



## MINUTES

### RETIREMENT BOARD MEETING MINUTES

#### REGULAR MEETING

January 10, 2018

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, Jay Kwon, David MacDonald, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey and Rusty Watts

Absent: Jerry Telles

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:  
Harvey Leiderman

Representing:  
Reed Smith LLP

#### 1. Pledge of Allegiance

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

#### 2. Accept comments from the public

No member of the public offered comment.

#### 3. Approval of Minutes

It was M/S/C to approve the minutes from the November 8 and November 21, 2017 meetings with the following corrections to the November 21, 2017 minutes: 1) after Item 2, the sentence should read "Pigeon and Smithey were present for subsequent discussion and voting;" 2) Item 5, line 1, should state "2018-2020 Strategic Plan;" and 3) Item 9, second paragraph, second to the last sentence, add "which was favorable" to the end of the sentence. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

#### 4. Routine Items

It was M/S/C to approve the routine items of the January 10, 2018 meeting. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

**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. Dan Colbath – Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts). Note: Pigeon recused himself from this item and was not present during the deliberation and decision.
  - b. James Colon – Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)
  - c. Melissa Cote – Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)
  - d. Maurice Howell – Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts). Note: Pigeon recused himself from this item and was not present during the deliberation and decision.
  - e. Darin Peterson – Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)
  - f. Bernell Snell – Non-Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)
  - g. Nubia Zamora – Service Connected (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)

It was the consensus of the Board to move to Item 7.

**7. Consider and take possible action to authorize the CEO to execute a contract with Brown Armstrong for auditing services**

Phillips reported the Audit Committee is recommending that Brown Armstrong be retained as CCCERA's external auditor for the next three year period for the years ending December 31, 2017, 2018, and 2019 and to enter into a three (3) year contract with an option to renew for another three (3) years, subject to the annual review and recommendation of the Audit Committee. He noted the partner assigned to CCCERA would rotate with the new contract.

It was **M/S/C** to authorize the CEO to execute a contract with Brown Armstrong Accountancy Corporation for auditing services, as recommended by the Audit Committee. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

**8. Consider and take possible action to amend the Audit Committee Charter as recommended by the Audit Committee**

Phillips reported the recommended change to the Audit Committee Charter adds language to Section III, Membership. The proposed language is "At the second regular meeting in July, as the second order of business, or as required to fill vacancies, the Board Chairperson will appoint members of the Audit Committee as provided in the CCCERA Regulations and designate one member to serve as the Committee Chairperson and another member to serve as the Committee Vice-Chairperson."

It was **M/S/C** to amend the Audit Committee Charter, as recommended by the Audit Committee. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

**9. Consider and take possible action to issue a Request for Proposal for Disability Retirement Legal Services**

Dunn reported it has been four years since CCCERA has reviewed disability retirement legal service providers and asked for approval to issue a Request for Proposal for Disability Retirement Legal Services.

It was M/S/C to issue a Request for Proposal for Disability Retirement Legal Services. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

**10. Presentation of the CCCERA 2018 Compliance Activity Plan**

Dutkiewicz gave an update on the status of the 2017 Compliance Department projects and employer audits.

He reviewed the internal control activities and projects planned for 2018. He also reviewed the employer audits planned for 2018 which include the Contra Costa County department of information technology and the Contra Costa County Auditor Controller's Office.

**11. Presentation of Contra Costa County Health Services Department Final Audit Report**

Dutkiewicz presented the final audit report for the Contra Costa County Health Services Department. He reported that although no material variances were found with what was expected to be reported and what was actually reported, their payroll and reporting process is very complex and could lead to errors.

Dutkiewicz noted that due to the complexity of their manual payroll collection and reporting process and the number of payroll adjustments processed, compliance will continue to follow up with the employer and the department. He also noted that follow-up items included the collection of outstanding enrollment forms from the employer.

**12. Presentation of East Contra Costa County Fire Protection District Final Audit Report**

Dutkiewicz reported there were a number of follow-up items and noted the District was in concurrence with CCCERA's observations and findings. The follow-up items include formal training to be provided by CCCERA on pensionable compensation and contribution reporting, incorrect base pay corrections, pensionable compensation as related to the pensionability of pay code F62 (standby pay differential), and maintaining a publicly available pay schedule. CCCERA staff will prepare an advisory related to pay code F62 once the review with the District is completed.

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

- a. No action was taken on this item.
- b. It was M/S/C to authorize the attendance of all appropriate Board members at the CALAPRS General Assembly, March 3-6, 2018, Indian Wells, CA. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)
- c. It was M/S/C to authorize the attendance of 3 Board members at the FORUM 2018: Building Resilient Portfolios When Missions Matter, Commonfund, March 11-13, 2018, Orlando, FL. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)
- d. No action was taken on this item.

**14. Miscellaneous**

- (a) Staff Report –

Strohl reported the CPI is anticipated to be released on Friday, January 12<sup>th</sup> and a retiree COLA recommendation should be coming to the Board for consideration at the January 24<sup>th</sup> meeting. She reported she was recently elected to the CALAPRS Board of Directors.

Price gave an update on the StepStone consulting agreements and noted both the private equity and private credit contracts have been executed. StepStone will be presenting an update to the Board later in the year.

(b) Outside Professionals' Report -

None

(c) Trustees' comments -

None

It was the consensus of the Board to move to Item 6.

**CLOSED SESSION**

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

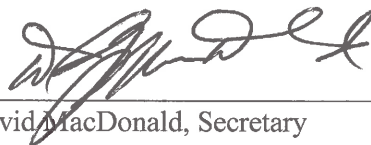
The Board moved into open session.

6. There was no reportable action.

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



Todd Smithey, Chairman



David MacDonald, Secretary