

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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September 5, 2007

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, September 5, 2007 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, Dave Gaynor, Brian Hast, Paul Katz, William J. Pollacek, Jim Remick, Bob Rey, Jerry Telles, Maria Theresa Viramontes and Clifton Wedington.

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Cary Hally, Retirement Chief Investment Officer; Rick Koehler, Retirement Accounting Manager; Kathy Somsen, Retirement Benefits Manager; Toni Warren, Retirement Administration Manager.

Outside Professional Support:	Representing:
Ashley Dunning	Steefel, Levitt and Weiss
Mary Beth Braitman	Ice Miller LLP

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Margie Breen	CCCERA Staff
Joelle Luhn	CCCERA Staff
Gayle Cruz	CCCERA Staff
Tracy Kroll	CCCERA Staff
Karen Davis	CCCERA Staff
Satomi Cadena	Local #1, Retirees' Association

1. Public Comment

No members of the public offered comment.

2. Approval of Minutes

It was **M/S/C** to approve the minutes of the June 27, 2007 meeting. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)

It was **M/S/C** to approve the minutes of the August 1, 2007 meeting. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)

It was **M/S/C** to approve the minutes of the August 8, 2007 meeting. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)

3. Routine Items

It was **M/S/C** to approve the routine items of the September 5, 2007 meeting. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)

The Board moved into closed session pursuant to Govt. Code Section 54957 to consider the Medical Advisor and or staff's recommendation regarding disability retirement applications and 5496.9 (b) (two items) for potential litigation.

The Board moved into open session.

4. Disability Retirements

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

- (a) Stephanie DaRosa Service Connected (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Remick, Telles, Viramontes and Wedington)
- (b) Jeffery Schraeder Service Connected (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Remick, Telles, Viramontes and Wedington)
- (c) David Gehling Service Connected (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)
- (d) Daniel Wallen Service Connected (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)
- (e) Dale Morrison Service Connected (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Remick, Telles, Viramontes and Wedington)

5. Potential Litigation

No reportable action taken.

6. Disability Education Presentation

Somsen provided a presentation on the Disability Retirement Application Process. She noted that staff interviews approximately 80 applicants per year; however, only half complete the process. If an application is incomplete, the application is not denied. The packet is returned to the member noting the missing items needed before the process can proceed.

Rebecca Byrnes, from the County Counsel's office reviewed the legal process once the application is referred to counsel for hearing preparation. After discussion on the Board's role as Trustee, Board members were cautioned to refrain from communicating with disability applicants before an applicant's case comes before the Board. The Board's decision should be made solely on information provided to the Board for the meeting.

7. Disability Retirement Application and Hearing Policy

There was a motion to adopt the proposed Disability Retirement Application and Hearing Policy. After discussion on various changes to the Policy, trustees determined they would prefer to see a "clean copy" of the Policy before approval. The motion was withdrawn and tabled. This item will be agendized for the September 12, 2007 meeting.

8. Conference Seminar Attendance

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- (a) It was **M/S/C** to authorize the attendance of all Board and appropriate staff at the Fall Conference, SACRS, November 13-16, 2007, Indian Wells, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (b) It was **M/S/C** to authorize the attendance of Dunning at the Attorneys' Roundtable, CALAPRS, September 14, 2007, San Jose, CA. (Yes: Gaynor, Hast, Katz, Pollacek, Rey, Telles, and Viramontes; No: Wedington; Abs: Cabral)
- (c) It was **M/S/C** to authorize the attendance of Wedington and Hally at the 12th Annual Emerging Manager Conference, Progress Investment Management, November 18-20, 2007, Scottsdale, AZ. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (d) It was **M/S/C** to authorize the attendance of two Board and two Staff at the Educational Retreat, ING Clarion, October 2-4, 2007, San Diego, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (e) It was **M/S/C** to authorize the attendance of two Board and two Staff at the Annual Conference, INVESCO, November 6-8, 2007, San Diego, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (f) It was **M/S/C** to authorize the attendance of Naramore and Telles at the Fall Conference, CRCEA, October 22-24, 2007, Stockton, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (g) It was **M/S/C** to authorize the attendance of Gioia and Remick at the Certificate of Achievement in Public Plan Policy, International Foundation, November 3-4, 2007, Anaheim, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)
- (h) It was **M/S/C** to authorize the attendance of Gioia and Remick at the 53rd Annual Employee Benefits Conference, International Foundation, November 3-7, 2007, Anaheim, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes, and Wedington)

9. Miscellaneous

- (a) Staff Report - Leedom noted that an amended agenda with the corrected Disability Retirement Application and Hearing Policy will be sent to all for the 9/12/07 Board Meeting.
- (b) Outside Professionals' Report
Dunning provided a brief update on Board Member Reimbursements and Assembly Bill 1234, which enacted Gov. Code Section 53232.3 and several other new statutes. In particular, she noted that CCCERA's Board members who are reimbursed by another local agency for duties performed on behalf of that other public agency are not required by Section 53232.3 to report publicly on such expenses. She also noted that CCCERA's current Travel Policy, which was last amended on March 9, 2005, is not consistent with Section 53232.3, in that it does not require receipts to be provided by Board members for all of their reimbursed expenses. In addition, it does not require reports for attending educational events such as a SACRS conference or CALAPRS General Assembly that is typically attended by

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several Board members, which Section 53232 now requires. She recommends that the Board review and amend the Travel Policy and comply with the provisions of Section 53232 and 53232.3 regarding both the submission of receipts to CCCERA and reporting to the Board on educational events.

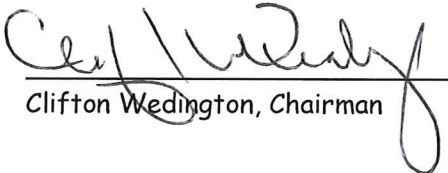
Dunning and Leedom are working together to research the best practices on Actuarial Audits and will return to the Board with a recommendation at a later meeting.

- (c) Trustees' Comments - Rey thanked staff and especially Leedom and Somsen for all their help with the surviving family members of the two fire fighters who were killed in the line of duty on July 21, 2007. He commended staff for a job well-done, noting Somsen made the continuance for the affected families seamless. He realized it was a delicate balance to get the legal paperwork done when people are grieving.

Cabral requested detailed explanation from the actuary on the newly adopted employee contribution rates, noting the new rates can make a significant difference in member's retirement contributions. With the adoption, some will be benefited and their rates lowered and some may see a rise in contribution rates. He doesn't feel the Board spent a lot of time on this and commented the results can be significant.

Remick - noted he developed a chart with the new rates and distributed it to his organization. Counsel cautioned him, noting communications regarding contribution rates should come from the Retirement Office and not from an individual Board Member.

It was M/S/C to adjourn. (Yes: Cabral, Gaynor, Gioia, Hast, Katz, Pollacek, Rey, Telles and Viramontes)


Clifton Wedington, Chairman


William J. Pollacek, Secretary