

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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August 11, 2010

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, August 11, 2010 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Terry Buck, Richard Cabral, Dave Gaynor, John Gioia, Brian Hast, Jerry Holcombe, Sharon Naramore, William J. Pollacek, Jerry Telles, and Maria Theresa Viramontes.

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Silvina Leroux, Retirement Deputy Chief Executive Officer; Cary Hally, Retirement Chief Investment Officer; Karen Levy, General Counsel; Rick Koehler, Retirement Accounting Manager; Kathy Somsen, Retirement Benefits Manager.

Outside Professional Support: Representing:
Harvey Leiderman Reed Smith LLP

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Christina Dunn	CCCERA Staff
Chi-Chi Chu	CCCERA Staff
Justine Oyler	CCCERA Staff
Joelle Luhn	CCCERA Staff
Tracy Kroll	CCCERA Staff
Gregg Manning	Grand Jury
Ken Hanna	Grand Jury
Bill Cullen	Self
Ben Hamilton	RSG
Gloriann Sasser	San Ramon Valley Fire
Satomi Cadena	CCCERA
Mike McGill	CCCSD Board

1. Pledge of Allegiance

Pollacek led all in the *Pledge of Allegiance*.

2. Public Comment

Telles reviewed guidelines for public comment and noted if members of the public wish to speak on a particular agenda item, this would be allowed during discussion on that item. No members of the public offered comment.

3. Approval of Minutes

It was *M/S/C* to approve the minutes of the July 28, 2010 meeting, amending Item 5, from September 8 to September 1, 2010. (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles, Viramontes)

4. Routine Items

It was **M/S/C** to approve the routine items of the August 11, 2010 meeting. (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles, Viramontes)

It was the consensus of the Board to move to Item 7.

7. Receive and accept report from staff on semi-annual rebalancing

Hally reported on the semi-annual rebalancing transactions effective 6/30/10. He further added the unfunded amount for State Street Global Advisors temporary account was moved into a cash account to save in transaction costs, because it will be used to fund new managers shortly.

It was **M/S/C** to accept staff's report on semi-annual rebalancing. (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles, Viramontes)

8. Consider and take possible action on possible coordination of educational meetings for Boards of participating employers.

Leedom presented the Board with a draft questionnaire to be mailed to participating employers regarding an educational seminar to be developed in the future. The Board requested that the CEOs, general managers and/or finance managers also be invited to attend, along with the Board members.

The Board also discussed the possibility of including how benefits are calculated as well as a chart showing CCCERA's performance over the past 20 years and historical market performance.

Levy noted if a majority of CCCERA Board Members attend, a public agenda would have to be posted under the Brown Act requirements.

It was **M/S/C** for staff to come back at a later date with an outline and costs associated with an educational seminar. (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles, Viramontes)

9. Consider and take possible action on Retiree Mailing Policy

Leiderman stated the Board has previously discussed adding language for clarification to mailings that the mailings are not endorsed by the Board. He feels the policy is well stated.

It was **M/S** to adopt the Retiree Mailing Policy as outlined in Exhibit B. The Board discussed: 1) whether or not there should be any wording related to the content of the mailings in the policy; 2) if the disclaimer should be in bold letters as opposed to being in

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all capital letters; 3) the words "or offers" should be added after the words "the statements" to disclaimer on line 4 under Procedure, No. 2; 4) limiting the number of mailings per year per group; 5) whether or not the Board wants to limit access solely for the purpose of retiree groups recognized by membership; and 6) whether or not to allow advocacy.

A substitute motion was **M/S** to consider incorporating a provision to not edit content but to have the policy apply to solicitations for membership and retiree groups without specific language. The language should not include advocacy and direct counsel to draft language that restricts any advocacy but allows solicitation. Motion Failed (Yes: Gaynor, Gioia, Pollacek. No: Buck, Cabral, Holcombe, Hast, Telles Abstain: Viramontes)

After discussion, an amended motion was **M/S/C** to limit the number of times an organization can send out mailings to one time every 365 days. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, Telles & Viramontes. No: Gioia)

An amended motion was **M/S/C** to change the wording in the disclaimer from upper case to lower case bold letters and adding the words "or offers" after "statements" on line 4. (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles & Viramontes)

An amended motion was made to limit who gets access to the stakeholders, for example, members of this system, employers, retirees, unions. There was not a second to the motion.

An amended motion was **M/S/C** to have all staff costs, including legal review, be paid by the organization sending the mailing. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek & Viramontes. Abstain: Telles)

It was **M/S/C** to adopt the Retiree Mailing Policy with the amendments as approved. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, Telles & Viramontes. No: Gioia)

10. Consider and take possible action on request from Retiree Support Group for retiree mailing.

It was **M/S/C** to authorize the Retiree Support Group mailing in compliance with the new policy. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Viramontes. No: Gioia. Abstain: Pollacek)

11. Consider and take possible action to ratify previous Board action regarding spousal continuance under Sections 31760.2, 31785.1 and 31786.1

Levy summarized her memo indicating the revised Resolution noting this is a clean-up needed for the IRS Letter of Determination Application of prior action taken by the Board.

It was **M/S/C** to accept staff's recommendation to adopt the attached Resolution confirming the applicability of Government Code Sections 31760.2, 31785.1, and 31786.1 to retiree deaths occurring after January 1, 2000. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, Telles, Viramontes. Abstain: Gioia)

12. Conference Seminar Attendance

- (a) It was **M/S/C** to authorize the attendance of Cabral, Naramore and Gioia at the 56th Annual Employee Benefits Conference, International Foundation, November 14-17, 2010, Honolulu, HI (Yes: Buck, Cabral, Gioia, Hast, Telles, Viramontes. No: Gaynor, Holcombe, Pollacek)
- (b) It was **M/S/C** to authorize the attendance of Cabral, Hally and one other staff member at the Annual Partners Meeting, Fidelity Real Estate, October 27-28, 2010, Atlanta, GA (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles, Viramontes)
- (c) It was **M/S/C** to authorize the attendance of Koehler at the Annual Conference, P2F2, September 12-15, 2010, St. Paul, MN (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles, Viramontes)
- (d) It was **M/S/C** to authorize the attendance of Buck and Telles at the Public Safety Employees Pension and Benefits Conference, NCPERS, October 10-13, 2010, Palm Springs, CA (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Telles, Viramontes. Abstain: Pollacek)

13. Miscellaneous

- (a) Staff Report - Leedom introduced Christina Dunn, the new Admin/HR Coordinator. Leedom noted the history of the Routine Items of the Agenda regarding Certifications of Membership information on death benefits. The Board directed staff to list the deceased members and include the new hires every 6 months.

Hally reported he visited Goldman Sachs, Rothschild and ING Clarion and will have a report next week. The new name for ING Clarion is Torchlight Investors. On-site visits to Pyramis Global Advisors, GMO in Boston and Emerald in Pennsylvania will be held next week.

Levy provided a brief update on AB 1987. She also reported the Sacramento County Retirement System is continuing their appeal of the ruling mandating disclosure of retiree names, retirement amounts, and other information.

- (b) Outside Professionals' Report - None
- (c) Trustees' Comments - Naramore stated she would like the travel policy brought back to the Board to review the \$75 daily limit on meals. She attended the On-Site visits last week and felt the \$75 limit was not sufficient for travel in New York.

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Gioia discussed the possibility of adding agenda items to the CCCERA website, along with current agenda.

Cabral reported he attended the On-Site visits with Goldman Sachs, Rothschild and ING Clarion last week and felt it was a good visit. He also reported Stanislaus County Retirement has terminal pay issues similar to those of Contra Costa County Retirement.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957 to consider the Medical Advisor and/or staff's recommendations regarding disability retirement applications and under Govt. Code Section 54956.9(b) (2 issues).

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:

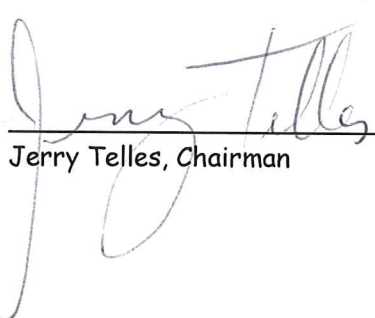
- (a) Matthew Chertkow Service Connected (Yes: Buck, Cabral, Gaynor, Gioia, Hast, Holcombe, Pollacek, Telles and Viramontes)

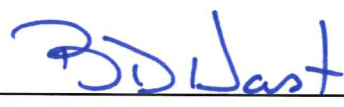
Hast and Pollacek recused themselves from this item and were not present for subsequent discussion and voting.

6. Other Litigation

No reportable action taken.

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


Jerry Telles, Chairman


Brian Hast, Secretary