

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Page 1

April 4, 2007

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, April 4, 2007 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, Dave Gaynor, Brian Hast, William J. Pollacek, Bob Rey, Jim Remick, Jerry Telles, Maria Theresa Viramontes and Clifton Wedington.

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

Outside Professional Support: Representing:
Ashley Dunning Steefel, Levitt & Weiss

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Tracy Kroll	CCCERA Staff
Joelle Luhn	CCCERA Staff
Margie Breen	CCCERA Staff
Susan Casey	Moraga-Orinda Fire Department
Satoni Cadena	Local #1, Retirees' Association

1. Public Comment

No members of the public offered comment.

2. Routine Items

It was **M/S/C** to approve the routine items of the April 4, 2007 meeting: (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, Viramontes and Wedington)

The Board moved into closed session pursuant to Govt. Code Section 54957 to consider the Medical Advisor recommendation regarding disability retirement applications.

3. Disability Retirements

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

- (a) Kenneth Hutchison Service Connected (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, Viramontes and Wedington)
- (b) Edward Zine Service Connected (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, Viramontes and Wedington)
- (c) Amin Denny Service Connected (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, Viramontes and Wedington)
- (d) Timothy Erickson Non-service Connected (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, Viramontes and Wedington)
- (e) Annette Boone Service Connected (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, Viramontes and Wedington)

Viramontes was not present for subsequent discussion and voting.

4. Voting Proxy for SACRS Conference

It was **M/S/C** to designate Wedington as the voting delegate and Rey as the alternate voting delegate at the Spring SACRS Conference. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

5. Proposed Slate of SACRS Officers for 2007-08

It was **M/S/C** to accept the slate of candidates for the annual SACRS Executive Committee Elections. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

6. Annual Review of Disability Statistics

Somsen reviewed the Annual Disability Statistics Report for 2006. She noted because of the disability criteria for Tier II and III, the number of disability applications continues to be reduced; however, the process to determine disabilities takes longer. She then outlined the disability process. More cases are expected, counsel will be conducting more discovery and most cases will go to hearing. There was discussion that the downward trend in granting disabilities should be reflected in the actuarial report. Leedom will discuss these statistics with Segal prior to the valuation.

It was **M/S/C** to accept the report. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

7. Brown Armstrong Paulden

It was **M/S/C** to accept staff's recommendation that Brown Armstrong be retained as CCCERA's auditors for the three year period from 2007-2009 and enter into a three (3) year contract, subject to the annual review and recommendation of the Board of Retirement. At the end of this three year term, an RFP will be issued for external auditing services. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

8. Retirement Chief Executive Officer's (CEO) Contract with CCCERA

It was **M/S/C** to accept the recommendation of the Ad Hoc Committee, given the Retirement CEO's successful performance evaluation, for the Board to ratify the provision to the Retirement CEO of the benefits listed in item numbers 1-12 of the Ad Hoc Committee memo discussing Resolution No. 2006/743. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

It was **M/S/C** to accept the recommendation of the Ad Hoc Committee to grant the Retirement CEO the \$1,500 one-time payment bonus as outlined in Board of Supervisor's Resolution No 2006/709. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

It was *M/S/C* to accept the recommendation of the Ad Hoc Committee to grant the Retirement CEO the 2% COLA's as outlined in Board of Supervisor's Resolution No. 2007/32, the first 2% COLA effective 7/1/07 the second 2% COLA effective 7/1/08. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

After discussion on the 2% salary differential to those who give 12 months advance written notice for separation from County employment, it was the consensus of the Board to table this item until staff receives more information and clarification on this benefit.

It was *M/S/C* to accept the recommendation of the Ad Hoc Committee to have counsel, on behalf of the Board, advise the County Human Resources Department that, in the future, it is not to implement new provisions as to the Retirement CEO's salaries and benefits without written direction from the Board. (Yes: Gaynor, Hast, Pollacek, Rey, Telles, and Wedington; No: Cabral)

Cabral was not present for subsequent discussion and voting.

9. Stale Dated Pension Payroll Check Resolution Policy

Koehler reviewed the draft of the Stale Dated Payroll Check Resolution Policy. It was *M/S/C* to accept the Draft Stale Dated Pension Payroll Check Resolution Policy. (Yes: Gaynor, Hast, Pollacek, Rey, Remick, Telles, and Wedington) It was *M/S/C* to delegate the authority to the Retirement CEO to authorize the return of amounts held in the reserve to the Claimant as outlined in the Stale Dated Payroll Check Resolution Policy.

Cabral was present for subsequent discussion and voting.

10. Retirement General Counsel

It was *M/S/C* to accept staff's recommendation to approve the establishment of the Retirement General Counsel position and to approve additional 2007 budget expenditures of \$35,000 for construction costs, furniture, and office needs for housing additional staff. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles, and Wedington)

Pollacek was not present for subsequent discussion and voting.

11. Normal Retirement Age

Leedom noted that more information would be brought back to the Board in May regarding implementation of Normal Retirement Age. It was *M/S/C* to direct staff to draft a Resolution to establish the definition of Normal Retirement Age for CCCERA. (Yes: Cabral, Gaynor, Hast, Rey, Telles and Wedington)

Pollacek was present for subsequent discussion and voting.

12. Conference Seminar Attendance

- (a) It was **M/S/C** to authorize the attendance of Rey at the Investor Conference 2007, Hearthstone, May 23 - 24, 2007, Sonoma, CA. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles and Wedington)
- (b) It was **M/S/C** to authorize the attendance of Hally, Remick, and Telles at the Infrastructure Investment Forum, Institutional Investor, June 27 - 28, New York, NY. (Yes: Cabral, Gaynor, Hast, Pollacek, Rey, Telles and Wedington)
- (c) No one is able to attend the 19th Annual Real Estate Seminar, Prudential, May 13 - 15, 2007, Pinehurst, NC.

13. Miscellaneous

- (a) Staff Report - Leedom noted she will be on vacation next week, and will be leaving Koehler, Somsen and Hally as back-up in her absence.

Hally noted that CCCERA is negotiating several contracts. The Fidelity contract has been finalized and signed. Negotiations are in progress with INVESCO, EIF and Pathway.

- (b) Outside Professionals' Report- nothing to report.
- (c) Trustees' Comments - Cabral requested that a public funds conference in October by Institutional Investors be placed on the next agenda. He also commented he has received an invitation from OPAL Financial for an International Forum and noted that Robert Gillam of McKinley Capital will be speaking at the conference.

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

Clifton Wedington, Chairman

William J. Pollacek, Secretary