

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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December 14, 2011

MEETING DATE
01/11/12
AGENDA ITEM
# 4

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, December 14, 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, Brian Hast, Jerry Holcombe, John Phillips, Jerry Telles, Maria Theresa Viramontes and Russell Watts

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

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Rebecca Byrnes	County Counsel

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

1. Pledge of Allegiance

Buck led all in the *Pledge of Allegiance*.

2. Recognition of Vickie Kaplan - 10 years of service

Viramontes recognized and congratulated Vickie Kaplan for 10 years of service.

3. Public Comment

No members of the public offered comment.

4. Approval of Minutes

It was *M/S/C* to approve the minutes of the November 22, 2011 Board meeting. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

It was *M/S/C* to approve the minutes of the November 30, 2011 Board meeting with a correction to item 3, the last paragraph on page 1, changing 13.9% to -13.9%. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

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**5. Routine Items**

It was *M/S/C* to approve the routine items of the December 14, 2011 meeting. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, 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.

**6. Disability Retirements**

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

- (a) Marcus Morales - Service Connected (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)
- (b) Gary Clausen - Service Connected (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

7. There was no reportable action related to the Medical Advisor's recommendation regarding the disability application for Sherri Garcia.

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

**9. Election process for the Alternate Safety Board member position**

It was *M/S/C* to cause an election to be held at the earliest possible date in order to fill the vacancy of the alternate seventh safety member. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

**10. Recommendation from Ad Hoc Audit Committee regarding auditing services for CCCERA**

Kaplan discussed the review process of the four completed RFP responses from auditing service firms. After thorough research the Ad Hoc Audit Committee recommended retaining Brown Armstrong CPA as the auditor for CCCERA.

It was *M/S/C* to retain Brown Armstrong CPA's as the Auditor for CCCERA for the 2011 Financial Audit and enter into a three (3) year contract with an option to renew for another three (3) years, subject to legal contract review. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

**11. Educational presentation on Gift Reporting and Prohibition Rules**

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Levy gave a presentation on gift reporting and prohibition rules at the request of the Board. She noted there are two categories for reporting: 1. Retirement Board Members and Chief Financial and Investment Officers; and 2. Designated employees and consultants of the retirement system listed under CCCERA's conflict-of-interest code.

She reviewed the rules regarding accepting and reporting gifts. Examples of gifts were also discussed. She also reviewed CCCERA's Board Policy and proposed FPPC regulations.

### 12. Commitments to Adams Street 2012 Global Fund and Adams Street Secondary Fund V

It was M/S/C to make a capital commitment of \$40 million to Adams Street 2012 Global Fund (2012 Global) and a capital commitment of \$40 million to Adams Street Secondary Fund 5 (Secondary 5), subject to legal contract review, on site visit and authorize the Retirement CEO to sign the necessary documents. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

### 13. Conference Seminar Attendance

- (a) It was M/S/C to authorize the attendance of 3 Board members at the 10<sup>th</sup> Annual Harvard Pension Project Conference, March 28-30, 2012, Cambridge, MA. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)
- (b) It was M/S/C to authorize the attendance of 1 Board member at the 2012 Legislative Conference, NCPERS, February 5-7, 2012, Washington, D.C. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)
- (c) It was M/S/C to authorize the attendance of all interested Board members and appropriate staff members at the General Assembly, CALAPRS, March 4-6, 2012, Rancho Mirage, CA. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)
- (d) It was M/S/C to authorize the attendance of 1 staff member at the NAPPA Conference, February 8-10, 2012, Washington, D.C. (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

### 14. Miscellaneous

#### (a) Staff Report -

Leedom reported CCCERA received an in kind distribution of Pandora stock from Bay Area Equity Fund, which was subsequently liquidated.

Leedom gave an update on The Willows Office Park noting the current leasing activity.

She reported the Council of Institutional Investors has changed the fee schedule for conferences, if there are more than 8 attendees per year.

She also reported 2 out of the 3 Securities Litigation firm's contracts have been signed.

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Hally reported an on site visit to Oaktree and finalization of the contract. On-site visits were also held with Siguler Guff and Angelo Gordon and he felt very good about both of them. An on-site visit will be held with LaSalle on December 20, 2011.

(b) Outside Professionals' Report -

Leiderman reported the Board of Supervisors (BOS) passed Resolution 2011/498 on Tuesday, December 13, 2011, which outlined a policy for appointing members to independent boards like CCCERA. He noted the last provision of the resolution states that the BOS appointees serve at the pleasure of the BOS and may be removed during their terms of office by the BOS. Leiderman noted that the terms of office for CCCERA Retirement Board Members are set by state statute in the '37 Act, and cannot be truncated.

Buck was not present for future discussion and voting.

(c) Trustees' Comments -

Telles thanked Levy for her presentation and felt it was very beneficial. He also thanked Leiderman for his closed session presentation. He noted he appreciated CCCERA staff.

Viramontes wished everyone a Happy Holiday.

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

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Maria Theresa Viramontes, Chairman

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John Phillips, Secretary