



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING  
September 12, 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, Jerry Telles and Russell Watts

Absent: None

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  
Eva Yum

Representing:  
Segal Consulting  
Segal Consulting

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. **Routine Items**

It was M/S/C to approve the routine items of the September 12, 2018 meeting. (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Rodrigues, Smithey, Telles and Watts)

**CLOSED SESSION**

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

The Board moved into open session.

4. It was M/S/C to accept the Medical Advisor's recommendation and grant the following disability benefits:
- a. Thomas Andersen – Service Connected (Yes: Andersen, Gordon, Holcombe, Kwon, MacDonald, Pigeon, Smithey, Telles and Watts)

Phillips was present for subsequent discussion and voting.

- b. Michael Murphy – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

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

Gordon was no longer present for subsequent discussion and voting.

6. **Consider and take possible action to adopt the December 31, 2017 Valuation Report and contribution rates for the period July 1, 2019 – June 30, 2020**

Strohl reported the contribution rate packet is typically sent to employers after the Valuation Report has been presented and noted that next year the contribution rate packet will be included with the Valuation Report.

Monroe introduced Eva Yum. He reported that in the past the Board adopted the contribution rates at the time of the valuation report presentation but the document that contains the contribution rates was not included in the valuation report. He noted the contribution rate packet was provided to the Board of Supervisors for adoption after the Board of Retirement adopted the valuation report and the contribution rates.

It was M/S/C to adopt the December 31, 2017 Valuation Report and contribution rates for the period July 1, 2019 – June 30, 2020. (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

Gordon was present for subsequent discussion and voting.

7. **Consider and take possible action regarding non-service connected disability retirement allowance of deceased member Robert Richardson**

Hoppe reported that Robert Richardson was an active member who passed away on April 9, 2018 and had a Death During Active Membership Form on file with CCCERA. Based on that election, CCCERA filed a non-service connected disability on his behalf, noting that Mr. Richardson met the medical requirements of permanent disability for a Tier 3 member.

It was M/S/C that 1) The member was permanently unable to engage in any substantial gainful employment and to grant a non-service connected disability retirement, effective April 9, 2018; 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 Watts)

8. **Consider and take possible action regarding non-service connected disability retirement allowance of deceased member Andrea Sosa**

Hoppe reported that Andrea Sosa was an active member who passed away on December 26, 2017 and had a Death During Active Membership Form on file with CCCERA. Based on that election, CCCERA filed a non-service connected disability on her behalf, noting that Ms. Sosa met the medical requirements of permanent disability for a Safety Tier member.

It was M/S/C that 1) The member was permanently unable to engage in her usual and customary employment and to grant a non-service connected disability retirement, effective December 26, 2017 and 2) Grant the member's beneficiary (member's sibling) 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 Watts)

**9. Presentation from staff and DLJ regarding a potential commitment to DLJ Real Estate**

Price provided a brief background on staff's recommendation to commit \$50 million to DLJ RECP Fund VI and noted CCCERA has committed to DLJ in Funds I through V. He reported Fund VI will maintain CCCERA's opportunistic real estate exposure to unique properties located in Boston, New York City, and Los Angeles.

DLJ Real Estate – Andy Rifkin and Carmine Fanelle

Rifkin gave an overview of the firm and of the performance of Fund V noting it has done well. He reported they are targeting properties in emerging neighborhoods in Boston, New York City, and Los Angeles and are focusing on where the growth will be for Fund VI.

Fanelle reviewed the funds strategies and noted they do not necessarily look at the stock prices of companies but they look at where the companies are growing. He reviewed growth rates, interest rates and cap rates.

Pigeon was no longer present for subsequent discussion and voting.

Fanelle and Rifkin reviewed New York and Boston pipeline opportunities including their asset types, investment strategy, and description of the properties.

**10. Consider and take possible action regarding a commitment to DLJ Real Estate**

It was M/S/C to commit \$50 million to DLJ RECP Fund VI subject to satisfactory due diligence and legal review and authorize the CEO to execute the necessary contracts. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

**11. Presentation of Semi-Annual Disability Retirement Report**

Hoppe reported there were 14 disability retirement applications (12 Safety members and 2 Tier 3 members) accepted during the first 6 months of 2018 and noted they are all service connected applications. He reported 4 applications have already been granted by the Board, 3 are not being recommended based on medical records, 5 are being reviewed by the medical advisor, and we are waiting for records from the other 3 applications.

He reported we have received 6 disability retirement applications since June 30. He noted we accept approximately 25 disability retirement applications per year.

**12. Presentation of the San Ramon Valley Fire Protection District Final Audit Report**

Dutkiewicz presented the final audit report for the San Ramon Valley Fire Protection District.

The follow-up items include: Item 1, Pensionable Compensation and Contribution Reporting – The District agrees to create separate pay codes for reporting vacations and vacation buy backs. The District also agrees to meet with CCCERA's Member Service Department to review the items that need to be reported to CCCERA and the required format; Item 2. Inclusion of Standby Pay in Pensionable Compensation – The Districts reported stand-by duties are now included in the position responsibilities; Item 3. Safety Status – The District clarified those positions that are designated as Safety positions and noted there is language in the MOU that relates to this; Item 4. IRC Compensation Limits – The District provided the tracking procedures used for retirees and active employees.

Dutkiewicz thanked Natalie Korthamar and her staff at the San Ramon Valley Fire Protection District for their cooperation. He also thanked Dohrn for her work.

Telles was impressed with the report.

Gordon asked that an executive summary be included in the front of future audit reports.

**13. Consider and take possible action to authorize the CEO to renew a maintenance and support agreement with CPAS**

It was M/S/C to authorize the CEO to renew a maintenance and support agreement with CPAS. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

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

- a. It was M/S/C to authorize the attendance of 4 Board members at the 6<sup>th</sup> Annual California Institutional Forum, Markets Group, December 5, 2018, Sonoma, CA. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)
- b. It was M/S/C to authorize the attendance of 2 Board members at the 2019 Aether Annual Meeting, Aether Investment Partners, LLC., January 23-24, 2019, Denver, CO. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

**15. Miscellaneous**

- (a) Staff Report –

Strohl reported she attended the Public Funds Forum and it was really good. She also reported the September 26 board meeting will have the GASB 68 report, fiduciary items, and investment items; and reminded the Board that the CCCERA picnic will be held on September 22, 2018.

Dunn gave an update on the Retiree Information Verification project noting there are 12 members that have not responded to date. She reported the final deadline to respond is September 20, 2018.

Price introduced Rishi Garbharran as the new Investment Officer.

- (b) Outside Professionals' Report -

None

- (c) Trustees' comments –

Watts thanked and complemented Brianne Wilkins for presenting an Introduction to Pension Plans training for his staff.

Rodrigues reported on the SACRS Trustee Training and indicated it is a good training for new Trustees.

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



Todd Smithey, Chairman



David MacDonald, Secretary