

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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February 8, 2012

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, February 8, 2012 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, Brian Hast, Jerry Holcombe, Sharon Naramore, Jerry Telles, Maria Theresa Viramontes and Russell Watts

Absent: John Gioia and John Phillips

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; 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 Oylar	CCCERA Staff
Randy Musgraves	Central Contra Costa Sanitary District

1. Pledge of Allegiance

Holcombe led all in the *Pledge of Allegiance*.

Allen and Hast were present for subsequent discussion and voting.

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 January 25, 2012 Board meeting with corrections to Item 6 with Telles voting No and Item 9 with Allen voting No. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)

4. Routine Items

It was **M/S/C** to approve the routine items of the February 8, 2012 meeting. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)

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5. COLA Increase

Cabral noted all COLA banks are at 0% carry-over from 1985 forward.

It was **M/S/C** to adopt the actuary's recommendation of a 3% COLA effective April 1, 2012. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)

6. Report from staff on semi-annual rebalancing

Leedom reported on the transactions implemented for the semi-annual rebalancing of CCCERA's assets to the adjusted targets approved by the Board on January 11, 2012.

It was **M/S/C** to accept staff's report on semi-annual rebalancing. (Yes: Allen, Buck, Cabral, 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(a).

The Board moved into open session.

7. Disability Retirements

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

- (a) Scott Smith - Service Connected (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (b) Paul Fernandez - Service Connected (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (c) Peter Aliotti - Service Connected (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (d) Edward Kuidis - Service Connected (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)

8. Board of Retirement vs. County of Contra Costa, et al

No reportable action taken.

9. Conference Seminar Attendance

- (a) It was **M/S/C** to authorize the attendance of all Board members and 2 staff members at the Annual Conference, Pension Bridge, April 10-11, 2012, San Francisco, CA. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)

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- (b) It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the Limited Partners Meeting, DLJ Real Estate, March 7, 2012, New York, NY. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (c) It was **M/S/C** to authorize the attendance of 2 Board members at the Portfolio Concepts and Management Conference, Wharton, May 21-24, 2012, Philadelphia, PA. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (d) It was **M/S/C** to authorize the attendance of 4 Board members and 1 staff member at the Annual Conference, NCPERS, May 5-10, 2012, New York, NY. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (e) It was **M/S/C** to authorize the attendance of 3 Board members and 1 staff member at the Hedge Funds, Real Estate and Other Alternative Investments, Wharton, July 16-18, 2012, San Francisco, CA. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Telles, Viramontes and Watts)
- (f) No action was taken on the Annual Policy Conference, NIRS, March 5-6, 2012, Washington, D.C.

14. Miscellaneous

(a) Staff Report -

Leedom reported CCCERA's Accounting Division received the GFOA award for "Excellence in Financial Reporting" for the year ended December 31, 2010.

She reported the SACRS Spring Conference will begin on Monday this spring. She noted the Ethics Training, which Board Members should complete every two years, will be held on Monday, May 7, 2012.

Leedom gave an update on the San Diego disaster recovery project.

Leedom reported the possibility of implementing Option 4 at CCCERA due to IRS issues related to multiple beneficiaries. This will be presented to the Board at a meeting in March.

Leedom also reported she is working with Land Home on an extension of their lease. When the expansion is complete the Willows Office Park will be at 90% occupancy.

The February 22, 2012 meeting will include a quarterly update and presentations from both DLJ and GMO.

Leedom reported due to the recent changes in CCCERA staffing, management training will be provided to supervisors and managers.

Leedom gave an update on the CIO position noting we received over 30 applications. She was very pleased with the response from applicants from across the nation.

Leedom reported the election date for the Alternate Safety seat is June 26, 2012. Board members should contact Christina for further information.

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(b) Outside Professionals' Report -

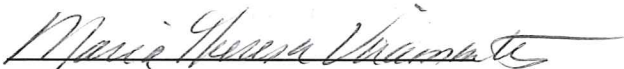
Leiderman gave an update on the Governor's draft Pension Reform Proposal that has been sent to the legislature. He stated a big portion of the Act is a constitutional amendment that could be on the November ballot providing the legislature approves it by a 2/3 vote. He highlighted some of the items included in the Act - 1) Hybrid plans for new hires after July 1, 2013; 2) No excess benefits plans; 3) No pick-ups of employee contributions; 4) No air time purchases; 5) No retroactive enhancements; 6) Employees with felonies would not be eligible to participate in the retirement plan; 7) Employment with a public agency after retirement would not be permitted; 8) All new employees would be eligible to retire at age 52 for safety members and age 57 for general members; 9) All new employees final average salary would be based on a 36 month consecutive period of service; and 10) These changes would be applicable to all new hires and any current members to the fullest extent permissible by law.

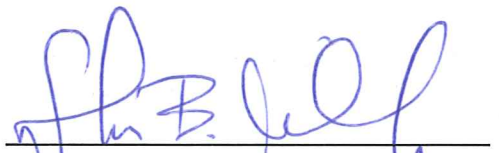
(c) Trustees' Comments -

Cabral reported County paychecks for 2/10/12 were posted online and the increase in the employee's basic retirement contribution is reflected on the pay stub. He noted CCCERA may be receiving calls from employees regarding this increase.

He also commented on the Flash Report that was distributed during the meeting, requesting additional information on the PIMCO's total return fund.

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


Maria Theresa Viramontes, Chairman


John Phillips, Secretary