

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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September 12, 2012

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, September 12, 2012 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Debora Allen, Brice Bins, Terry Buck, Richard Cabral, John Gioia, Brian Hast, Jerry Holcombe, Sharon Naramore, John Phillips, Gabe Rodrigues, Jerry Telles, and Maria Theresa Viramontes

Absent: Russell Watts

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; Karen Levy, General Counsel; and Vickie Kaplan, Retirement Accounting Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Rebecca Byrnes	County Counsel

Other Attendees:	
Christina Dunn	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Kelli Ingersoll	CCCERA Staff
Joelle Luhn	CCCERA Staff
Justine Rossini	CCCERA Staff
Kris Hunt	Contra Costa County Taxpayers Association
Todd Smithey	Central Contra Costa County Sanitary District
Mike Sloan	RSG & CCCREA

1. Pledge of Allegiance

Viramontes led all in the *Pledge of Allegiance*.

2. Public Comment

Kris Hunt, Contra Costa County Taxpayers Association, read a letter presented to the Board chair regarding a request to make audio or video recordings of Board meetings.

3. Approval of Minutes

The Board discussed the amendment to change the wording for Item 10 of the July 11, 2012 minutes.

It was **M/S/C** to approve the minutes of the August 8, 2012 Board meeting. (Yes: Bins, Buck, Cabral, Hast, Holcombe, Naramore, Phillips, Viramontes. Abs: Gioia)

4. Routine Items

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It was *M/S/C* to approve the routine items of the September 12, 2012 meeting noting the safety groups will be listed as "S/A" for Safety Group A and "S/C" for Safety Group C. (Yes: Bins, Buck, Cabral, Gioia, Hast, Holcombe, Naramore, Phillips and Viramontes)

It was the consensus of the Board to move to Item 8.

Allen and Telles were present for subsequent discussion and voting.

CLOSED SESSION

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

The Board moved into open session

8. It was *M/S/C* to accept the Medical Advisor's recommendation and grant the following disability benefits:
- a. Ronnie Walker - Service Connected (Yes: Allen, Bins, Buck, Cabral, Gioia, Hast, Phillips, Telles and Viramontes)
 - b. Anthony Simi - Service Connected (Yes: Allen, Bins, Buck, Cabral, Gioia, Hast, Phillips, Telles and Viramontes)
9. It was *M/S/C* to accept the Hearing Officer's recommendation and deny the service connected disability retirement for Cleo Patzer-Alvarado. (Yes: Allen, Bins, Buck, Cabral, Gioia, Hast, Phillips, Telles and Viramontes)
10. It was *M/S/C* to accept Medical Officers/Staff recommendation and grant the service connected disability retirement for David Carpenter. (Yes: Allen, Bins, Buck, Cabral, Gioia, Hast, Phillips, Telles and Viramontes)

It was the consensus of the Board to move to Item 5.

5. Presentation on Fiduciary Education

Leiderman gave an overview on the fiduciary responsibility of being a Retirement Board trustee. He discussed a trustee's duty to the retirement system. He reviewed the primary loyalty rule to provide the promised benefits to all members and their beneficiaries, minimizing employer contributions.

Leiderman discussed CCCERA's Conflict of Interest policy and the CCCERA Code of Fiduciary Conduct and Ethics policy.

Discussion followed regarding hypothetical scenarios of possible conflict of interest and the procedure for addressing a possible conflict of interest.

Gioia was not present for subsequent discussion and voting.

6. Consider and take possible action on amended Fiduciary Education policy

Levy summarized the changes to the Fiduciary Education policy and noted the changes were made to comply with AB 1519 regarding Trustee Education.

It was **M/S/C** to accept the amended Fiduciary Education policy as recommended by General Counsel, with formatting changes to Item 3 so that the courses appear in bullet points. (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)

7. Presentation of Cash flow report for the six months ended June 30, 2012

Kaplan reviewed the Cash Flow Report noting the large sum in March is due to investment rebalancing through State Street. She also noted prepayments from employers are received in July so they are not included in the 6-month cash flow.

She explained the current year expense for Milliman will be reflected on the cash flow ended December 31, 2012 since the contract was not signed until after June 30, 2012.

It was **M/S/C** to accept the Cash Flow report through June 30, 2012. (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)

7a. Consider and take possible action on investment in Artisan commingled fund

Leedom reported on an on-site visit with Artisan noting Artisan has agreed to create a new share class of their Commingled Investment Trust (CIT) for large investors such as CCCERA with a lower fee structure.

It was **M/S/C** to invest in the Artisan Global Opportunities strategy through a commingled fund. (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)

9. Conference Seminar Attendance

- a. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at *GMO*, November 7-8, 2012, Boston, MA (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)
- b. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the Real Estate Client Conference, Invesco, November 6-8, 2012, La Jolla, CA (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)
- c. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the Annual Partners Meeting, Long Wharf Real Estate, November 7-8, 2012, Dallas, TX (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)
- d. It was **M/S/C** to authorize the attendance of 1 Board member and 2 staff members at the Corporate Governance Conference, ISS, October 17-18, 2012, Boston, MA (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)

10. Miscellaneous

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(a) Staff Report -

Leedom informed the board the Governor signed AB 340 today, but we are unable to confirm whether the Governor also signed AB 197. We are anticipating a presentation on the new legislation at the October 10th Board meeting.

She reported the Milliman contract has been completed and signed.

She reported the MOU with San Diego County Retirement for disaster recovery has been completed.

(b) Outside Professionals' Report - None

(c) Trustees' Comments -

Allen reported she attended the Community Bancfund conference and felt it was a great opportunity for discussion on community banks and the results to date. She noted the fund is on track as promised.

Cabral expressed his gratitude for the fiduciary education presented by Leiderman and would like to see it presented again in 2013.

It was M/S/C to adjourn the meeting. (Yes: Allen, Bins, Buck, Cabral, Hast, Holcombe, Phillips, Telles and Viramontes)

BD Hast. for:

Maria Theresa Viramontes, Chairman

John B. Phillips

John B. Phillips, Secretary