



MINUTES

RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY BOARD MEETING

November 4, 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 and Russell Watts

Absent: Jerry Telles

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:
Susan Hastings

Representing:
Laughlin, Falbo, Levy & Moresi LLP

Board members Gordon and Rodrigues attended remotely from The Lodge at Torrey Pines in La Jolla, CA.

1. Pledge of Allegiance

Andersen led all in the *Pledge of Allegiance*.

2. Accept comments from the public

Jack Funk, retired, spoke on Item 9. He stated four physician retirees were notified that their pensions were cut so they sent letters to the Retirement Board and have not received a response. He feels the cut in their pensions was incorrect.

Allen was present for subsequent discussion and voting.

Dr. David Hearst, retiree working for Health Services, noted he was speaking on behalf of three other physicians and that they are requesting a hearing to discuss whether panel management pay was pensionable at the time of their retirement. He read a letter to the Board written by him, Dr. Krista Farey, Dr. Priscilla Hinman, and Dr. Dana Slauson, regarding panel management pay. He answered questions from the Board regarding the definition of panel management pay.

Levy stated this is the public comment section of the meeting and the item of whether Panel Management Pay is pensionable is not on the Agenda. She advised that it is the CCCERA Board of Retirement's role to determine whether or not pay items are pensionable. She suggested the Board move to Item 9 noting a discussion on Panel Management Pay being pensionable would have to be on a future agenda in order to be considered by the Board.

It was the consensus of the Board to move to Item 9.

9. **Consider and take possible action regarding the collection of pension overpayments from Contra Costa County due to its erroneous reporting of panel management pay as pensionable compensation**

The Board felt there may need to be more information on this item before making a decision. The Board requested copies of the correspondence that has been sent out.

It was **M/S/C** to continue this item and direct staff to come back with further analysis and background on the difference facets of this item, after which the Board may consider whether to agendize the item of whether panel management pay received by the affected retirees was pensionable. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)

There was a discussion on issuing a stay on the reduction of retiree payments until a decision is made.

It was **M/S** that beginning in December and going forward, until a formal determination is made by this Board, the reduction that was effective September 1, 2015 be reinstated for the four retirees, subject to a determination. If the determination is made that it is in fact an overpayment then any future overpayments would be the responsibility of the retirees to repay CCCERA, not the employer. (Yes: Hast and Kroll. No: Allen, Andersen, Gordon, Phillips, Rodrigues, Smithey and Watts). Motion Failed.

It was the consensus of the Board to move to Item 3.

3. **Approval of Minutes**

It was **M/S/C** to approve the minutes of the September 23, September 29, and September 30, 2015 meetings. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)

4. **Routine Items**

It was **M/S/C** to approve the routine items of the November 4, 2015 meeting with the exception of Lillian Holbrook, Item 4.D. Deaths, noting she was not a Central Contra Costa Sanitary District employee. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)

It was **M/S/C** to add an emergency closed session item to discuss initiating litigation pursuant to Govt. Code Section 54954.2(b)(2) because there is a need for the Board to take immediate action and the need for action came to the attention of CCCERA subsequent to the agenda being posted. Levy discussed the immediate need for action noting that CCCERA was just informed that the Rodeo-Hercules Fire Protection District announced a settlement and the Chief had recently announced they were not making full contributions. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957, 54956.9(d)(2), 54956.9(d)(1) and 54956.9(d)(4).

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. Kristine Bouchard – Non-service Connected (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)
 - b. Arturo Cruz – Non-service Connected (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)
 - c. Matthew Parkinen – Service Connected (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts). Note: Pigeon recused himself and was not present during this discussion.
 - d. Peter Wells – Service Connected (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Pigeon, Smithey and Watts). Note: Pigeon voted for Rodrigues because he is a firefighter.
6. It was **M/S/C** to accept the Administrative Law Judge’s recommendation and deny the service connected disability retirement for James Lee. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)
 7. There was no reportable action related to Govt. Code Section 54956.9(d)(2).
 8. There was no reportable action related to Govt. Code Section 54956.9(d)(1).
 - 8a. In open session, 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 settlement reportedly reached between the Rodeo Hercules Fire District and taxpayer Pearson, as the District has defaulted on making its full UAAL payments to CCCERA as required by law. The Board determined that this matter is urgent and the Pearson settlement announcement came to the attention of CCCERA after the posting of the agenda. The Board is authorized under the Brown Act, Government Code Section 54954.2(b)(2), to discuss this matter although it was not on the agenda. (Yes: Allen, Andersen, Gordon, Hast, Kroll, Phillips, Rodrigues, Smithey and Watts)

The Board moved into closed session pursuant to Gov’t 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).

Gordon and Rodrigues were no longer present for subsequent discussion and voting.

10. Educational Presentation on Brown Act Fundamentals

Levy gave a presentation on the Brown Act noting the public has a right to know in advance what the Board will be discussing and voting on.

11. Miscellaneous

(a) Staff Report –

Strohl reported the Audit Committee meeting will be rescheduled. She reported the deceased employee listed on the Routine Items as a Central Contra Costa Sanitary District is actually an alternate payee and is part of Central Contra Costa Sanitary District. The telephone service was successfully changed from the County and the data will be moved over next month. Open enrollment for January 2016 benefits for all staff was held last week, CCCERA’s website was launched last week.

Price reported Ocean Avenue will be presenting their Fund III at the next meeting and Verus will be presenting the quarterly investment report at the next meeting. He reported staff and Verus are

working on fine tuning the investment strategies and final asset allocation for the December 2, 2015 meeting.

Dutkiewicz reported he received requests from the County to review 110 pay classes with the majority being from Health Services. He stated this is compliance and ethics week and he is promoting it throughout the office.

(b) Outside Professionals' Report -

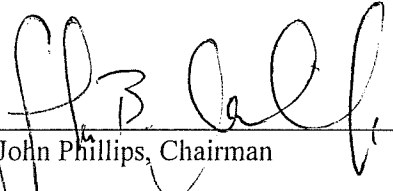
None

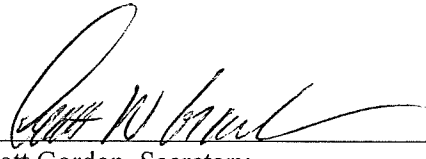
(c) Trustees' comments –

Pigeon reported he attended the NCPERS Conference with Rodrigues and Smithey and that he wasn't very impressed.

Smithey noted he felt the same.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Watts)


John Phillips, Chairman


Scott Gordon, Secretary