



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
September 13, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

Present: Candace Andersen, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Belinda Zhu (Deputy Treasurer, present and voting in Treasurer Russell Watts' absence)

Absent: Scott Gordon

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: John Monroe
Representing: Segal Consulting

1. Pledge of Allegiance

Levy led all in the *Pledge of Allegiance*.

Telles was present for subsequent discussion and voting.

2. Accept comments from the public

Vince Wells, President of Firefighters Local 1230, asked that the base pay only policy for PEPRA members be revisited by the Board.

3. Approval of Minutes

It was M/S/C to approve the minutes of the July 12, 2017 meeting. (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Smithey, Telles and Zhu)

Rodrigues was present for subsequent discussion and voting.

4. Routine Items

It was M/S/C to approve the routine items of the September 13, 2017 meeting. Holcombe asked about effective retirement dates that are a year old on Item #4. Hoppe stated the dates are retroactive to the effective date on the application once their options are turned in.

Pigeon was present for subsequent discussion and voting.

Holcombe also asked about a death dating back to April. Hoppe stated it sometimes takes the family a while to submit a certified death certificate to CCCERA. Telles asked if proof of life letters have been sent out. Hoppe stated CCCERA is working on the process. (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)

CLOSED SESSION

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

The Board moved into open session.

5. It was **M/S/C** to accept the Medical Advisor's recommendations and grant the following disability benefits:
 - a. Marilyn Gouvaia – Service Connected (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Zhu)
 - b. Frank Gomez – Service Connected (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)
 - c. Angela Parga – Non-Service Connected (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Rodrigues and Zhu. No: Smithey and Telles)

6. Consider and take possible action to accept the GASB 68 report from Segal Consulting

Monroe reviewed the results of the GASB 68 report noting the report is solely for employers to use in their financial statements. He stated one of the key items they calculate is the Net Pension Liability (NPL) which is similar to the unfunded actuarial accrued liability but on a market value basis. The total NPL decreased from \$1.51 billion as of December 31, 2015 to \$1.40 billion as of December 31, 2016. He stated this is allocated to each employer based on payroll and reported on each of their balance sheets as a liability.

He reported GASB 82 affects some of the reporting in GASB 68. When an employer subvents a member contribution it is now reported as a member contribution and when a member subvents an employer contribution it is now reported as an employer contribution. Strohl noted this change is only for reporting.

Gudino noted GASB 68 is a service provided for the employers and is not a requirement of the Plan.

It was **M/S/C** to accept the GASB 68 report from Segal Consulting. (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)

7. Consider and take possible action regarding non-service connected disability retirement allowance of deceased member Paul Crouch

Hoppe reported Paul Crouch was an active member who passed away and had a Death During Active Service Form on file with CCCERA. Based on that election, CCCERA filed a non-service connected disability on his behalf, noting that Mr. Crouch met the medical requirements of permanent disability for a Tier 1 member.

Hoppe noted this would be a non-service connected disability retirement and Mr. Crouch elected an Optional Settlement 2 allowance prior to his death. His spouse will receive a 100% continuance.

It was **M/S/C** to: 1) Find that the member was permanently unable to engage in his job duties and grant a non-service connected disability retirement, effective March 23, 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: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)

8. Presentation of Semi-Annual Disability Retirement Report

Hoppe reported there were 16 disability retirement applications accepted during the first 6 months of 2017; 11 were service connected and 5 were non-service connected. He reviewed a breakdown of the total number of applications filed by the employers and by County department. He reviewed a breakdown of the type of injury being reported noting musculoskeletal is the most common type.

Andersen was no longer present

He reported 2 disability retirement applications have been accepted since June 30.

9. Consider authorizing the attendance of Board:

- a. It was M/S/C to authorize the attendance of 1 Board member at the 2017 Fall Conference, CII, September 13-15, 2017, San Diego, CA. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)
- b. It was M/S/C to authorize the attendance of 2 Board members at the Roundtable for Consultants & Institutional Investors, Institutional Investor, October 4-6, 2017, Chicago, IL. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)
- c. It was M/S/C to authorize the attendance of 1 Board member at the 2017 Fall Conference, CRCEA, October 23-25, 2017, Emeryville, CA. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)
- d. It was M/S/C to authorize the attendance of 8 Board members at the 31st Annual Northern CA Public Retirement Seminar, Public Retirement Journal, October 26, 2017. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)
- e. No action was taken on this item.
- f. No action was taken on this item.

10. Miscellaneous

(a) Staff Report –

Strohl reported our new Employer Handbook has been finalized; and, we are continuing on the second month of the food drive which will run through the end of September.

Price reported the StepStone Group will be presenting a private equity pacing report at the next meeting.

Gudino reported bills have been sent to the employer's for the 2016 GASB 68 fees noting most of the employers have provided payment.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Phillips reported on his takeaways from the Verus Client Conference that was also attended by Kroll, Smithey, Watts and Strohl.

Kroll also commented on the Verus Client Conference noting everything went well from check-in to the end of the conference.

MacDonald reported he attended the CALAPRS Principals of Pension Management Course and felt it was a fantastic course. He noted Price presented and did a very good job. He and Smithey attended the Public Funds Forum and felt it was outstanding.

He asked for an update on cybersecurity. Strohl stated she will provide an update.

Telles reported he attended the NCPERS Public Pension Funding Forum and it was a good conference. He stated we should look at negotiating better fees especially when investing in fund of funds.

Pigeon asked that the meeting be adjourned sending thoughts, concerns and support to those suffering from the effects of Hurricane Harvey and Irma.

It was M/S/C to adjourn the meeting sending thoughts, concerns and support to those suffering from the effects of Hurricane Harvey and Irma. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Zhu)



Todd Smithey, Chairman



David MacDonald, Secretary