

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

Page 1

February 9, 2005

The Board of Retirement met in regular session at 8:30 a.m. on Wednesday, February 9, 2005, in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Brian Hast, Paul Katz, Louis Kroll, Sharon Naramore, William J. Pollacek, Bob Rey, Jerry Telles, Maria Theresa Viramontes and Clifton Wedington.

Staff: Marilyn Leedom, Retirement Administrator; Cary Hally, Retirement Chief Investment Officer; Rick Koehler, Retirement Accounting Manager; Kathy Somsen, Retirement Benefits Manager; Toni Warren, Retirement Administration Manager.

Outside Professional Support:  
Ashley Dunning

Representing:  
Steeffel, Levitt and Weiss

Other Attendees:

Tracy Kroll	CCCERA Staff
Joelle Luhn	CCCERA Staff
Luz Casas	CCCERA Staff
Dave Gaynor	Self
Mary Lou Williams	Retirees' Association
Margaret Platt	Retirees' Association
Gary Sly	DSA

**1. Kathy Somsen and Tracy Kroll Ten Year Service Awards**

Rey congratulated CCCERA employees Kathy Somsen and Tracy Kroll on the occasion of their 10th Anniversaries and thanked them for their years of dedicated service to the Retirement Association. Kroll and Somsen thanked the Board for the experience.

**2. Public Comment**

Mary Lou Williams thanked Somsen personally and on behalf of the Retirees' Association for her efforts. Williams noted she had not had the pleasure of working with Kroll, but is pleased Kroll is celebrating her 10-year anniversary and thanked her on behalf of the Retirees' Association.

**3. Approval of Minutes**

After amending Page 3 of the January 21, 2005 minutes, first paragraph, first sentence, changing Pollacek's comments to "Pollacek commented *that Senator Jackie Spears from the Government Oversight Committee is postponing the reform for disability hearings for six weeks for discussion of new ideas.*"; and on the January 26, 2005 minutes changing "split" to "consider splitting" on the last line of Item #7 and changing "to" to "under" in Item 8, second paragraph, second line, it was M/S/C to

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

Page 2

February 9, 2005

approve the minutes of the January 21 and January 26, 2005 meetings as amended.  
(Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

**4. Routine Items**

It was M/S/C to approve the routine items of the February 9, 2005 meeting. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

The Board moved into closed session pursuant to Govt. Code Section 54957, 54956.9 and 54956.9(c) to consider the Medical Advisor and or staff's recommendation regarding disability retirement applications and to consult with counsel regarding cases currently being litigated.

The Board moved into open session.

**5. Disability Retirements**

It was M/S/C to defer to a future meeting the determination of Raymond Mutter's disability retirement. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

**6. CCCERA et al. v. WorldCom Officers and Various Banks**

No reportable action taken.

**San Ramon Valley Fire Protection District v. CCCERA**

No reportable action taken.

**7. Conference with Legal Counsel on Potential Litigation**

No reportable action taken.

**8. 2004 Cash Flow Report**

Koehler reviewed the 2004 Cash Flow Report. He highlighted various items and answered questions regarding reserves, cash flow and the contributions paid by employees and employers.

**9. 2004 Budget versus Actual Expenditures**

Leedom reviewed CCCERA's 2004 budget versus actual expenditures. 2004 expenses are at approximately 80% of budget for the year. She noted the items that were budgeted, but for various reasons the funds were not used. She commented that part of the budget set aside for the new Benefits Software had not been spent, but the RFP

should be distributed within the next few weeks. A smaller RFP for professional services will also be sent.

**10. Changes to the 2005 Board Meeting Calendar**

Leedom reviewed CCCERA's meeting calendar for 2005 and the changes requested at the previous meeting.

It was M/S/C to cancel the meeting on February 23, 2005 and move all issues to the March 23, 2005 meeting to allow Board members and appropriate staff to attend the SACRS Defined Benefit vs. Defined Contribution Educational Symposium in Sacramento. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

At Hast's request, it was M/S/C to move the July 27, 2005 meeting to July 20, 2005. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

**11. Neighborhood National Bank CD**

Hally reviewed his memo regarding Neighborhood National Bank CD. After discussion, it was M/S/C to accept the recommendation of the CIO to authorize staff to redeem, at maturity, the CD valued at \$100,000 with NNB and transfer the proceeds to the County Treasurer's funds managed for CCCERA. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

**12. Automatic Cost-of-Living Increase, Effective April 1, 2005**

It was M/S/C to adopt the automatic cost-of-living increase for retirees, effective April 1, 2005, as recommended by the actuary. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

**13. Conference Seminar Attendance**

Leedom noted that some of the items on the agenda are a result of the limitations in the current Travel Policy, allowing reimbursement for in-state Board travel if the reimbursement does not exceed \$50. Staff was directed to amend the policy and return to the Board for approval.

- (a) It was M/S/C to authorize the attendance of all appropriate Board and Staff at the SACRS Legislative Meeting, February 23, 2005, Sacramento, CA. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)  
Dunning cautioned the Board on possible Brown Act violations if the conference was not open to the Public.
- (b) It was M/S/C to authorize the attendance of Naramore at the NCPERS Annual Conference, May 6-12, 2005, Las Vegas, NV. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

- (c) No one was able to attend the Market Makers 2005 Institute for Fiduciary Education, June 26-29, 2005, Beverly Hills, CA. Pollacek requested that this conference be re-agendized for the future.
- (d) It was M/S/C to authorize the attendance of Naramore and Telles at the Pension Fund and Investment Management, Wharton, June 20-24, 2005, Philadelphia PA. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (e) It was M/S/C to authorize the attendance of all trustees and appropriate staff at the Assembly Hearings, Sacramento, CA. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

#### **14. Miscellaneous**

- (a) Counsel Opinions - Dunning noted one of the topics at the recent CALAPRS Attorney's Roundtable involved Brown Act issues as they pertain to offsite conferences and seminars, including the CALAPRS General Assembly. She noted the Brown Act does not apply if an education seminar is open to the public. She noted there was not a consensus during the roundtable if the General Assembly is open to the public. Her recommendation is that a quorum of this Board not be at any particular session at the CALAPRS General Assembly. Discussion continued regarding the educational benefit involved, Board members seldom attend the same sessions, and requesting CALAPRS to modify their policy of allowing the public to attend. It was requested that this issue be placed on a future agenda for discussion purposes. Dunning was directed to discuss Brown Act issues with the CALAPRS Administrator, Rich Goss.
- (b) Leedom reported—CCCERA has received the Certificate of Achievement for Excellence in Financial Reporting Award, for the fiscal year ending December 31, 2003. Leedom congratulated Koehler and Luhn for their efforts in putting the CAFR together to achieve this award.

Leedom apprised the Board on a letter received on behalf of three social workers who work in an after-hours resource unit. They consistently work a half-hour overtime per week. Because this is ongoing and should be included as part of their salary for retirement purposes, a pre-existing code can be used. Leedom noted the issue had been taken care of without the need to bring before the Board.

Leedom reviewed the actuarial information regarding LACERA and the increased costs of employer contributions if LACERA were to become a closed plan.

Leedom asked if CCCERA's Board would be interested in a similar study. Discussion followed on defined contribution vs. defined benefit plans and whether it is the place of CCCERA to educate the general public when applicable. There was more discussion regarding the possibility of the Board taking a formal stand on the Richman proposal. The item will be placed on a future agenda for discussion purposes.

*CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION*

Page 5

February 9, 2005

Leedom noted that George Springman of Wentworth, Hauser and Violich has offered an invitation for a tour of his office and a meeting. Several Board members expressed an interest in touring their facility.

Koehler reported on the termination of Ironhouse Sanitary District. They will be leaving CCCERA effective March 31, 2005. Ironhouse has between 25-30 members. CCCERA's legal counsel and staff have been working on the termination contract. This will be agendized for the first meeting in March. Diablo Water District is also requesting information regarding possible termination.

Leedom met with Mike George from Consolidated Fire and noted they are considering issuing a Pension Obligation Bond.

- (c) Trustee Comments - Katz requested that two things be included on future agendas: the Defined Benefit/Defined Contribution issue and disability accommodations and the impact of disability on rates. He asked for a discussion of disability issues with the Board of Supervisors and requested all interested parties be notified when the disability topic is placed on an agenda.

Telles noted that he would be not be at the March 23<sup>rd</sup> meeting because of his attendance at Principles of Pension Management in Stanford on March 21-23, 2005.

Naramore expressed an interest in getting the message out to the public regarding recent attacks on CCCERA, noting that letters by retirees and others to the editor are not being printed by the Contra Costa Times.

- (d) Consultants' Comments - None

It was M/S/C to adjourn. (Yes: Hast, Katz, Kroll, Pollacek, Rey, Telles, Viramontes, and Wedington)

---

Bob Rey, Chairman

---

Brian Hast, Secretary