

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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August 12, 2009

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, August 12, 2009 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Terry Buck, Richard Cabral, Dave Gaynor, Brian Hast, Jerry Holcombe, Sharon Naramore, William J. Pollacek, Jim Remick, and Jerry Telles.

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

Outside Professional Support: Representing:
Harvey Leiderman Reed Smith LLP

Other Attendees:

| | |
|-------------------|--|
| Tracy Kroll | Contra Costa County Employees' Retirement Association (CCCERA) Staff |
| Luz Casas | CCCERA Staff |
| Margie Breen | CCCERA Staff |
| Julie Carrasco | CCCERA Staff |
| Rhonda Jones | CCCERA Staff |
| Bill Hamilton | Retiree Support Group (RSG) |
| Michael Sloan | Contra Costa County Retired Employees' Association (CCCREA) |
| Mary Lou Williams | CCCREA |
| Nodge Irwin | RSG |
| Donna Irwin | RSG |
| Louis Kroll | RSG |

1. Pledge of Allegiance

Holcombe led all in the *Pledge of Allegiance*.

2. Toni Warren, 20 Year Service Award

Pollacek congratulated CCCERA employee, Toni Warren, on the occasion of her 20th Anniversary and thanked her for her years of dedicated service to the Association.

3. Public Comment

In public comment, Mary Lou Williams of the Contra Costa County Retired Employees' Association, congratulated Warren and thanked her for her help over the years with the Retirees' Association.

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4. Approval of Minutes

After changing "Delaware Intestments" to "Delaware Investments" at the top of Page 3, it was **M/S/C** to approve the minutes of the July 29, 2009 meeting as amended. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles).

5. Routine Items

It was **M/S/C** to approve the routine items of the August 12, 2009 meeting. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles).

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

9. Retiree Support Group (RSG) Mailing for All Retirees

Holcombe expressed concern regarding the wording in the RSG letter to retirees, suggesting a change to note "Health Care benefits", rather than "benefits" might cause less confusion to retirees. There was discussion on changing or deleting the disclaimer at the bottom of the letter, although the Board's "Mailing to Retirees Policy" requires the disclosure at the bottom of letters. It was the consensus of the Board that the disclaimer should remain for this organization's mailing since the previous letter from CCCRCEA contained the same disclaimer. A third retiree organization will be requesting a similar mailing and all should have the same disclaimer. It was noted when all three mailings have been completed the Board's "Mailing to Retiree's Policy" should be placed on the agenda for discussion and possible changes.

After further discussion on possible changes to the letter, it was **M/S/C** to allow the mailing as requested by the Retiree Support Group. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles).

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 Gov. Code Section 54956.9(a) *Irwin vs. Contra Costa County Employees' Retirement Association, et al* and Gov Code Section 5456.9(b) to consult with counsel.

The Board moved into open session.

6. Disability Retirements

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

- (a) Michael Giambona Service Connected (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles)
- (b) Troy Bertrand Service Connected (Yes: Cabral, Gaynor, Hast, Holcombe, Pollacek, Remick, and Telles)
- (c) Randal Willet Service Connected (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles)
- (d) Janice Davis Non-Service Connected (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles)

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(e) Marion Anderson Non-Service Connected (Yes: Gaynor, Hast, Holcombe, Pollacek, Remick, and Telles; No: Cabral)

The following item was tabled:

(f) Tonja Dejesus-Cruze

7. Irwin vs. Contra Costa County Employees' Retirement Association, et al

No reportable action taken.

8. Gov. Code Section 5456.9(b)

No reportable action taken.

10. Semi Annual Rebalancing

Hally reviewed his report, noting the largest amount of funds transferred was due to the County's prepayment of contributions.

It was **M/S/C** to accept the Semi-Annual Rebalancing Report. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles).

11. Underpaid Retirement Contributions for Hugo Javierre

Somsen reviewed staff's recommendation regarding Hugo Javierre and his underpaid retirement contributions. Leedom noted an internal policy is being developed for Board approval.

It was **M/S/C** to accept staff's recommendation to agree to collect from Mr. Javierre three years worth of underpaid retirement contributions and interest, for a total of \$481.84 rather than collect the full amount of underpaid contributions for the period June 14, 1995 through April 30, 2009 in the amount of \$2,171.76. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles).

12. SACRS Payment for Legal Expenses for Hanson Bridget/IRS Review

Leedom noted the request for payment by SACRS for the expenses for a legal review of County Employee Retirement Law (CERL) for federal tax compliance was not budgeted for 2009. SACRS noted that Bob Blum, a former IRS tax attorney familiar with the twenty '37 Act systems is willing to review the CERL to identify sections that may be issues for the IRS. She noted Mr. Blum requested \$75,000 for the project, while SACRS has allocated the cost on a per member basis. The cost for CCCERA is \$2,887.50.

After discussion, it was **M/S/C** to approve a payment of \$2,887.50 for the SACRS 2009 CERL/IRS Study. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles).

13. Conference Seminar Attendance

- (a) It was **M/S/C** to authorize the attendance of Leedom at the Administrators' Institute, CALAPRS, September 23 - 25, 2009, Kings Beach, CA. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles)
- (b) It was **M/S/C** to authorize the attendance of Cabral, Remick and Leedom at the Fall Meeting, CII, September 30 - October 2, 2009, Los Angeles, CA. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles)
- (c) It was **M/S/C** to authorize the attendance of up to four board members and Hally at the Roundtable for Consultants, Institutional Investors, October 19 - 21, 2009, Chicago, IL. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, and Telles)
- (d) No one was able to attend the Annual Employee Benefits Conference, IFEBP, November 8 - 11, 2009, Orlando, FL.

14. Miscellaneous

- (a) Staff Report - Leedom noted the Association is aware of articles in the press about pension benefits and is reviewing the situation.

Hally noted CCCERA's preliminary July 31, 2009 market value was approximately \$4.2 billion.

Levy reported she has received an additional public records request from Dan Borenstein, of the Contra Costa Times, on former County Administrators John Sweeten and John Cullen. Notices have been sent to the two members involved according to board policy. .

- (b) Outside Professionals' Report - None.
- (c) Trustees' Comments - Cabral reported this last Monday was the first payday for Contra Costa County in which furlough pay appeared on employees' checks. Many noted the employee retirement contribution remained the same; however the employer (County's) contribution to retirement has gone down a measurable amount on this check. It was noted as of July 1, 2009 employer rates have gone down; staff will review and return to the Board.

Telles discussed the upcoming September 17th retiree information fair. Local One and RSG are working together to sponsor the fair. He invited all retirement board members to attend.

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