

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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November 9, 2011

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, November 9, 2011 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Debora Allen, Terry Buck, Richard Cabral, John Gioia, Brian Hast, Jerry Holcombe, Sharon Naramore, Jerry Telles, Maria Theresa Viramontes and Russell Watts

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Karen Levy, General Counsel; Debbie Carmel, Retirement Benefits Manager; and Vickie Kaplan, Retirement Accounting Manager

Outside Professional Support: Harvey Leiderman
Representing: Reed Smith LLP

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Christina Dunn	CCCERA Staff
Tracy Kroll	CCCERA Staff
Joelle Luhn	CCCERA Staff
Justine Oyler	CCCERA Staff

1. **Pledge of Allegiance**

Viramontes led all in the *Pledge of Allegiance*.

2. **Public Comment**

No members of the public offered comment.

3. **Approval of Minutes**

It was **M/S/C** to approve the minutes of the October 20, 2011 Board meeting. (Yes: Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)

It was **M/S/C** to approve the minutes of the October 26, 2011 Board meeting. (Yes: Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)

4. **Routine Items**

It was **M/S/C** to approve the routine items of the November 9, 2011 meeting. (Yes: Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)

Allen was present for subsequent discussion and voting.

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

7. Recommendation from the ad-hoc audit committee for an outside independent auditing firm for the three year period beginning January 2012

This item was tabled for a future meeting.

8. 2012 Administrative Budget

Leedom reviewed the accomplishments of CCCERA's divisions. The major changes in the Information Technology Division were related to the replacement of servers and backups due to increased data needs.

The Investment Division completed five new contracts with investment managers. Asset Allocation rebalancing was completed on schedule. Approximately 14 on-site visits were performed. The on-site visits for the Securities Litigation monitoring services were also completed.

The Accounting Division received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the tenth consecutive year.

Leedom reviewed staffing requirements and the organizational chart noting the Deputy CEO position is still vacant. Depooling has caused a dramatic increase in data manipulation. The prospect of additional new tier variations and subvention levels within the County's benefit structure significantly increased the staff's workload. She requested two additional staff positions for this budget, a Retirement Senior Member Services Data Specialist and a Member Services Technician. These classifications are existing positions, so task descriptions, salary steps, and other recruitment materials are currently available.

The workload in the Legal Division continues to increase, with pending legislative changes, policy drafting, public records requests, and compliance requirements at the forefront. She requested authorization to use other outside legal services on an ad-hoc basis, for specialized needs as they occur, in an amount not to exceed \$25,000 annually.

It was *M/S/C* to approve up to \$25,000 with an annual status report provided to the Board. (Yes: Allen, Buck, Gioia, Hast, Holcombe, Telles, Viramontes and Watts. Abs.: Cabral)

Leedom noted that existing carpet in the office is over 10 years old and worn due to wear and tear. An allowance for tenant improvements through our new lease will cover construction and materials costs.

The 2012 Budget was reviewed noting the actual administrative budget is \$7.62 million. The law provides that the entire expense of the administration can be up to 21 basis points of CCCERA's total Accrued Actuarial Liability, which is approximately \$13.9 million. The recommended budget of \$7.62 million does not include the IT, Investments, and Legal Budget that are not subject to the administrative budget cap. Leedom also reviewed the Disaster Recovery budget noting a draft MOU with San Diego County Employees' Retirement Association is in the discussion stage and is very near completion.

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It was **M/S/C** to adopt the 2012 Administrative Budget as presented. (Yes: Allen, Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)

CLOSED SESSION

The Board moved into Closed Session pursuant to Govt. Code Section 54957 and Govt. Code Section 54956.9(c).

The Board moved into open session.

5. Disability Retirements

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

- (a) John Sambrailo - Service Connected (Yes: Allen, Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)
- (b) Gloria Salazer - Non-Service Connected (Yes: Allen, Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)
- (c) Robert Duncan - Service Connected (Yes: Allen, Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)

Gioia recused himself from item 6 and was not present for subsequent discussion and voting.

6. There was no reportable action related to Govt. Code Section 54956.9(c).

Gioia was present for future discussion and voting.

9. Meeting Calendar for 2012

It was **M/S/C** to approve the meeting calendar for 2012 as amended, after moving the September 5th Quarterly Meeting to August 29th. (Yes: Allen, Buck, Cabral, Gioia, Hast, Holcombe, Telles, Viramontes and Watts)

10. Miscellaneous

(a) Staff Report -

Leedom reported that Grubb & Ellis, the Willows property manager, will pursue the appeal for the reduction of the appraised value for the Willows.

(b) Outside Professionals' Report -

None

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(c) Trustees' Comments -

Buck reported he attended the IFEBP in New Orleans, noting two specific presentations from economists that state the economy is fine.

Cabral discussed the Fair Political Practices Commission (FPPC) fines for CalPERS employees and officials failing to properly report gifts as required in the annual Form 700 Statement of Economic Interest filings and requested additional information about the FPPC charges in this matter.

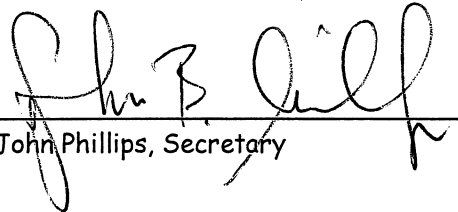
Telles reported he attended an on-site visit with Hally and Leedom at Robbins, Geller, Rudman, and Dowd LLP. He was impressed with the firm.

Viramontes thanked the ad-hoc audit committee for their work.

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



Maria Theresa Viramontes, Chairman



John Phillips, Secretary