



CONTRA
COSTA
COUNTY **CCCERA**
Employees' Retirement Association

MINUTES

RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY MEETING

9:00 a.m.

February 11, 2015

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, William Pigeon, Todd Smithey, Jerry Telles and Russell Watts

Absent: Gabe Rodrigues

Staff: Gail Strohl, Retirement Chief Executive Officer; Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Wally Dutkiewicz, Retirement Compliance Officer; Karen Davis, Retirement Benefits Manager and Christina Dunn, Retirement Administration Manager

Outside Professional Support:
Jeffrey Rieger

Representing:
Reed Smith LLP

1. Pledge of Allegiance

Hast led all in the *Pledge of Allegiance*.

2. Recognition of Luz Winkler for 15 years of service

Hast recognized and congratulated Winkler for her 15 years of service.

It was the consensus of the Board to move to Item 4.

4. Approval of Minutes

It was M/S/C to approve the minutes of the December 10, 2014 meeting. (Yes: Gordon, Hast, Holcombe, Pigeon, Phillips, Smithey, Telles and Watts)

It was M/S/C to approve the minutes of the December 17, 2014 meeting. (Yes: Gordon, Hast, Holcombe, Pigeon, Phillips, Smithey, Telles and Watts)

It was M/S/C to approve the minutes of the January 14, 2015 meeting. (Yes: Gordon, Hast, Holcombe, Pigeon, Phillips, Smithey, Telles and Watts)

It was M/S/C to approve the minutes of the January 21, 2015 meeting. (Yes: Gordon, Hast, Holcombe, Pigeon, Phillips, Smithey, Telles and Watts)

5. **Routine Items**

It was M/S/C to approve the routine items of the February 11, 2015 meeting. (Yes: Gordon, Hast, Holcombe, Pigeon, Phillips, Smithey, Telles and Watts)

Mitchoff 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)(2).

The Board moved into open session.

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

James Lee – Non-service Connected (Yes: Gordon, Hast, Holcombe, Mitchoff, Pigeon, Phillips, Smithey, Telles and Watts)

Allen was present for subsequent discussion and voting.

Pigeon was not present for subsequent discussion and voting.

7. It was M/S/C to accept the Hearing Officer's recommendation and deny the service-connected disability retirement for Kenneth Robb. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Smithey, Telles and Watts)

Pigeon was present for subsequent discussion and voting.

8. There was no reportable action related to Govt. Code Section 54956.9(d)(2).

It was the consensus of the Board to move to Item 3.

3. **Public Comment**

Chris Wenzel, retiree, discussed the mistake CCCERA made in the calculation of his retirement benefit and how it affects his life. He noted that he was originally told he would not need to pay interest on the over payment but later received a letter stating he would need to pay the overpayment with 7.25% interest. He noted he found other retirees that received overpayments and were not required to pay. He feels this is disparate treatment and he does not feel that it is fair.

9. **Call Back Pay Erroneously Reported As Pensionable Resulting in Overpayments of Benefits to Retirees and Overpayment of Retirement Contributions**

- a. Schneider provided an update on call back pay noting that as directed by the Board on December 10, 2014 letters were sent to 43 members whose allowances are expected to be impacted by this issue. He noted staff have identified that there is one issue that may require further analysis.

The issue that may require further analysis is regarding pay that physicians receive for scheduled work on a weekend referred to as "weekend rounds". He noted some physicians have explained that the "Physician Call Back Pay" pay code was used by some physicians to report both call back pay and weekend rounds. He stated in 2013 CCCERA was advised that active physicians now report scheduled work on a weekend as weekend rounds as opposed to call back pay.

He noted there are 13 retired physicians who may claim that some of their time reported as call back was actually for weekend rounds and that time should have been reported as such.

Rieger added the scope of the discussion was regarding prospective adjustments to retirement allowances that included call back pay. He noted the Board previously decided that call back pay should not be included in retirement allowances and the Board will now have the opportunity to decide if there are individual cases that should be examined further.

- b. In public comment, the following discussed the nature of the work completed, the purpose of weekend rounds, the letter sent to the 43 affected retirees, how the time was reported on time cards and the circumstances which lead to their understanding of the pay item being pensionable:

Mark Wille, retired physician

Roger Barrow, retired physician

Sharon Hiner on behalf of Steve Tremain, retired physician

Charles Nicholson, retired hazardous materials specialist

David Stone, retired physician

Hye Kim, retired physician

Sharon Hiner, retired physician

Jack Funk, retired public defender

William Walker, retired physician and Director of Health Services

Sergio Urcuyo, Health Services physician

Eric Jonsson, retired hazardous materials specialist

Charles Berletti, retired physician

Rieger discussed past legal rulings with similar situations and the options the Board has for discussion. The Board discussed the next steps including the type of letter to be sent to the affected members and possible hearing request response forms.

The Board discussed the additional research needed noting it may not be able to implement the reduction in the retirement benefit on the March 2nd benefit payment.

It was M/S to change the March 2nd date to indefinitely for the retirement benefit reduction of the 43 affected members.

The Board discussed the amount of time that should be provided to members that would like to appeal the benefit payment reduction.

A substitute motion was M/S to extend the March 2nd date for the retirement benefit reduction and to mail a signed letter with an appeal form, which has been reviewed by Counsel, notifying the affected members whom are not physicians to appeal by April 1st.

The Board discussed which members should receive the letter and what information should be included in the letter.

The substitute motion was amended to include an appeal deadline of April 1st for all 43 affected members with an implementation of the retirement benefit payment reduction on May 1st for members that did not request an appeal. For members that request an appeal the retirement benefit payment reduction would be stayed until after the hearing process is complete.

The amended motion was **M/S/C** to send a second written notice to all 43 affected members advising them that if they wish to present further information for the Board to consider regarding the call back pay, they must deliver to CCCERA by April 1, 2015 their written request to do so. CCCERA is to call the affected members who do not respond by April 1, 2015 and verify whether they wish to seek the further hearing. CCCERA is to implement the pension benefit reductions as to all affected members who do not request an appeal in writing, effective with the May 2015 payroll. The pension benefit reductions for those who request a further opportunity to provide additional information about the pay at issue will not be implemented until after the further hearing process is complete and a determination has been made by the Board. As a next phase, the Board will discuss the next steps in this process. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Smithey and Watts. No: Pigeon and Telles)

The Board directed staff to mail the letter by the end of February and to provide a telephone call to any members that did not respond to the letter by mid-March.

Gordon and Pigeon were not present for subsequent discussion and voting.

10. Adopt the cost-of-living adjustment (COLA) for retirees as of April 1, 2015

Schneider reviewed his memo noting the increase in the consumer price index from December 2013 to December 2014 was 2.67%. In accordance with the statute this is rounded to 2.5%.

It was **M/S/C** to adopt the 2015 COLA and bank adjustments as outlined in the Segal Consulting January 27, 2015 letter. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Smithey, Telles and Watts)

Pigeon was present for subsequent discussion and voting.

11. Revise Attachment A to the CCCERA Unrepresented Employees Resolution (2015-1) due to Local 21's notice of withdrawal

Dunn noted on January 30, 2015 IFPTE Local 21 informed CCCERA that effective January 1, 2015 they will no longer be able to provide ongoing representation of the staff members at CCCERA.

The Board discussed the benefit changes that would affect the CCCERA staff members that were represented by IFPTE, Local 21 prior to January 1, 2015.

The Board directed staff to research what benefits should be provided to the affected staff members.

It was **M/S/C** to recognize the non-representation of CCCERA staff members in IFPTE, Local 21. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Smithey, Telles and Watts)

12. Revise CCCERA pay schedules to reflect Local 21's notice of withdrawal from representation of CCCERA employees

This item was tabled for a future meeting.

Phillips was not present for subsequent discussion and voting.

13. Conference Seminar Attendance

- a. No action was taken on the 17th Annual Client Conference, Klausner Kaufman Jensen & Levinson, March 15 – 18, 2015, Ft. Lauderdale, FL

- b. It was M/S/C to authorize the attendance of 1 Board member at the Portfolio Concepts and Management, IFEBP, April 27 -30, 2015, Philadelphia, PA (Yes: Allen, Hast, Holcombe, Mitchoff, Pigeon, Smithey, Telles and Watts)

14. Miscellaneous

(a) Staff Report –

Strohl reported information technology measures have been updated to update the network. There will be a full policy review of all CCCERA policies. There has been a new benefit statement design.

Dutkiewicz reported the Contra Costa County Fire Department audit will begin at the end of the month. He is working through the internal CCCERA process regarding correspondence. Corrected 1099Rs have been completed and are in the mail.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Telles reported the SACRS nominating committee is working on approving a slate for approval by the '37 Act Counties. He provided an update on the SACRS affiliate board.

Watts reported Rodrigues, Kroll and himself attended the CALAPRS trustees' roundtable and felt it was interesting.

Allen clarified a comment she made at the January 28th meeting in trustee comments noting that she spoke of the SACRS affiliate board and not the SACRS board.

Holcombe noted there was an interesting editorial on the Stockton bankruptcy.

Mitchoff reported she is resigning from the Board of Retirement at the end of the month because she will be serving on the Bay Area Air Quality Management District. Supervisor Candace Andersen will be serving the remainder of her term on the Retirement Board.

It was M/S/C to adjourn the meeting. (Yes: Allen, Hast, Holcombe, Mitchoff, Pigeon, Smithey, Telles and Watts)



Brian Hast, Chairman



Jerry Telles, Secretary