

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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June 9, 2010

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, June 9, 2010 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Terry Buck, Dave Gaynor, John Gioia, Jerry Holcombe, Sharon Naramore, William J. Pollacek, Jerry Telles, and Maria Theresa Viramontes.

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

Outside Professional Support: Representing:
Harvey Leiderman Reed Smith LLP

Other Attendees:

Sean Jara	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Tracy Kroll	CCCERA Staff
Joelle Luhn	CCCERA Staff
Luz Casas	CCCERA Staff
Scott Daly	Office of the Sheriff
Nodge Irwin	Self
Donna Irwin	Self
Cathy Chapman	Self
Ben Best	Self
Kris Hunt	Contra Costa Taxpayer's Association

1. Pledge of Allegiance

Telles led all in the *Pledge of Allegiance*.

2. Public Comment

Scott Daly from the Office of the Sheriff discussed his letter dated April 30th to Pollacek regarding a request to receive advance notice of travel plans for Board member Remick.

Kris Hunt executive director for Contra Costa Taxpayers Association spoke about the recent article in the Contra Costa Times regarding Board members' travel, asking that the Board take action on travel in order to set standards and limits.

3. Approval of Minutes

It was **M/S/C** to approve the minutes of the May 17, 2010 meeting. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

4. Routine Items

It was **M/S/C** to approve the routine items. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

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 potential litigation.

5. Disability Retirements

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

(a) John Nunes - Service Connected Disability Retirement (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

(b) John Orr - Service Connected Disability Retirement (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

6. The Board will continue in closed session under Gov. Code Section 54956.9 (b).

No reportable action taken.

The Board moved into open session.

7. Consider and take possible action on staff recommendations to issue an RFP for building management and leasing services.

It was **M/S/C** to approve the staff recommendation to issue an RFP for building management and leasing services. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

8. Consider and take possible action on Placement Agent Disclosure Policy.

Levy reviewed the revised Placement Agent Disclosure Policy and advised the disclosure requirement applies with regards to anyone within the statutory definition of a placement agent. In-house employees of external investment managers would only be considered "placement agents" if they are considered an "intermediary" within the statutory definition.

Regarding gifts and campaign contributions disclosures, the law does not place the requirement on the external managers, but rather on the placement agents. The Statute is also limited to elected officials while CCCERA's policy takes a broader approach to address contributions to staff, board members, and consultants.

AB 1743, if passed, would require placement agents to register as lobbyists. It would modify the definition of "placement agents" such that any In-house marketing staff working for external managers not spending at least 1/3 of their time managing assets will be considered a placement agent.

Leiderman advised the language on Page 4, item #4 is required by law and any material violations are determined by the Board. The Board may provide in its policy penalties that go beyond the statutory penalty for policy violations. Hally commented that most investment contracts allow the Board to terminate managers for any cause, but penalties stricken from the policy would cause issues with private equity contracts.

A policy must be adopted and implemented by June 30th, 2010 and the Board will revisit once AB1743 passes, if necessary.

It was **M/S/C** to adopt and accept the Placement Agent Disclosure Policy. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

9. Consider and take possible action on recommendation from staff on IRS Letter of Determination.

It was **M/S/C** to accept the recommendation from staff to move forward with application for an IRS Letter of Determination. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

10. Conference Seminar Attendance

- (a) Public Pension Investment Management Program. SACRS, August 9 - 11, 2010, Berkeley, CA.

No attendees.

- (b) Fall meeting, Council of Institutional Investors, September 19-21, 2010, San Diego, CA.

It was **M/S/C** to approve attendance of Cabral, Naramore, Gaynor, Remick and two staff members. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

11. Miscellaneous

- (a) Staff Report -

Leedom provided follow up on Rothschild, noting New Mexico PERA terminated their SMID value mandate on April 29th, the day after Rothschild presented to CCCERA. Leedom noted the electronic version of the SACRS new trustee handbook is in Board member mailboxes.

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Cary Hally commented he will be in contact with Board members regarding upcoming onsite due diligence meetings.

Levy noted AB 1987 has been amended.

(b) Outside Professionals' Report -

Leiderman - pending AB 1987 will require substantial staff attention and time because it will require auditing of pay practices for all the retirement system employers.

Leiderman noted he will present on June 23rd to the Little Hoover Commission. A copy of the presentation will be emailed to Leedom for distribution to the Board.

(c) Trustees' Comments -

Holcombe commented that the Palmer letter has been reviewed.

The Board requested a future agenda item regarding staff review of other '37 acts policies on travel. Leedom advised this review has been initiated and will be ready for discussion at the July 14th meeting. The Board requested staff return with the Fiduciary Education Policy and the Travel Policy for review.

The Trustees discussed travel by the Board and the need for the policy to include limits for meals.

It was **M/S/C** to adjourn meeting at 10:10 a.m. (Yes: Buck, Gaynor, Gioia, Holcombe, Pollacek, Telles, and Viramontes)

William J. Pollacek, Chairman

David Gaynor, Secretary