



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING
October 22, 2015
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

Present: Debora Allen, Candace Andersen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: None

Staff: Gail Strohl, Retirement Chief Executive Officer, Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Wrally Dutkiewicz, Retirement Compliance Officer; Tim Hoppe, Retirement Benefits Manager; Alexis Cox, Retirement Benefits Manager; and Christina Dunn, Retirement Admin/HR Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Paul Angelo	Segal Company
Edward Hoffman	Verus Consulting Group
Scott Whalen	Verus Consulting Group

1. **Pledge of Allegiance**

Telles 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 August 12, 2015 Board meeting. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

It was **M/S/C** to approve the minutes of the August 27, 2015 Board meeting. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

It was **M/S/C** to approve the minutes of the September 9, 2015 Board meeting with a correction to the wording after Item 10 from "It was the consensus of the Board to move into Closed Session" to "It was the consensus of the Board to recess Item 10 in order to move into Closed Session to consider Items 6-8." (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

Allen was present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6, 54956.9(d)(2), and 54956.81.

The Board moved into open session.

4. There was no reportable action related to Govt. Code Section 54957.6.
5. There was no reportable action related to Govt. Code Section 54956.9(d)(2).
6. There was no reportable action related to Govt. Code Section 54956.81.
7. **Consider and take possible action to amend Resolution 2015-9 providing for salary and benefits for unrepresented employees of CCCERA effective January 1, 2016 with the proposed clarification to Section 9. Long-Term Disability Insurance.**

Dunn reported this item is to generalize the language since the long term disability insurance provided in the CCCERA unrepresented employees resolution is not available at an 85% coverage level and the recommended language reflects the coverage CCCERA is able to provide.

It was **M/S/C** to amend Resolution 2015-9 providing for salary and benefits for unrepresented employees of CCCERA effective January 1, 2016 with a change to Section 9. Long-Term Disability Insurance, CCCERA will provide Long-Term Disability Insurance as presented. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smitley, Telles and Watts)

8. **Consider and take possible action to revise the amortization period for Rodeo-Hercules Fire Protection District**

Strohl reported a request was received from the Rodeo-Hercules Fire Protection District to revise the Unfunded Actuarial Accrued Liability (UAAL) amortization period to 30 years for Cost Group #12.

In public comment, Charles Hanley, Fire Chief of Rodeo-Hercules Fire Protection District, discussed the financial hardship the District has noting changing the amortization period will provide some relief.

Different options were discussed and the effects those options would have on the District.

It was **M/S** to extend the amortization period to 18 years for Cost Group #12.

After discussion, there was a substitute motion that was **M/S** to continue the item to a future meeting with additional information provided by CCCERA staff on the Board's options.

It was noted that the District was not currently making the full payment towards the UAAL.

It was **M/S** to hold a closed session pursuant to Govt. Code Section 54954.2(b)(2) because there is a need for the Board to take immediate action in light of the District's failure to make its full payments towards the UAAL and the need for action came to the attention of the Board subsequent to the agenda being posted.

It was **M/S/C** to call for the question. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smitley, Telles and Watts)

It was **M/S/C** to hold a closed session pursuant to Govt. Code Section 54954.2(b)(2) because there is a need for the Board to take immediate action in light of the District's failure to make its full payments towards the UAAL and the need for action came to the attention of the Board subsequent to the agenda being posted. (Yes: Allen, Andersen, Hast, Phillips, Rodrigues, Smithey, Telles and Watts No: Gordon)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54956.9(d)(4) to confer with legal counsel regarding whether to initiate litigation (one case).

The Board moved into open session.

Chairperson Phillips noted that there was no reportable action on the Board's conference with legal counsel regarding whether to initiate litigation pursuant to Govt. Code Section 54956.9(d)(4).

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

9. Consider and take possible action to authorize a transfer from the employer advance reserve to the post retirement death benefit reserve

Strohl reviewed the recommendation to transfer \$556,656 from the Employer Advance Reserve to the Post Retirement Death Benefit Reserve.

It was **M/S/C** to authorize a transfer of \$556,656 from the Employer Advance Reserve to the Post Retirement Death Benefit reserve as outlined in the Segal letter dated August 21, 2015. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

10. Consider and take possible action to approve the GASB 68 report from Segal

Angelo reviewed the GASB 68 Actuarial Valuation noting this was the first GASB 68 report. He noted the differences between GASB 67 and GASB 68.

It was **M/S/C** to accept the GASB 68 report from Segal. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

11. Report from Verus on status of asset allocation study

Whalen reviewed the stages that were completed in the Investment Strategy Development Workshop as well as the next steps. He previewed the governance structure that will be discussed in January and some thoughts on best practices regarding outsourcing investments.

12. Consider and take possible action to add a Board meeting on December 2, 2015

It was **M/S/C** to add a Board meeting on December 2, 2015. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

13. Consider authorizing the attendance of Board and/or staff:

- a. It was **M/S/C** to authorize the attendance of 1 Board members and 1 staff member at the 2015 Fall Advisory Committee Meeting and Annual Partners Meeting, Long Wharf Real Estate Partners, Cambridge, MA. November 18-19, 2015. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts).

- b. It was **M/S/C** to authorize the attendance of 1 Board members and 1 staff member at the 2015 Annual Review, Paulson Real Estate Funds, New York, NY. November 20, 2015. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts).

14. **Miscellaneous**

(a) Staff Report –

Strohl reported she provided written notification to the County to terminate certain services; the new CCCERA website will be launched on October 10, 2015 and thanked the Board for their comments; and, she gave a status report on the total compensation study.

Dunn reported ADP payroll is on target; the benefits open enrollment workshop is October 29, 2015; there will be 4 parking spaces dedicated to CCCERA's visitors; and a contract has been signed with NeoGov for recruitment software.

Dutkiewicz gave an update on the HazMat on-call retiree lookback review; and a secure file transfer site has been created for employer imports.

Price reported on the on-site visit to Siguler Guff and noted that Tom Fuller with Angelo Gordon is leaving the distressed debt fund but that there is no direct impact on the CCCERA fund.

(b) Outside Professionals' Report -

Leiderman reported the Department of Labor has put out a pronouncement this morning on considering environmental, social and governance issues when fund fiduciary are making investment decisions and has noted that trustees can consider these issues if there are no higher costs and a prudent process is followed.

Whalen reported on Verus' acquisition of SIS noting they are very excited about it.

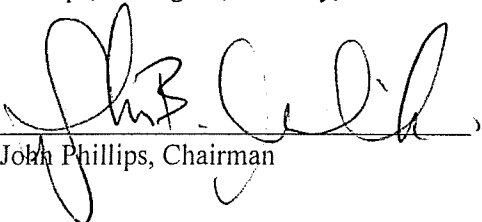
(c) Trustees' comments –

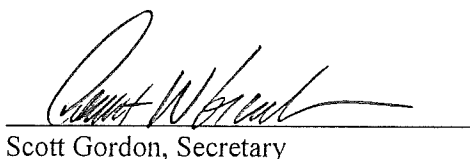
Watts reported he was present at the June 10, 2015 meeting and the minutes were reported correctly so the change he noted previously to the minutes was not needed.

Gordon also reported on the Siguler Guff on-site noting he felt very comfortable with them; he attended the Torchlight Conference and felt it was interesting.

Telles reported he attended the California Retired County Employees Association Conference and felt it was fairly interesting; he reported on the RSG lawsuit against the County regarding retiree medical and there is a meeting on November 10, 2015 regarding a proposed settlement; Would like to adjourn the meeting in honor of Bill Shin, past Mayor of Concord and also former CCCERA Board member, who recently passed away.

It was **M/S/C** to adjourn the meeting in honor of Bill Shin. (Yes: Allen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)


John Phillips, Chairman


Scott Gordon, Secretary