



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING

January 9, 2019

9:00 a.m.

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Candace Andersen, Scott Gordon, Jerry Holcombe, Louie Kroll, David MacDonald, John Phillips, Todd Smithey, Jerry Telles and Russell Watts

Absent: Jay Kwon and William Pigeon

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; Tim Hoppe, Retirement Services Manager; and Colin Bishop, Member Services Manager

Outside Professional Support:  
Susan Hastings

Representing:  
Laughlin, Falbo, Levy & Moresi

**1. Pledge of Allegiance**

The Board, staff and audience joined in the *Pledge of Allegiance*.

**2. Recognition of Tresa Skrehot for 30 years of service**

Smithey recognized and congratulated Tresa Skrehot for her 30 years of service.

**3. Accept comments from the public**

Mike Sloan introduced Petrenya Boykins, the new president of the Contra Costa County Retired Employees Association (CCCREA).

**4. Routine Items**

It was M/S/C to approve the routine items of the January 9, 2019 meeting. (Yes: Andersen, Holcombe, Kroll, MacDonald, Phillips, Smithey and Watts)

Gordon and Telles were present for subsequent discussion and voting.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54957, 54956.9(d)(1) and 54956.8.

The Board moved into open session.

5. It was M/S/C to accept the Medical Advisor's recommendation and grant the following disability benefits:
  - a. Paul Ivory – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)
  - b. Paul Jannisse – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)
  - c. Douglas Kovacich – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)
  - d. Cassandra Latula – Non-Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)
  - e. Vincent Matulich – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)
6. It was M/S/C to adopt the Findings of Fact and Decision to deny the service connected disability retirement application for Leslie Pounds. (Yes: Andersen, Gordon, Holcombe, Phillips, Smithey and Watts. No: MacDonald and Telles)
7. There was no reportable action related to Govt. Code Section 54956.9(d)(1).
8. There was no reportable action related to Govt. Code Section 54956.8.
9. **Consider and take possible action regarding non-service connected disability retirement allowance of deceased member John Mozzetti**

Hoppe reported Mr. Mozzetti was an active Tier 3 member who passed away on March 25, 2017 and had an Active Death form – Form 104 on file with CCCERA. Based on that election, CCCERA filed a non-service connected disability on his behalf, noting that Mr. Mozzetti met the medical requirements of permanent disability for a Tier 3 member.

There was a lengthy discussion on the timing of his death and when an active death benefit can be approved. Levy referred to the second paragraph of Hoppe's memo that states Mr. Mozzetti's medical records were analyzed by the Board's medical advisor who concluded that the evidence showed he was totally disabled from any employment prior to his death and therefore meets the medical requirements of permanent disability for a Tier 3 member on a non-service connected basis. Andersen and Gordon asked for more detailed information. Telles stated it has always been thought that the Active Death form meant that if an employee passes away as an active employee their family would be taken care of.

It was M/S to 1) Find that the member was permanently unable to engage in any substantial gainful employment and grant a non-service connected disability retirement, effective March 25, 2017 and 2) Grant the member's beneficiary (member's spouse) benefits pursuant to Government Code Section 31762 (Optional Settlement 2 allowance for the life of the named beneficiary).

There was a discussion on what an Optional Settlement 2 allowance means and if the benefit is an unfunded liability. Levy stated the actuaries are aware of this benefit and include it in our actuarial experience study.

A substitute motion was M/S that staff bring back further information about when Mr. Mozzetti became disabled and what happens if the Active Death form is not on file.

Watts was no longer present for subsequent discussion and voting.

MacDonald stated that if the Board wants to look at the form then it should be looked at separately but approving the benefit has always been the practice.

The vote on the substitute motion was (Yes: Andersen, Gordon, Holcombe and Phillips. No: MacDonald, Smithey and Telles). **Motion Failed.**

It was **M/S** to 1) Find that the member was permanently unable to engage in any substantial gainful employment and grant a non-service connected disability retirement, effective March 25, 2017 and 2) Grant the member's beneficiary (member's spouse) benefits pursuant to Government Code Section 31762 (Optional Settlement 2 allowance for the life of the named beneficiary). (Yes: MacDonald, Smithey and Telles. No: Andersen, Gordon, Holcombe and Phillips). **Motion Failed.**

The Board directed staff to bring back additional information as to when Mr. Mozzetti became disabled.

**10. Consider and take possible action to:**

- a. Authorize the CEO to negotiate and execute an agreement for a lease at 1200 Concord Avenue, Concord, California for CCCERA.
- b. Authorize the CEO to acquire products and services to ensure a successful transition to this new location.

Strohl provided a brief background on the item noting some of the important factors were finding a secure space, accessibility for our members, parking, a collaborative working environment and cost. She stated we would be taking on additional space for future growth. She also stated we are looking at a 10-year lease with a possible renewal. It was noted the lease would include a 3% annual increase in base rent just as CCCERA's current lease has an annual rent increase built into the lease. Telles asked that an outside real estate attorney be hired to look at the contract. It was noted that Reed Smith has real estate specialists on staff that will review the lease.

CBRE – Andy Schmitt, Danielle Scheg and IMPEC Group – Gina Caruso

Andy Schmitt reviewed his background, and introduced Danielle Scheg from CBRE and Gina Caruso from the IMPEC Group who is the Project Manager for this project. He reviewed the process and properties that were considered. He reviewed the pros and cons of each property as well as the average rent of each of the three properties that were short-listed. He reported the recommendation is for 1200 Concord Avenue, Concord, and the next phase is to negotiate the lease. He stated the amenities are superior and include a parking garage which is for employees only at no charge. Strohl commented CCCERA's current location is a Class B building and the proposed location is a Class A building which includes onsite security and property management.

It was **M/S/C** to a) Authorize the CEO to negotiate and execute a lease agreement with Sierra Pacific Properties, Inc. for a lease at 1200 Concord Avenue, Concord, California for CCCERA, contingent upon legal review and b) Authorize the CEO to acquire products and services to ensure a successful transition to this new location, not to exceed \$1.3 million prior to the reimbursement. (Yes; Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey and Telles)

Strohl thanked CBRE for a fantastic job and noted they have been great to work with.

**11. Consider and take possible action to approve a 2019 budget adjustment**

It was **M/S/C** to approve the 2019 budget adjustment as presented. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles)

**12. Presentation of the CCCERA website user analytics for 2018**

Sommers introduced Shannon Goss, Communications Coordinator, who maintains and monitors CCCERA's website.

Goss presented the statistics from Google Analytics of CCCERA's website usage for 2018.

Andersen was no longer present for subsequent discussion and voting.

Goss stated she feels the new website is successful. Strohl commented the old website did not have the same capabilities as the new one.

Telles was no longer present for subsequent discussion and voting.

**13. Consider authorizing the attendance of Board:**

- a. There was no action taken on this item. 2019 Legislative Conference, National Conference on Public Employee Retirement Systems (NCPERS), January 27-29, 2019, Washington, DC.
- b. It was **M/S/C** to authorize the attendance of 1 Board member at the CALAPRS Trustees' Roundtable, February 1, 2019, Oakland, CA. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips and Smithey)
- c. It was **M/S/C** to authorize the attendance of all Board members at the CALAPRS General Assembly, March 2-5, 2019, Monterey, CA. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips and Smithey)

**14. Miscellaneous**

- (a) Staff Report –

Strohl reported the County recently issued an RFP for a deferred compensation provider and noted CCCERA employees participate in the County's program. There will be an item on the next agenda to issue an RFP for a deferred compensation provider for CCCERA employees.

Price introduced Greg Ter-Zakhariants, CCCERA's new Investment Analyst.

- (b) Outside Professionals' Report -

None

- (c) Trustees' comments –

None

It was **M/S/C** to adjourn the meeting. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips and Smithey)



Todd Smithey, Chairman



David MacDonald, Secretary