



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY BOARD MEETING

9:00 a.m.

December 17, 2014

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: None

Staff: Gail Strohl, Retirement Chief Executive Officer; Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:
Harvey Leiderman
Joe Wiley

Representing:
Reed Smith LLP
Wiley, Price & Radulovich LLP

1. Pledge of Allegiance

Telles led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No members of the public offered comment.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6

The Board moved into open session.

3. CONFERENCE WITH LABOR NEGOTIATORS

(Government Code Section 54957.6)

Agency designated representatives:

Gail Strohl, Retirement Chief Executive Officer
Christina Dunn, Retirement Administration Manager
Joe Wiley, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700 and IFPTE Local 21
Unrepresented Employees: All CCCERA unrepresented positions

There was no reportable action related to Govt. Code Section 54957.6.

Gordon was no longer present for subsequent discussion and voting.

4. Consider and take possible action on 2015 CCCERA Budget

Strohl presented the 2015 budget noting she has separated the budget into two sections, Administrative and Non-Administrative. Strohl reported the total proposed budget is \$10.7 million which is well under the \$16 million allowed by the CERL. She stated there is a decrease of \$0.7 million compared to the 2014 budget. She reported the decreases were in part due to the proper adjustment in benefit rates, the projected timing of replacement hires and a mid-year decrease in employer retirement contribution rates. There was also a decrease in the salaries and benefits categories and the administrator's discretionary fund was eliminated. She noted she may have mid-year budget adjustments.

Phillips was no longer present for subsequent discussion and voting.

Strohl reviewed the key priorities for the next year including a fully functional hot site with all main systems available and improved security measures for greater protection of member data. She reported an organizational chart is attached noting the Compliance Officer now reports to the CEO. She also reviewed the proposed Capital Budget.

It was **M/S/C** to adopt the budget for 2015 as presented. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

It was **M/SC** to approve 3 additional staff members: a Retirement Accountant, a Member Services Manager, and an Information System Programmer/Analyst. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

Strohl thanked the Board for their consideration of the budget.

5. Consider and take possible action to adopt Resolution 2014-5 confirming the continuing appointment of CCCERA personnel and authorizing the retirement CEO to appoint personnel pursuant to Government Code Section 31522.9.

Levy reported the resolution is being recommended to preserve the status quo of all CCCERA personnel previously appointed by the Board or by the CEO and authorizes the CEO to appoint CCCERA personnel on the Board's behalf.

It was **M/S/C** to adopt Resolution 2014-5 Confirming Continuing Appointment of Administrator and Staff and Authorizing Administrator to Appoint Personnel Pursuant to Government Code Section 31522.9. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

6. Update regarding CCCERA's receipt of a favorable Letter of Determination from the Internal Revenue Service effective December 4, 2014

Levy reported that CCCERA received a favorable letter of determination from the Internal Revenue Service and is now on a 5-year filing cycle noting the next Cycle C filing is due on January 31, 2019.

Strohl thanked Levy for all her work.

7. Legislative update

Levy reviewed recently enacted legislation and the impact on CCCERA.

8. Conference Seminar Attendance

- a. It was M/S/C to authorize the attendance of 1 Board member and 1 staff member at the PIMCO Institute, PIMCO, January 14-15, 2015, Newport Beach, CA. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)
- b. There was no action taken on this item.
- c. It was M/S/C to authorize the attendance of 4 Board members at the Trustees Roundtable, CALAPRS, February 6, 2015, San Jose, CA. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)
- d. It was M/S/C to authorize the attendance of 1 staff member at the NAPPA Winter Seminar, NAPPA, February 11-13, 2015, Tempe, AZ. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

9. Miscellaneous

- (a) Staff Report –

Strohl reported Dan Borenstein requested the backup data on the Lookback Project.

- (b) Outside Professionals' Report -

Leiderman congratulated CCCERA on a successful year.

- (c) Trustees' comments –

Mitchoff asked for clarification on the meeting dates in January. It was noted the January 21, 2015 meeting is a hold date for the investment consultant search.

Rodrigues commented on a previous meeting where he felt the gentleman from Hazmat who spoke about shifts deceived the Board because he contradicted himself. He didn't like it and wished he would have spoken up.

The Board discussed the structure of public comments at meetings.

There was a discussion on the timing of closed session when members of the public attend the meetings. It was noted Board Regulations state when closed session is to be held. Pigeon felt it was important to structure the agenda with important items in the beginning of the agenda. He also asked about the flow of the agenda and wondered if the Board could see a draft prior to the final agenda being sent out. Strohl will email the agenda to the Board once the Chairperson has approved it so that Board can see it before the public. Levy noted districts have a "sunshine ordinance" which can let the Board get the agenda earlier. It can also be done by practice.

It was M/S/C to adjourn the meeting. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

Brian Hast, Chairman

Jerry Telles, Secretary