

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

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January 9, 2008

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, January 9, 2008 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, Dave Gaynor, Paul Katz, William J. Pollacek, Jim Remick, Jerry Telles, and Clifton Wedington.

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

Outside Professional Support:	Representing:
Ashley Dunning	Steeffel, Levitt and Weiss
Rebecca Byrnes	County Counsel
Tim Price	Milliman USA

Other Attendees:	
Tracy Kroll	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Joelle Luhn	CCCERA Staff
Luz Casas	CCCERA Staff
Jim Giacomia	Self
Terry Buck	Local 1230 (Fire)
Denise May	Self
Barbara Hunt	Self

**1. Public Comment**

No members of the public offered comment.

**2. Approval of Minutes**

It was **M/S/C** to approve the minutes of the December 5, 2007 meeting. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

After amending the December 12, 2007 meeting on page 3, replacing "whole" in the second paragraph, at the end of the second sentence with "sufficiently funded for the benefit of members and beneficiaries" and on Item 6, adding at the end of "Leedom asked for approval for these positions now and in six months staff will reassess to determine if the positions are still needed and return to the Board for the new Retirement Benefits Program Coordinator position", it was **M/S/C** to approve the December 12, 2007 meeting minutes as amended. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

**3. Routine Items**

It was **M/S/C** to approve the routine items of the January 9, 2008 meeting. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

The Board moved into closed session pursuant to Govt. Code Section 54957 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.

**4. Disability Retirements**

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

- (a) Barbara Hunt Service Connected (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)
- (b) Michael Braz Service Connected (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

**5. Contra Costa Fire Protection District 2008-2009 Contribution Rates**

Koehler reviewed his memo to the Board regarding ratifying Contra Costa Fire Protection District 2-08-09 contribution rates. After discussion, it was determined that the remainder of the last sentence after "County Payroll division" should be removed.

It was **M/S/C** to accept the recommendation of staff to ratify the 2008-09 contribution rates for Contra Costa Fire Protection District (Con Fire) as noted. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

**6. Actuarial Audit**

Leedom reviewed her memo. There was discussion on having CCCERA's first actuarial audit include both the actuarial valuation and the triennial experience study and then to proceed with the recommended schedule as outlined.

It was **M/S/C** to direct staff to issue an RFP for a full actuarial audit service including the 2006 triennial study. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

A schedule of ongoing actuarial audits will be determined after the completion of the initial audit.

**7. CCCERA Legal Services**

Leedom reviewed her recommendation regarding CCCERA legal services in light of the consolidation of Steefel, Levitt & Weiss with Manatt, Phelps & Phillips, LLP.

It was **M/S/C** to accept staff's recommendation to issue a Request for Proposal (RFP) for general counsel, investment counsel and fiduciary counsel, incorporated into one firm (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington). It was noted Steefel, as a part of the new combined firm Manatt, Phelps & Phillips, LLP would be invited to respond to the RFP.

Leedom distributed a preliminary list of firms receiving the RFP. Counsel was asked if trustees should attend the Steefel, Levitt & Weiss educational symposium. Counsel noted as long as the RFP was not discussed, Board members could attend.

**8. Conference Seminar Attendance**

- (a) It was **M/S/C** to authorize the attendance of up to three Board members at the Trustees' Roundtable, CALAPRS, February 1, 2008, San Diego, CA. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)
- (b) It was **M/S/C** to authorize the attendance of Dunning at the Attorney's Roundtable, CALAPRS, January 25, 2008, San Diego, CA (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington). It was noted Marin County will share  $\frac{1}{2}$  the cost of Dunning's attendance.
- (c) It was **M/S/C** to authorize the attendance of one staff member at the Investments Institute, International Foundation, April 14 - 16, 2008, San Francisco, CA. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)
- (d) It was **M/S/C** to authorize the attendance of all Trustees and appropriate staff at the General Assembly, CALAPRS, March 2 - 4, 2008, Palm Springs. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)
- (e) It was **M/S/C** to authorize the attendance of all Trustees and appropriate staff at the 130/30 Conference, Pension Bridge, April 8, 2008, San Francisco, CA. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)
- (f) It was **M/S/C** to authorize the attendance of all Trustees and appropriate staff at the Annual Conference, Pension Bridge, April 9 - 10, 2008, San Francisco, CA. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

**9. Miscellaneous**

- (a) Staff Report - Leedom reported a list of recommendations from the OPEB Commission Report is in Board members' in-boxes.

She noted staff is currently busy working on RFPs and Requests for Information (RFIs). Staff is working on an RFI for an outside occupational health services provider, for disability review. The Public Health Officer has notified CCCERA

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that the County is unable to provide medical consulting services any longer, but will continue until a replacement can be found.

Leedom noted Luz Casas will be out for approximately two to four weeks. In her absence, Margie Breen can be contacted for any travel arrangements.

Hally noted he will be going to Texas on January 14<sup>th</sup> for an on-site visit at INVESCO. Telles, Gaynor and Rey will also attend.

Carpenter Fund negotiations are nearly complete. A capital call for \$2.8 million was received from Paladin.

- (b) Outside Professionals' Report - Dunning noted the IRS issued a private letter ruling (PLR) on November 29, 2007 recognizing that the heart presumption is rebuttable under the '37 Act (Section 31720.5), consistent with the recent *Pellerin* decision. Although by its terms the PLR may not be relied upon by those to whom it was not specifically directed, the heart presumption is now clearly rebuttable, and '37 Act Boards should make determinations regarding service connected disabilities accordingly.
- (c) Trustees' Comments - Telles thanked staff for repeating the information in the latest New Roads for retired Safety Member tax exclusion. He noted members can take the *New Roads* flyer to their accountant at tax time.

It was **M/S/C** to adjourn in honor of Trustee Bob Rey's father, Robert Thomas Rey. (Yes: Cabral, Gaynor, Katz, Pollacek, Remick, Telles, and Wedington)

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Clifton Wedington, Chairman

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William J. Pollacek, Secretary