



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
December 14, 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, Jerry Holcombe, Louie Kroll, David MacDonald, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: Scott Gordon

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

Outside Professional Support:
Harvey Leiderman
Joe Wiley

Representing:
Reed Smith LLP
Wiley, Price & Radulovich LLP

1. Pledge of Allegiance

MacDonald led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Approval of Minutes

It was M/S/C to approve the minutes of the October 20, 2016 Board meeting with an edit to the first sentence of Item 6 to read "Angelo discussed the December 31, 2015 valuation report noting that the Association's unfunded actuarial accrued liability decreased from \$1.5 billion to \$1.3 billion." (Yes: Allen, Andersen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

It was M/S/C to approve the minutes of the October 26, 2016 Board meeting with the following edits: Item 3 change the words "timing of" to "timeframe provided for investing in"; adding the word "that," in the third sentence of Item 3 after the word "noting" and a comma after the word "closes" in the same sentence; and adding Chih-chi Chu's name to staff present. (Yes: Andersen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts, Abs: Allen)

It was M/S/C to approve the minutes of the November 2, 2016 Board meeting. (Yes: Allen, Andersen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

It was **M/S/C** to approve the minutes of the November 22, 2016 Board meeting changing the first sentence of Item 5 to “Gudino reviewed the 2015 and 2016 actual versus budget for the administrative budget and the non-administrative budget noting that, for 2016, the schedule reflects only the first six months.” (Yes: Andersen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts, Abs: Allen)

4. Routine Items

It was **M/S/C** to approve the routine items of the December 14, 2016 meeting. (Yes: Allen, Andersen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

It was the consensus of the Board to move to Item 6.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957 to discuss Items 6b., 7, and 8. Items 5, 6a., 6c., and 9 will be discussed later.

The Board moved into open session.

6. It was **M/S/C** to accept the Medical Advisor’s recommendation and grant the following disability benefits:
 - b. Daniel Trujillo – Non-Service Connected (Yes: Allen, Andersen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)
7. It was **M/S/C** to refer this Item back to the Hearing Officer with instructions. (Yes: Andersen, Holcombe, MacDonald, Rodrigues, and Telles; No: Allen, Phillips, Smithey and Watts)
8. It was **M/S/C** to accept and approve the recommendation of the Administrative Law Judge and deny Debra Fernandez’s application for a service-connected disability retirement. (Yes: Allen, Andersen, Holcombe, Phillips, Rodrigues, Smithey, Telles and Watts; Abs: MacDonald)

Phillips and Telles were no longer present for subsequent discussion and voting.

Vice-Chairperson Smithey reported Chairperson Phillips is absent and will no longer be present for subsequent discussion and voting. Vice Chairperson Smithey reported he will be absent and is appointing Watts as the Chairperson pro tem for the remainder of the meeting and the appointment will expire at the adjournment of the meeting. There was no objection.

Smithey was not present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6 to discuss Item 5. Items 6a., 6c., and 9 will be discussed later.

The Board moved into open session.

5. There was no reportable action related to Govt. Code Section 54957.6.

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

Pro tem Chairperson Watts reported he will no longer be present for subsequent discussion and voting, therefore, as Pro tem Chairperson he is appointing Holcombe as the Chairperson pro tem for the remainder of the meeting and the appointment will expire at the adjournment of the meeting. There was no objection.

Watts was no longer present for subsequent discussion and voting.

It was the consensus of the Board to move to Item 12.

12. Consider and take possible action to adopt the 2017 CCCERA Budget

Gudino reviewed the 2017 CCCERA budget noting there was an increase in the total budget due to additional staffing in the Investment department and additional on-going expenditures that were not previously included in the budget.

There was discussion on the items that had notable percentage changes from the 2016 budget and the expenditures that were not previously reported. He noted the total 2017 proposed budget is \$13.4 million.

It was M/S/C to adopt the 2017 proposed total budget and approve two new Investment Officer positions. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957 and 54956.9(d)(1) to discuss Items 6a., 6c., and 9.

The Board moved into open session.

6.
 - a. It was M/S/C to accept the Medical Advisor's recommendation and grant Michele Sublett a Non-Service Connected disability retirement without prejudice to her pursuing a service connected disability retirement application. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)

- b. This item was not discussed due to lack of a quorum.

9. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

10. Legislative Update

This item was tabled for a future meeting.

11. Update from Chief Investment Officer on implementation of Liquidity sub-portfolio

This item was tabled for a future meeting.

13. Conference Seminar Attendance

- a. It was M/S/C to authorize the attendance of 4 Board members and 2 staff members to the 35th Annual Sit Investment Associates Client Workshop, Sit Investment Associates, February 16-19, 2017, Carlsbad, CA. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)

- b. It was **M/S/C** to authorize the attendance of 2 Board members and 3 staff members to the 6th Annual Risk & Liquidity, Institutional Investors Forum, January 24-25, 2017, San Francisco, CA. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)
- c. It was **M/S/C** to authorize the attendance of 2 Board members and 2 staff members to the Commonfund Forum, Commonfund, March 4-7, 2017, San Antonio, TX. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)
- d. It was **M/S/C** to authorize the attendance of 4 Board members to the 2017 Legislative Conference, National Conference on Public Employees Retirement Systems, January 29-31, 2017, Washington, DC. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)
- e. It was **M/S/C** to authorize the attendance of 2 Board members to the Advanced Principles of Pension Management for Trustees, CALAPRS, March 29-31, 2017, Los Angeles, CA. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)
- f. No action was taken on this Item.
- g. It was **M/S/C** to authorize the attendance of 4 Board members and 1 staff members to the Advanced Trustee and Administrators Institute, International Foundation of Employee Benefits Plans, June 26-28, 2017, San Diego, CA. (Yes: Allen, Holcombe, Kroll, MacDonald, and Rodrigues)

14. Miscellaneous

- a. Staff Report –

Strohl reported it has been two years since CCCERA separated from Contra Costa County and one year since Human Resources and Information Technology services have been transitioned from Contra Costa County and she would like to thank the staff and Board for their support through this process.

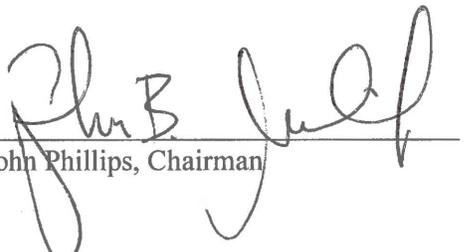
Allen was no longer present for subsequent discussion and voting.

- b. Outside Professional's Report –

This item was not presented due to lack of a quorum.

- c. Trustees' Comments –

This item was not presented due to lack of a quorum.



John Phillips, Chairman



Scott Gordon, Secretary