

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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June 9, 2008

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, June 9, 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, Brian Hast, Paul Katz, William J. Pollacek, Jerry Telles, and Maria Theresa Viramontes.

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

Outside Professional Support: Representing:
Harvey Leiderman Reed Smith LLP

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Gayle Cruz	CCCERA Staff
Joelle Luhn	CCCERA Staff
Tracy Kroll	CCCERA Staff
Chih-Chi Chu	CCCERA Staff
Gary M. Tryhorn	Self
Terry Buck	Local 1230 (Fire)
Karen G. Levy	Self
Andrew Paulden	Brown Armstrong CPA's

1. Public Comment

Gary Tryhorn, disability retired fire fighter, thanked the board for all they have done for the retired members. He commented on a concern he has with how the retirement staff is interacting with retirees. He provided a history that included his divorce decree, and the court order to have Solano County deduct funds from his check for his ex-wife. He commented on various issues including the tax withholding from his pension check, deductions for his ex-wife's portion of retirement funds, and the problems he feels he encountered when trying to correct these issues. He feels he is not getting any results or corrections for his problem.

He asked the Board to guide him or direct him to the correct person to get the problem resolved. He commented on the time and effort taken to resolve the problem, noting he will be submitting bills to the retirement office to pay for his attorney's fees. He thanked the Board for their assistance.

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2. Approval of Minutes

After adding Telles as a "yes" to the votes on items: 2, 3, 4, 6, & 7, it was **M/S/C** to approve the minutes of the May 28, 2008 meeting as amended. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

3. Routine Items

It was **M/S/C** to approve the routine items of the June 9, 2008 meeting. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

4. Auditor's Report and Financial Statements for the Year Ending December 31, 2007

Andy Paulden from Brown Armstrong, the Retirement Board's independent auditor, began by describing the audit process. He stated Brown Armstrong gave CCCERA an unqualified clean opinion, their highest quality, and that CCCERA is to be congratulated. He appreciated the help of staff and noted that staff goes above and beyond providing the auditor's information quickly and accurately. He then reviewed the current year findings and recommendations, noting that recommended procedures have already been initiated by management. He stated there were no weaknesses of controls or non-compliance. He noted the different audit areas reviewed and the potential areas for risk or fraud. He stated during his review of the Comprehensive Annual Financial Report (CAFR), the financial health of the fund is the most important job of plan sponsors and that CCCERA has a good funding ratio. There was discussion on procedures to identify outstanding retiree checks.

It was **M/S/C** to accept CCCERA's CAFR and the auditors report for the year ending December 31, 2007 and to thank all parties associated with the production. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

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.

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) Fe Ricafrente Non-Service Connected (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

6. Budget Increase for Imaging

Leedom reviewed her memo regarding increasing the 2008 budget to continue the imaging project at the current staffing level through October 31, 2008. After

discussing future consideration of hiring permanent employees for imaging positions, it was **M/S/C** to accept staff's request to approve an increase in the 2008 budget of \$95,000 to continue the imaging project through October 31, 2008. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

7. Exploration of Office Space Needs

Leedom reviewed her memo regarding the exploration of design options with an architectural consultant and the ability to research real estate investment implications of building acquisition.

There was discussion on keeping the building centrally located, near Bart or public transportation, and having a 10, 15 or 20 year building needs assessment plan for staff and equipment needs.

It was **M/S/C** to approve funding in the 2008 Administrative budget in the amount of up to \$60,000 to hire an outside consultant to conduct a building needs assessment plan and return to the Board as soon as possible with the results. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

8. Board Meeting Calendar

Leedom requested changing the June 27, 2008 meeting to an earlier time because of presentation items on the agenda. It was **M/S/C** to change the June 27, 2008 meeting from 1:00 p.m. to 11:00 a.m. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

9. Conference Seminar Attendance

- (a) It was **M/S/C** to authorize the attendance of Koehler at the 102nd Annual Conference GFOA, June 14 - 18, 2008, Ft. Lauderdale, FL. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)
- (b) It was **M/S/C** to authorize the attendance of two Board Members at the Guns & Hoses, Institute for International Research, September 21 - 23, 2008, Huntington Beach, CA. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)
- (c) It was **M/S/C** to authorize the attendance of up to four Board Members and appropriate staff at the Green Innovation Venture Capital Summit, Opal Financial, September 7 - 8, 2008, Scottsdale, AZ. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Telles, and Viramontes)

10. Miscellaneous

- (a) Staff Report - Leedom reported her attendance at the Adams Street Partners Conference. She noted the conference was informative, and commented on the session regarding growth in China. Hast and Telles' conference report will be included in the next agenda packet.

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Hally noted he and Chu attended the Paladin Conference which was good, they were impressed with the presentations in the afternoon. They also meet with AFL-CIO while they were on the East Coast and had a good meeting

Hally then introduced Chih-Chi Chu, the new Retirement Investment Analyst.

- (b) Outside Professionals' Report - Leiderman noted he is prepared to recommend signing Milliman's actuarial audit contract.

He provided an update on the *Lexin* Case, noting he has had a full and frank discussion with other '37 Act systems on the amicus brief. There may be a few '37 Act systems that might be interested in joining CCCERA in a second amicus brief; however, he does not recommend filing a brief solely on behalf of Contra Costa County. Leedom will re-agendize for the July 9th Board Meeting for discussion.

- (c) Trustees' Comments - Viramontes noted she will not be able to attend the July 23rd Board Meeting because she will be in Philadelphia. While there, she will be performing an on-site visit to Emerald and attending a course in financial management on July 21st.



Brian Hast, Chairman



Jerry Telles, Secretary