral, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)

- e. It was *M/S/C* to authorize the attendance of 3 Board members at the Advanced Investments Management, IFEBP, September 8-12, 2013, Philadelphia, PA. (Yes: Buck, Cabral, Gioia, Holcombe, Phillips, Telles, Viramontes and Watts)

10. Miscellaneous

(a) Staff Report -

Leedom reported the September 11, 2013 meeting will be the quarterly meeting because Milliman is unable to attend the September 4, 2013 meeting.

She reported a request for a complete salary and compensation study of all CCCERA positions will be on the May 22, 2013 meeting agenda.

Leedom reported the May 22, 2013 is the Quarterly Meeting. She stated Paul Angelo will be presenting the Triennial Experience Study at that meeting, and noted she will be sending a letter of notification to all employers.

Leedom reported on a new requirement for all commercial landlords to disclose to their tenants in their lease documents whether or not the leased premises has been inspected by a Certified Access Specialist ("CASp" in Civil Code Section 1938) and if so, whether or not the property has or has not been determined to meet all applicable construction-related accessibility standards. She confirmed the new leases after July 1, 2013 will include this assessment.

She and Price met with the 3 private real asset investment manager finalists, noting there is a special meeting on May 29, 2013 for their presentations.

Leedom reported she is working with the retiree organizations to receive nominations for Retirement Board Alternate Seat #8, which will be vacant as of July 1, 2013.

Price reported he attended the DLJ Real Estate Partners annual meeting and felt it was an excellent event.

(b) Outside Professionals' Report -

None

(c) Trustees' Comments -

Cabral reported he attended the 11th Annual Pension & Capital Stewardship Conference at Harvard and felt it was very interesting.

Telles reported he, Allen and Chu attended the EIF Annual Investors Meeting and was very impressed.

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Gioia reported that he is resigning from the Board and this is his last Retirement Board meeting. He was recently been appointed by the Governor to the California Air Resources Board. He stated the Board of Supervisors will be appointing a replacement at their May 14, 2013 meeting.

Viramontes reported that Bill Pollacek, former trustee and County Treasurer, passed away. His funeral will be on May 16, 2013 at 1:00 p.m.

Gioia was not present for subsequent discussion and voting.

CLOSED SESSION

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

The Board moved into open session.

5. It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits:
- a. Lamont Mellor - Service Connected (Yes: Buck, Cabral, Holcombe, Phillips, Telles, Viramontes and Watts).
 - b. Lisa Rheuby - Service Connected (Yes: Buck, Cabral, Holcombe, Telles, and Viramontes; No; Phillips Abs.: Watts).
- 6a. There was no reportable action related to Govt. Code Section 54956.9(a).
- 6b. There was no reportable action related to Govt. Code Section 54956.9(a).
- 6c. There was no reportable action related to Govt. Code Section 54956.9(b).

It was **M/S/C** to adjourn the meeting in memory of Bill Pollacek. (Yes: Buck, Cabral, Holcombe, Phillips, Telles, Viramontes and Watts)



Maria Theresa Viramontes, Chairman



John B. Phillips, Secretary