



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
December 13, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

Present: Candace Andersen, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Rusty Watts

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; Tim Hoppe, Retirement Services Manager; and Colin Bishop, Member Services Manager

Outside Professional Support:
Susan Hastings

Representing:
Laughlin, Falbo, Levy & Moresi, LLP

1. **Pledge of Allegiance**

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. **Recognition of Liz Walker for 20 years of service**

Smithey recognized and congratulated Liz Walker for her 20 years of service.

3. **Accept comments from the public**

No member of the public offered comment.

MacDonald was present for subsequent discussion and voting.

4. **Approval of Minutes**

It was M/S/C to approve the minutes from the October 11 and October 25, 2017 meetings. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

5. **Routine Items**

It was M/S/C to approve the routine items of the December 13, 2017 meeting. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

Pigeon was present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957 and 54956.9(d)(1).

The Board moved into open session.

6.

- a. It was **M/S/C** to accept the Medical Advisor's recommendation and grant Service Connected disability benefits to Mark Alexander. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)
- b. It was **M/S/C** to accept the Medical Advisor's recommendation and grant Service Connected disability benefits to Rodney Conyers. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)
- c. It was **M/S/C** to accept the Medical Advisor's recommendation and grant Non-Service Connected disability benefits to April Miller. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)
- d. Bernell Snell – It was **M/S/C** to refer this item back to the Medical Advisor with specific questions to be answered. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)
- e. It was **M/S/C** to accept the Medical Advisor's recommendation and grant Service Connected disability benefits to Paul Totten. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

7. It was **M/S/C** to refer the disability application for Rebecca Halvorson back to the Hearing Officer for further proceedings with instructions. (Yes: Holcombe, MacDonald, Pigeon, Telles and Watts. No: Andersen, Gordon, Phillips and Smithey)

8. It was **M/S/C** to deny the service-connected disability retirement application for Jay Redler. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

9. a. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

b. There was no reportable action related to Govt. Code Section 54956.(d)(1). (MacDonald recused himself from this item and was not present for discussion and voting.)

10. Consider and take possible action to adopt the 2018 CCCERA Budget

Gudino presented the proposed 2018 CCCERA Budget noting the 2018 proposed budget includes columns for the 2017 budget versus the actual expenses through November 2017.

He reported the total 2018 proposed budget is \$13.5 million which is an overall increase of \$0.1 million compared to the 2017 budget. The increases are attributed to Board and staff training and education, professional fees for audit and investment legal, and IT systems expenses. The decreases are attributed to non-administrative investment salaries and benefits due to a staggered recruitment of investment officer positions in 2018.

There was a discussion on the OPEB Retiree Health expense. Strohl reported Milliman will be at a future Board meeting and will review the OPEB funding expense options of either paying as we go or setting up a trust.

It was **M/S/C** to adopt the 2018 CCCERA Budget as presented. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

11. Legislative Update

Levy reviewed her legislative update memorandum and gave a summary of legislation that has been enacted this year: AB 168 which prohibits an employer from asking salary history information from job applicants; SB 112 which provides for an exception to the limitation on post-retirement services for elected officials; and SB 671 which increases the cap on the amount of advance payments made to the retirement fund by participating employers. She also gave an update on SACRS sponsored legislation which would define surviving spouse to include only a spouse who is legally married to a member, is neither divorced nor legally separated from the member, and who meets all other requirements of CERL pertaining to the length of the marriage and the spouse's age at the time of the member's death.

Gordon was no longer present for subsequent discussion and voting.

12. Consider and take possible action to adopt the CCCERA pay schedules for classifications represented by AFSCME, Local 2700, effective January 1, 2018

Sommers reported Section 5 of the MOU between CCCERA and AFSCME Local 2700, for the period of January 1, 2017 through December 31, 2018, provides for a 2% base pay increase for all bargaining unit employees. Government Code Section 7522.34 requires a publicly available pay schedule be approved and adopted by the Board.

It was **M/S/C** to adopt the CCCERA publicly available pay schedules for all CCCERA classifications effective January 1, 2018. (Yes: Andersen, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

13. Presentation on customer service standards

Dunn reported staff is constantly looking for ways to improve customer service.

Hoppe reported that this past year we have held several customer service trainings for staff on how to handle difficult situations and how to improve response time.

Gordon was present for subsequent discussion and voting.

Telles was no longer present for subsequent discussion and voting.

There was a discussion on the average processing times for retirement applications and disability applications. Customer service tracking software, group counseling, and surveys were also discussed. Dunn noted that members can use the info@cccera.org link on the CCCERA website to provide feedback.

Dunn reported the next steps are to continue ongoing customer service training, expand telephone coverage hours, increase follow-up during the application process, provide additional training for staff on the disability application process, create additional member surveys, and conduct semiannual informational sessions for participating employers.

Pigeon was no longer present for subsequent discussion and voting.

Dunn distributed a new welcome letter that is sent to new members and a new congratulations letter that is sent to new retirees.

14. Presentation of the alternative investment fees and expense report

Price reported that effective January 1, 2017, Government Code Section 7514.7 requires California public pension plans to obtain and annually disclose to the Board in an open meeting fee and expense information on an annual basis. The intent of the requirement is to increase transparency of the cost of private investment vehicles that are used by public funds.

He reviewed the contents of the fees report for the calendar year 2016 including the types of investments, funding commitments, values to date, management fees, carried interest and other expenses.

He reported a similar report will be issued in 2018 when the complete data for 2017 is available.

15. Consider authorizing the attendance of Board:

- a. There was no action taken on this item.
- b. There was no action taken on this item.
- c. It was M/S/C to authorize the attendance of 4 Board members at the 36th Annual Sit Investment Associates Client Workshop, Sit Investment Associates, February 15-18, 2018, Dana Point, CA. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)
- d. It was M/S/C to authorize the attendance of 1 Board member at The Pension Bridge Annual, Pension Bridge, April 10-11, 2018, San Francisco, CA. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)

16. Miscellaneous

- (a) Staff Report –

Strohl introduced Roxie Mendoza, the new Admin/HR Supervisor. She reported there was an issue with the Contra Costa County healthcare deduction file received by CCCERA for the December 1, 2017 retiree payroll. She acknowledged CCCERA employees and thanked them for their dedication and hard work this year.

Price gave an update on personnel changes at Angelo Gordon noting the changes are part of their internal succession plan and have no effect on CCCERA.

- (b) Outside Professionals' Report -


None

- (c) Trustees' comments –


Phillips reported on the California Institutional Investor Forum that he, MacDonald, Rodrigues and Smithey attended.

Smithey reported the Audit Committee will be meeting after the Board meeting and the agenda with the attachments are in Dropbox. He stated he was very appreciative of staff's hard work during the year.

It was M/S/C to adjourn the meeting. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)



Todd Smithey, Chairman



David MacDonald, Secretary