

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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March 13, 2008

The Board of Retirement met in regular session at 9:00 a.m. on Thursday, March 13, 2008 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, Dave Gaynor, John Gioia, Brian Hast, Sharon Naramore, William J. Pollacek, Jim Remick, Bob Rey, Jerry Telles, and Maria Theresa Viramontes.

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

Outside Professional Support: Representing:
Amy Briggs Steefel, Levitt and Weiss
Rebecca Byrnes County Counsel

Other Attendees:
Luz Casas Contra Costa County Employees' Retirement Association (CCCERA) Staff
Tracy Kroll CCCERA Staff
Joelle Luhn CCCERA Staff
Terry Buck Local 1230 (Fire)
Art Mitsutome Self

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 February 27, 2008 meeting. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)

3. Routine Items

It was **M/S/C** to approve the routine items of the March 13, 2008 meeting. (Yes: Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes; Abs: Cabral)

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 Govt. Code Section 31720 to consult with counsel regarding cases currently being litigated.

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) Richard Frazier Non-Service Connected (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (b) Randall Ciampi Service Connected (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (c) Cecily Buda No Action taken

5. Donald Leverton

It was *M/S/C* to accept the recommendation of County Counsel to grant a service connected disability retirement for Donald Kent Leverton. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)

6. Other Litigation

No reportable action taken.

7. Legal Service

Staff reviewed the recommendation of the ad hoc committee for General and Fiduciary counsel. It was noted the recommendation from the committee was to hire one firm for both General and Fiduciary counsel. The ad hoc committee also recommended that the proposed firm be willing to help CCCERA recruit and train for the on staff General Counsel Position. There was discussion on the desire to have CCCERA's General Counsel represent only one '37 Act County as general counsel, the strengths of the individual firms, and a request that any future counsel changes should to go through a Board presentation process.

It was *M/S/C* to accept the recommendation of the Ad hoc Committee to retain Reed Smith LLP, contingent upon successful completion of the on-site visit, contract negotiations, board meeting attendance, and any other issues that may occur as a result of these processes; and to authorize the CEO to sign the contract; Reed Smith, LLP, upon finalization, will provide both Fiduciary and General Counsel Services to CCCERA, with an implementation date of April 1, 2008 as outlined in the ad hoc committee report; Manatt, Phelps and Phillips will continue to work on certain pending items that require follow up and in circumstances where conflicts of interest may exist, and for special litigation as issues occur. (Yes: Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes; Abs: Cabral)

8. SACRS Officers for 2008 - 09

After discussion, it was determined that this item will be held over until after March 25th and be agendized for next month with a final ballot for voting.

9. Conference Seminar Attendance

- (a) It was **M/S/C** to authorize the attendance of Cabral and Remick at the Spring 2008 Meeting, CII, April 9 - 11, 2008, Washington, DC. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (b) It was **M/S/C** to authorize the attendance of all Board members and appropriate staff at the Spring Conference, SACRS, May 13 - 16, 2008, Sacramento, CA. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (c) It was **M/S/C** to authorize the attendance of Naramore at the Certificate of Achievement in Public Plan Policy Part I, IFEBP, June 10 - 11, 2008, Chicago, IL. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (d) It was **M/S/C** to authorize the attendance of Naramore at the Certificate of Achievement in Public Plan Policy Part II, IFEBP, June 12 - 13, 2008, Chicago, IL. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (e) It was **M/S/C** to authorize the attendance of Naramore and Telles at the CRCEA, April 14 - 16, 2008, Bakersfield, CA. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)
- (f) It was **M/S/C** to authorize the attendance of Gioia, Pollacek and Telles at the Public Pension Investment Management Program, SACRS, June 16 - 18, 2008, Berkeley, CA. (Yes: Cabral, Gaynor, Gioia, Hast, Pollacek, Rey, Telles, and Viramontes)

7. Miscellaneous

- (a) Staff Report - Leedom reported that Moraga/Orinda Fire District is proceeding with discovery and will probably request an update on their termination study. Rodeo Sanitary District has requested a withdrawal liability study.

SACRS audited financial statements will be in the library. SACRS is requesting appointed trustee volunteers for an ad hoc committee regarding the possibility of creating a paid CEO position for SACRS.

Leedom stated Disclosure Statement, Form 700, is due by April 1st. She noted adopted assumptions approved during the actuarial valuation last year were approved for three years; however, an annual valuation will still be completed.

As a reminder, Leedom noted rooms for the SACRS conference were reserved for all Board members and if not attending, please inform staff so hotel rooms can be released for others attending the conference.

- (b) Outside Professionals' Report - Nothing to report.
- (c) Trustees' Comments - Cabral reported he attended the Klausner Conference. The report will be in future agenda packet. He requested a work shop to determine how CCCERA policies can be strengthened to comply with the OPEB Commission report.

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Koehler and Leedom will be attending a conference on the OPEB Commission next week regarding this issue.

Viramontes noted she attended the Institutional Investors Conference and will submit a report that deals specifically with asset allocation structuring. She noted that a half day was dedicated to social responsible investing with discussion on screening for terrorist related countries.

Remick also attended the Klausner Conference and noted it was a very good conference. He distributed reports from the last day of the conference. He requested the addition of both the US and California flags to the Boardroom and to begin meetings with *The Pledge of Allegiance*.

Pollacek reported that he visited Katz and noted he is looking good. He is still in a skilled nursing facility, but may go home soon.

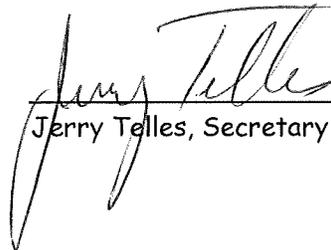
Rey announced his retirement after his last work day of March 28, 2008. He will be here for the March 26, 2008 meeting. He noted it has been an honor to serve on the board and he has met some of the finest people he'll ever know. He commented that it has truly been a great experience.

Viramontes discussed plans for Rey's luncheon. She also asked the board to think of what can be done legislatively to change the statute created by AB246 so board members such as Wedington are able to serve on Retirement Boards.

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



Brian Hast, Chairman



Jerry Telles, Secretary