



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING  
April 13, 2016  
9:00 a.m.

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

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

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Christina Dunn, Administrative/HR Manager; Tim Hoppe, Retirement Services Manager; and Alexis Cox, Member Services Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Susan Hastings	Laughlin, Falbo, Levy & Moresi LLP

1. **Pledge of Allegiance**

Kroll led all in the *Pledge of Allegiance*.

2. **Recognition of Son Lu for 10 years of service and Lori Epstein for 5 years of service**

Phillips recognized and congratulated Son Lu for his 10 years of service and Lori Epstein for her 5 years of service.

3. **Accept comments from the public**

No member of the public offered comment.

4. **Approval of Minutes**

It was *M/S/C* to approve the minutes of the January 27 and February 10, 2016 meetings with corrections to the February 10, 2016 minutes as follows: On pages 2 and 3, the spelling of the speaker is Beth Bartke, not Parke; on page 3, third paragraph, the fourth sentence was divided into two sentences. (Yes: Andersen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts).

5. **Routine Items**

It was M/S/C to approve the routine items of the April 13, 2016 meeting. (Yes: Andersen, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts)

Allen and Pigeon were present for subsequent discussion and voting.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54957, 54957.6, 54956.9(d)(2) and 54956.9(d)(1).

The Board moved into open session.

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

- a. Daryl Chilimidos – Service Connected (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)
- b. Jessica Fliemann – Service Connected (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

7. **CONFERENCE WITH LABOR NEGOTIATORS**

(Government Code Section 54957.6)

Agency designated representative:

Gail Strohl, Chief Executive Officer

Unrepresented Employees: All CCCERA unrepresented positions

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

8. There was no reportable action related to Govt. Code Section 54957.

9. This item was referred back to the Administrative Law Judge with instructions.

10. This item was referred back to the Administrative Law Judge with instructions.

11. There was no reportable action related to Govt. Code Section 54956.9(d)(2).

12. There was no reportable action related to Govt. Code Section 54956.9(d)(1)

13. **Consider and take possible action regarding non-service connected disability retirement allowance of deceased member Vonley Honey**

Hoppe gave a brief overview of the item noting this disability is related to an Active Death form on file.

It was M/S/C that the member was permanently unable to engage in any substantial gainful employment and grant a non-service connected disability retirement, effective December 24, 2015 for Vonley Honey and grant the member's beneficiary benefits pursuant to Government Code Section 31762 (Optional Settlement allowance for the life of the named beneficiary). (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

**14. Consider and take possible action to approve revised agreement with the Office of Administrative Hearings for disability and non-disability hearings**

Strohl reviewed the background of this item noting we are currently at midpoint of the \$48,000 agreement. She reported the original agreement was for disability hearings only and now includes non-disability hearings and is recommending an increase in the agreement.

After a discussion on the concerns with the service at the Office of Administrative Hearings, it was M/S/C to approve and authorize the Chief Executive Officer to execute an amendment to the contract with the Office of Administrative Hearings increasing the contract amount to \$96,000 in order to continue to provide administrative hearings services with regard to disability and non-disability matters, through July 25, 2018. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

The Board directed staff to provide the Office of Administrative Hearings instructions on the level of service they expect and for staff to explore other options for conducting hearings.

**15. Update on Angelo Gordon personnel changes**

Youngman gave an update on the recent senior level personnel changes at Angelo Gordon including the impact to Angelo Gordon as well as the impact on CCCERA's investments. Staff does not recommend that Angelo Gordon be placed on the watch list at this time; however, staff will continue to monitor Angelo Gordon.

**16. Consider and take possible action to place Wellington on a watch list**

Chu reported Rick Wurster, portfolio Manager of Wellington's Real Total Return (RTR) strategy, will be leaving Wellington in early April. He noted Wurster was directly involved with CCCERA's portfolio. CCCERA invested in RTR in 2012 as part of our Real Asset program and currently has \$175 million invested in the strategy's commingled fund. Staff recommends placing Wellington on watch immediately due to personnel changes.

After discussion, it was M/S/C to place Wellington on the Watch List due to personnel changes. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

**17. Update regarding the elimination of IRS Letter of Determination 5-year Cycle Filing Process**

Levy reported the IRS has announced the elimination of the 5-year filing cycle process for plans seeking a letter of determination of tax qualified status. The IRS issued guidance providing that expiration dates on determination letters issued prior to January 4, 2016, are no longer operative. Instead, the most recent favorable letter received by CCCERA now has no expiration date.

Allen recognized Levy for all of her work over the years on the Letter of Determination process.

**18. Consider and take possible action on SACRS Board of Directors Elections**

It was M/S/C to approve the SACRS Nominating Committee recommendations as presented. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

**19. Consider and take possible action on SACRS Voting Proxy Form**

It was M/S/C to authorize Smithey as the Voting Delegate to vote on behalf of CCCERA at the upcoming SACRS Conference. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

It was M/S/C to authorize Rodrigues as the Alternate Voting Delegate to vote on behalf of CCCERA at the upcoming SACRS Conference. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

**20. Consider authorizing the attendance of Board and/or staff:**

- a. It was M/S/C to authorize the attendance of 2 Board members and 1 staff member at the 2016 Annual Conference, Angelo Gordon & Co., May 4-5, 2016, New York, NY. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)
- b. It was M/S/C to authorize the attendance of all Board members and all appropriate staff at the Spring Conference, SACRS, May 10-13, 2016, Costa Mesa, CA. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Watts)

**21. Miscellaneous**

- (a) Staff Report –

Strohl reported there was training on integrity at the monthly All Staff meeting presented by the Compliance Officer and this month there will be a training on bullying; we are up and running using NeoGov for recruiting with the first recruitment being for the Accounting Manager and we will have 4-5 recruitments posted next month.

- (b) Outside Professionals' Report -

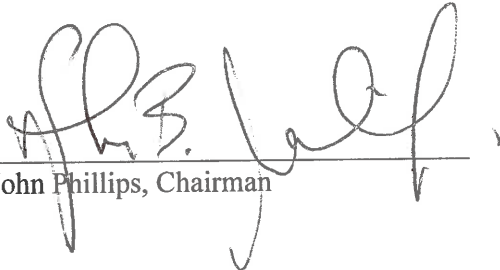
None


- (c) Trustees' comments –

Telles reported he attended the California Retired County Employees Association Spring Conference with Rodrigues and felt it was very informative. The Contra Costa County Retired Employees Association (CCCREA) is sponsoring the fall conference in October and Mike Sloan has extended an invitation to Board members for the first day.

Phillips reported on the Contra Costa Times editorial supporting Debora Allen for State Assembly. He reported he attended the Pension Bridge Conference with Rodrigues and Watts.

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

  
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John Phillips, Chairman

  
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Scott Gordon, Secretary