



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
January 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 Belinda Zhu (Deputy Treasurer, present and voting in Russell Watts absence)

Absent: Russell Watts

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

Outside Professional Support:
Harvey Leiderman
Susan Hastings

Representing:
Reed Smith LLP
Laughlin, Falbo, Levy & Moresi LLP

1. Pledge of Allegiance

Smithey led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No members of the public offered comment.

3. Routine Items

It was **M/S/C** to approve the routine items of the January 13, 2016 meeting. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Rodrigues, Smithey and Zhu)

Gordon, Pigeon and Telles were present for subsequent discussion and voting.

CLOSED SESSION

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

The Board moved into open session.

4. 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.

5. It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits:
 - a. Lori Currie – Non-service Connected (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Zhu)
6. This item was referred back to the Hearing Officer for further proceedings with instructions.
7. It was **M/S/C** to adopt the report and recommendation of the Administrative Law Judge and deny Lawrence Nunes' petition to have his application accepted as filed. (Yes: Allen, Andersen, Gordon, Hast, Phillips, Rodrigues, Smithey, Telles and Zhu)
8. This item was referred back to the Hearing Officer for further proceedings with instructions.
9. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

Andersen, Gordon, Kroll and Pigeon were no longer present for subsequent discussion and voting.

10. Presentation from McLagan regarding CCCERA investment employee compensation

Strohl introduced Mike Oak of the McLagan firm.

Oak gave a brief background of the McLagan firm. He gave an overview of the analysis used to complete the investment employee compensation study. He reviewed the types of organizations used in the study and the current market salaries for the Chief Investment Officer, Investment Officer and Investment Analyst positions.

Rodrigues was no longer present for subsequent discussion and voting.

11. Consider and take possible action to adopt McLagan's recommended salary adjustment

Price reviewed the comparisons of dollars spent on outside consultants and the need to retain experienced staff especially with the changes made to the asset allocation. He also discussed the duties of the investment analysts noting they are mostly doing the work of an investment officer.

It was **M/S/C** to continue a decision on this item until the next meeting in January and to deal with all of the personnel adjustments at the same time. (Yes: Allen, Hast, Holcombe, Phillips, Smithey, Telles and Zhu)

12. Consider and take possible action to authorize the CEO to execute a contract with Segal Consulting for the annual member benefit statements

Strohl reported Segal Consulting has produced the annual member benefit statements for CCCERA in the previous years. She noted this item is coming to the Board because of the dollar amount of the contract.

It was **M/S/C** to authorize the CEO to execute a contract with Segal Consulting for the annual member benefit statements in an amount not to exceed \$70,000. (Yes: Allen, Hast, Holcombe, Phillips, Smithey, Telles and Zhu)

Hast was no longer present for subsequent discussion and voting.

13. Update from the Compliance Officer

Dutkiewicz gave an update on compliance activities.

14. Consider and take possible action to move the January 28, 2016 meeting to January 27, 2016.

It was **M/S/C** to move the January 28, 2016 meeting to January 27, 2016 with a start time of 8:30 a.m. (Yes: Holcombe, Phillips, Smithey, Telles and Zhu. No: Allen)

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

- a. It was **M/S/C** to authorize the attendance of 2 Board members at the Trustees' Roundtable, CALAPRS, February 5, 2016, Burbank, CA. (Yes: Allen, Holcombe, Phillips, Smithey, Telles and Zhu)
- b. It was **M/S/C** to authorize the attendance of all Board members and 5 staff members at the CALAPRS General Assembly, CALAPRS, March 5-8, 2016, Indian Wells, CA. (Yes: Allen, Holcombe, Phillips, Smithey, Telles and Zhu)
- c. It was **M/S/C** to authorize the attendance of 1 Board member at the Investment Basics, IFEBP, February 15-18, 2016, San Diego, CA. (Yes: Allen, Holcombe, Phillips, Smithey, Telles and Zhu)
- d. It was **M/S/C** to authorize the attendance of 1 Board member at the Retirement Plan Basics, IFEBP, February 19-20, 2016, San Diego, CA. (Yes: Allen, Holcombe, Phillips, Smithey, Telles and Zhu)

16. Miscellaneous

(a) Staff Report –

Strohl reported CCCERA received a Certificate of Excellence from GFOA for the 2014 PAFR; and, CCCERA employees participated in a 1-year independence celebration.

Price reported John Angelo of Angelo Gordon passed away on January 1 noting there is no immediate impact on the strategies we are invested in; he gave an update on the Energy Credit Fund with Angelo Gordon; First Eagle received an inquiry from the Department of Labor noting there is no immediate impact on CCCERA; and, Ed Hoffman from Verus will be at the next meeting.

Levy reported she will be chairing the next CALAPRS attorneys' roundtable and is lining up topics and speakers for the five hour mandatory continuing legal education, including one hour of ethics education.

Dunn reported she distributed the elimination of recourse statements for the fiduciary insurance, we processed our first CCCERA payroll on January 8th; we are looking to streamline the Board member travel process and new forms have been created.

Dutkiewicz gave an update on separating IT from the County and now have all the user requests for the Secure File Transfer site noting everything is going smoothly.

Hoppe reported staff is working on the 1099R Forms.

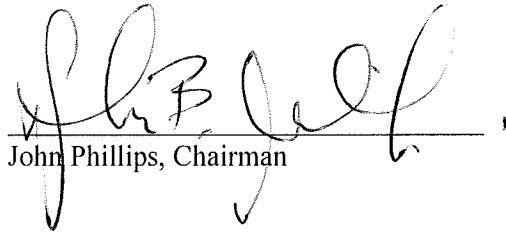
(b) Outside Professionals' Report -

None

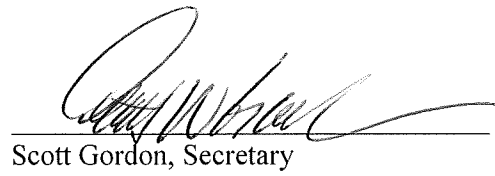
(c) Trustees' comments –

None

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Holcombe, Phillips, Smithey, Telles and Zhu)



John Phillips, Chairman



Scott Gordon, Secretary