



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

January 11, 2023, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 892 5770 2939, Passcode: 479108, or via the web at:

<https://us06web.zoom.us/j/89257702939?pwd=VUQ4TGtuWlVFNlVJOSTcwSy9LN1pLQT09>

Passcode: 479108

Persons who wish to address the Board of Retirement during public comment may call in during the meeting by dialing the phone number and passcode above. Access via Zoom is also available at the weblink above. To indicate you wish to speak during public comment, please select *9 on your phone or “raise your hand” in the Zoom app.

Public comments are limited to any item that is within the subject matter jurisdiction of the Board of Retirement. Comments will be received in real time via telephone or Zoom, subject to a three-minute time limit per speaker.

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Roll Call.
3. Public Comment (3 minutes/speaker).
4. Approve minutes from the November 30, 2022 and December 14, 2022 meetings.
5. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

6. Accept the following routine items:
 - a. Disability applications and authorize subpoenas as required.
 - b. Investment asset allocation report.

CLOSED SESSION

7. The Board will go into closed session pursuant to Govt. Code Section 54957 to consider recommendations from the medical advisor and/or staff regarding the following disability retirement applications:

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Jeffrey Hagstrom	Service Connected	Service Connected
b. Michael Sciortino	Service Connected	Service Connected
c. James Earl Johnson	Non-Service Connected	Non-Service Connected

8. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer’s recommendation regarding the disability application for Jamie Bailey.

9. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)

Agency designated representatives:
 Gail Strohl, Chief Executive Officer
 Erica Grant, Human Resources Manager
 Joe Wiley, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700
 Unrepresented Employees: All CCCERA unrepresented positions

10. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Nowicki v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. C17-01266
11. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding potential litigation (two cases).
12. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(4) to confer with legal counsel regarding potential litigation (three cases).

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

OPEN SESSION

13. Consider and take possible action to revise the Interest Crediting and Excess Earnings Policy.
14. Pension administration system project update:
 - a. Update from staff
 - b. Presentation from Segal
 - c. Presentation from Icon
 - d. Presentation from Sagitec
15. Educational presentation on fiduciary duties presented by fiduciary counsel.
16. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
17. Presentation of the final 2023 CCCERA budget. Informational only.
18. Review of the Procurement of Products and Services policy.
19. Presentation of 2023 Compliance Activity Plan.
20. Consider authorizing the attendance of Board:
 - a. 2022 Annual Limited Partners Meeting, DLJ Real Estate Capital Partners, January 25-26, 2023, New York, NY. (Note: Conflict with Board Meeting)
 - b. Pension Bridge ESG 2023, February 28-March 1, 2023, Los Angeles, CA.
 - c. CALAPRS General Assembly, March 4-7, 2023, Monterey, CA.
 - d. Day of Education in Private Equity, NASP, March 23, 2023, Los Angeles, CA.
 - e. CALAPRS Advanced Principles of Pension Governance for Trustees, March 29-31, 2023, Los Angeles, CA.
 - f. Public Funds Roundtable, Institutional Investor, April 24-26, 2023, Los Angeles, CA. (Note: Conflict with Board Meeting)
 - g. 2023 Annual Institutional Symposium, Dimensional Fund Advisors, May 2-4, 2023, Austin, TX. (Note: Conflict with Board Meeting)
 - h. Artisan Partners Investment Forum, May 10-11, 2023, New York, NY.
21. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



Meeting Date
01/11/2023
Agenda Item
#4

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
November 30, 2022
9:00 a.m.

The Board of Retirement meeting was accessible telephonically at (669) 900-6833, Webinar ID 817 3480 6212 Passcode 574719, as permitted by Government Code Section 54953(e).

1. Pledge of Allegiance

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

2. Roll Call

Present: Candace Andersen, Dennis Chebotarev, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Mike Sloan, Russell Watts and Samson Wong.

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Karen Levy, General Counsel; Timothy Price, Chief Investment Officer.

Outside Professional Support:	Representing:
Natalie Walker	StepStone
Tom Keck	StepStone

3. Accept comments from the public.

Carol Nowicki spoke about her husband's experience in 2015 with CCCERA.

Pete Nowicki spoke about his experience with CCCERA through litigation.

Glen Stewart spoke about his on-call pay not being included in his final compensation calculation.

Holcombe, Kroll and Watts were not present for subsequent discussion and voting

4. Approve of Minutes

It was **M/S/C** to approve the minutes from the October 26, 2022 meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, MacDonald, Phillips, Kwon and Sloan).

Holcombe, Kroll and Watts were present for subsequent discussion and voting

CLOSED SESSION

5. There was no reportable action related to Govt. Code Section 54957

6. Review of total portfolio performance for period ending September 30, 2022

- a. Presentation from Verus

Whalen reviewed CCCERA's investment fund performance for the period ending September 30, 2022.

- b. Presentation from staff

Price reviewed CCCERA's sub-portfolios noting CCCERA's total fund in aggregate is performing as expected under the current investment climate.

7. Private Equity Review

- a. Presentation from staff

Brian Long reviewed CCCERA's private equity program, strategy and key takeaways in the program.

- b. Presentation from StepStone

Walker and Keck provided an update on the private equity market.

8. Presentation of alternative investment fees and expense report

Brian Long presented the alternative investment fees and expense report which includes fees and expenses paid for private equity, private credit, and real estate investments as of December 31, 2021.

9. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings

It was **M/S/C** to authorize the Board and its committee(s) to continue to conduct teleconference meetings for the next 30 days under Government Code Section 54953 (e) and make the following findings:

1. The Board has reconsidered the circumstance of the statewide state of emergency proclaimed on March 4, 2020 and the countywide local emergency proclaimed on March 10, 2020.
2. The following circumstances currently exist:
 - a. The statewide state of emergency and the countywide local emergency continue to directly impact the ability of the Board and its committee(s) to meet safely in person at meeting that are open to the general public because of the COVID-19 pandemic.
 - b. The County Health Officer's recommendations for safely holding public meetings, which recommend virtual meeting and other measures to promote social distancing, are still in effect. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

10. Consider authorizing the attendance of Board:

- a. It was **M/S/C** to authorize the attendance of 4 Board Members at the 41st Annual Sit Investment Associates Client Workshop, February 16-19, 2023, Dana Point, CA. D.C. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

11. Miscellaneous

- a. Staff Report- Strohl acknowledged all the hard work CCCERA staff have done over the last 11 months.
- b. Outside Professionals - None
- c. Trustee' comments – Phillips reported he attended the SACRS Fall Conference with Kroll, MacDonald, and Sloan. He noted the conference was well put together.
Sloan thanked MacDonald for the great job he did running the conference.
Kroll also praised MacDonald on a job well done at SACRS Fall Conference.
Gordon reported he and MacDonald attended the Invesco 2022 Client Conference.
He said the conference was great and found value in attending it.

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

Scott Gordon, Chairman

Jerry R. Holcombe, Secretary



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
December 14, 2022
9:00 a.m.

The Board of Retirement meeting was accessible telephonically at (669) 900-6833, Webinar ID 817 3480 6212 Passcode 574719, as permitted by Government Code Section 54953(e).

1. Pledge of Allegiance

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

2. Roll Call

Present: Candace Andersen, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Mike Sloan, Russell Watts and Samson Wong.

Absent: Dennis Chebotarev

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Karen Levy, General Counsel; Timothy Price, Chief Investment Officer; Tim Hoppe, Retirement Services Manager and Henry Gudino, Accounting Manager

Outside Professional Support:

Paul Angelo
Eva Yum

Representing:

Segal Company
Segal Company

3. Accept comments from the public

Carol Nowicki spoke about her husband's experience in 2015 with CCCERA.

Pete Nowicki spoke about his experience with CCCERA through litigation.

4. Recognition of Roxie Mendoza for 5 years of service

Gordon recognized and congratulated Roxie Mendoza for 5 years of service.

Gordon also congratulated Russell Watts on his 20 years of service with the County.

5. Approve of Minutes

It was **M/S/C** to approve the minutes from the November 2, 2022 meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).

6. Approval of Routine Items

It was **M/S/C** to approve the routine items of the December 14, 2022 Board meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).

7. Acceptance of Routine Items

It was **M/S/C** to accept the routine items of the December 14, 2022 Board meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).

CLOSED SESSION

The Board moved into open session.

8. No reportable action related to Govt. Code Section 54957.6.

9. Consider and take possible action to revise the Interest Crediting and Excess Earnings Policy

Strohl reviewed her memo and after discussion this item was tabled for a future agenda.

Finley was not present for subsequent discussion and voting

10. Consider and take possible action effective January 1, 2023 to add CCCERA staffing:

It was **M/S/C** to:

- a. Add two Retirement Services Counselors positions, one Retirement Services Technician position, one Data Technology Specialist, and one Network Security Engineer; and
- b. Amend Attachment A of Resolution 2022-1 providing salary and benefits for unrepresented employees of CCCERA.

(Yes: Anderson, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).

11. Consider and take possible action to adopt the 2023 CCCERA budget.

It was **M/S/C** to adopt the 2023 CCCERA budget with the change to add an additional Retirement Counselor position. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Watts, Wong and Sloan).

12. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings

It was **M/S/C** to authorize the Board and its committee(s) to continue to conduct teleconference meetings for the next 30 days under Government Code Section 54953 (e) and make the following findings:

- a. The Board has reconsidered the circumstance of the statewide state of emergency proclaimed on March 4, 2020 and the countywide local emergency proclaimed on March 10, 2020.
- b. The following circumstances currently exist:
 - a. The statewide state of emergency and the countywide local emergency continue to directly impact the ability of the Board and its committee(s) to meet safely in person at meeting that are open to the general public because of the COVID-19 pandemic.
 - c. The County Health Officer's recommendations for safely holding public meetings, which recommend virtual meeting and other measures to promote social distancing, are still in effect.

(Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts, and Wong).

13. Consider and take possible action to amend the Testing for Continued Benefit After Retirement Policy

It was **M/S/C** to amend the Testing for Continued Benefit After Retirement Policy. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts, and Wong).

14. Update on private equity and real estate allocations.

Price presented an update on private equity and real estate allocations noting two recent commitments.

15. Legislative update

Levy provided a legislative update.

16. Report out from Audit Committee Chair on November 30, 2022 Audit Committee meeting

Phillips reported on the November 30, 2022 Audit Committee meeting.

17. Consider authorizing the attendance of Board:

- a. It was **M/S/C** to authorize the attendance of 1 Board Member at the SACRS Board of Directors Meeting, December 1, 2022, San Diego, CA. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).
- b. It was **M/S/C** to authorize the attendance of 1 Board Member at the SACRS Board of Directors and Program Committee Meetings, January 9-10, 2023, Sacramento, CA. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).
- c. It was **M/S/C** to authorize the attendance of 2 Board Members at the Commonfund Forum 2023, February 13-15, 2023, Boca Raton, FL. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Sloan, Watts and Wong).

16. Miscellaneous

- a. Staff Report- Strohl wanted to acknowledge all the hard work and dedication the CCCERA staff have done this past year.
- b. Outside Professionals - None
- c. Trustee' comments – Phillips reported he attended the Markets Group 9th Annual Northern California Institutional Forum last week with Finley and MacDonald. Phillips felt the subject matter of the conference was not structured for Board Members and felt it was too technical and insider terminology with not enough background details to support key points.

MacDonald noted the conference was so crammed with information that it should have been a two-day conference and not a one day, but overall felt there was some good information discussed.

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

Scott Gordon, Chairman

Jerry R. Holcombe, Secretary

CERTIFICATION OF MEMBERSHIPS

Name	Employee Number	Tier	Membership Date	Employer
Adriano, Anna Clarise	92711	P5.2	11/01/22	Contra Costa County
Ali, Shabana	92610	P5.2	11/01/22	Contra Costa County
Arcurio, Alana	92735	P5.2	11/01/22	Contra Costa County
Auman, Robert	91051	P5.2	11/01/22	Contra Costa County
Avila, Orlando	92763	P5.2	11/01/22	Contra Costa County
Bailey, Karla	61707	III	11/01/22	Contra Costa County
Balanag, Lilibeth	89021	P5.2	11/01/22	Contra Costa County
Barbosa, Rochelle	92666	P5.2	11/01/22	Contra Costa County
Barros, Paul	D3406	P4.3	11/01/22	Central Contra Costa Sanitary District
Barsoumian, Hrag	87355	S/E	11/01/22	Contra Costa County
Bautista Byrne, Eliana	92522	P5.2	11/01/22	Contra Costa County
Bergman, Katherine	92746	P5.2	11/01/22	Contra Costa County
Bilich, Nicole	92712	P5.2	11/01/22	Contra Costa County
Bissada, Christine	92574	P5.2	11/01/22	Contra Costa County
Bivens, Dionne	92566	P5.2	11/01/22	Contra Costa County
Boldischar, Tyler	92057	P5.2	11/01/22	Contra Costa County
Brousseau, Katherine	91351	P5.2	11/01/22	Contra Costa County
Brown, Elena	91049	P5.2	11/01/22	Contra Costa County
Burton, Myles	92725	P5.2	11/01/22	Contra Costa County
Campos, Yanet	92576	S/E	11/01/22	Contra Costa County
Canta, Kathleen	92758	P5.2	11/01/22	Contra Costa County
Caubang, Lyn	91454	P5.2	11/01/22	Contra Costa County
Cheung, Melanie	92681	P5.2	11/01/22	Contra Costa County
Chin, Regine	90807	P5.2	11/01/22	Contra Costa County
Christy, Patricia	77882	P5.2	11/01/22	Contra Costa County
Coward, Christopher	D3406	P4.3	11/01/22	Central Contra Costa Sanitary District
Craig, Katrina	91510	P5.2	11/01/22	Contra Costa County
Danger, Luke	D7830	P4.3	11/01/22	San Ramon Valley Fire Protection District
Decker, Sandra	D9500	P5.3	11/01/22	Contra Costa County Superior Courts
DeLeon, Christina	92708	P5.2	11/01/22	Contra Costa County
Delgadillo Morales, Heavenly	92669	P5.2	11/01/22	Contra Costa County
Divingnzzo, Tyler	92757	P5.2	11/01/22	Contra Costa County
Durocher, Stacey	D3406	P4.3	11/01/22	Central Contra Costa Sanitary District
Edington Hopkins, Tracy	71949	III	11/01/22	Contra Costa County

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Edrosolo, Roxanne	92672	P5.2	11/01/22	Contra Costa County
Edwards, Trina	9500	P5.3	11/01/22	Contra Costa County Superior Courts
Elliott-Williams, Tenisha	69109	III	11/01/22	Contra Costa County
Estrada, Elizabeth	92663	P5.2	11/01/22	Contra Costa County
Fentress, Daniel	73402	III	11/01/22	Contra Costa County
Ferdinand, Marcus	92678	P5.2	11/01/22	Contra Costa County
Filamor, Rachel	92636	P5.2	11/01/22	Contra Costa County
Francis, Yolanda	92690	P5.2	11/01/22	Contra Costa County
Fury, Autumn	92714	P5.2	11/01/22	Contra Costa County
Gabel, Monica	92565	P5.2	11/01/22	Contra Costa County
Galindo, Kara	92691	P5.2	11/01/22	Contra Costa County
Garcia, Lourdes	92564	P5.2	11/01/22	Contra Costa County
Garcia, Richard	92643	P5.2	11/01/22	Contra Costa County
Gonsalves, Deion	D3406	P4.3	11/01/22	Central Contra Costa Sanitary District
Gonzalez, Alejandra	92609	P5.2	11/01/22	Contra Costa County
Gray, Daniel	7830	P4.3	11/01/22	San Ramon Valley Fire Protection District
Haskins Jr., Johnny	90010	P5.2	11/01/22	Contra Costa County
Hill, Courtney	92528	P5.2	11/01/22	Contra Costa County
Johnson, Hailey	87729	P5.2	11/01/22	Contra Costa County
Johnson, Shana	87369	P5.2	11/01/22	Contra Costa County
Joyal, Emily	92685	P5.2	11/01/22	Contra Costa County
Kieu, Davis	92570	P5.2	11/01/22	Contra Costa County
Kohlweck, Kelli	92689	P5.2	11/01/22	Contra Costa County
Kozonasky, Paul	D9500	P5.3	11/01/22	Contra Costa County Superior Courts
Lacy, Rodrika	92709	P5.2	11/01/22	Contra Costa County
Lasike Vunipola, Fatafehi	92662	P5.2	11/01/22	Contra Costa County
Lavy, Chelsea	90430	P5.2	11/01/22	Contra Costa County
Liao, Yuchang	92676	P5.2	11/01/22	Contra Costa County
Liu, Joe	92067	P5.2	11/01/22	Contra Costa County
Lloccla Manrique, Rosario	91671	P5.2	11/01/22	Contra Costa County
Mallory, Cynthia	92608	P5.2	11/01/22	Contra Costa County
Martinez, Daniel	92646	P5.2	11/01/22	Contra Costa County
Martinez, Erica	92502	P5.2	11/01/22	Contra Costa County
McCoy, Alan	92058	P5.2	11/01/22	Contra Costa County
McGovern-Calder, Conor	D7830	P4.3	11/01/22	San Ramon Valley Fire Protection District

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Miller, Jaqueta	92611	P5.2	11/01/22	Contra Costa County
Moffit, Rebecca	92632	P5.2	11/01/22	Contra Costa County
Munson, Lesley	92648	P5.2	11/01/22	Contra Costa County
Murken, Cassie	92649	P5.2	11/01/22	Contra Costa County
Noonan, Brenden	90866	P5.2	11/01/22	Contra Costa County
Nunez, Abigail	D9500	P5.3	11/01/22	Contra Costa County Superior Courts
Nuno, Jacqueline	D9500	P5.3	11/01/22	Contra Costa County Superior Courts
O'Neill, Marissa	88926	P5.2	11/01/22	Contra Costa County
Osugi, Nichole	89515	P5.2	11/01/22	Contra Costa County
Oranje, Tyler	D7830	P4.3	11/01/22	San Ramon Valley Fire Protection District
Palma, Malu	92670	P5.2	11/01/22	Contra Costa County
Pell, Joshua	92598	P5.2	11/01/22	Contra Costa County
Phillips, Elizabeth	92520	P5.2	11/01/22	Contra Costa County
Polanco, Karina	D9500	P5.3	11/01/22	Contra Costa County Superior Courts
Potts, Melanie	D9990	P4.3	11/01/22	Contra Costa County Housing Authority
Putta, Jayanthi	89240	P5.2	11/01/22	Contra Costa County
Ramirez Nieves, Rosalba	92677	P5.2	11/01/22	Contra Costa County
Reyes, Erika	92656	P5.2	11/01/22	Contra Costa County
Rivera Alas, Rosa	91462	P5.2	11/01/22	Contra Costa County
Rogers, Kelsey	92687	P5.2	11/01/22	Contra Costa County
Scheck, Brandon	92071	S/E	11/01/22	Contra Costa County
Sherman, Cynthia	92688	P5.2	11/01/22	Contra Costa County
Shiraishi-Cang, Ann	92651	S/A	11/01/22	Contra Costa County
Stewart, Ana	92655	P5.2	11/01/22	Contra Costa County
Stewart, Erin	D9990	P4.3	11/01/22	Contra Costa County Housing Authority
Taylor, Marquella	92707	P5.2	11/01/22	Contra Costa County
Thai, Duong	D9500	P5.3	11/01/22	Contra Costa County Superior Courts
Te, Dan Henry	92659	P5.2	11/01/22	Contra Costa County
Terry, Natasha	83026	P5.2	11/01/22	Contra Costa County
Tongohan, Rolando	92718	P5.2	11/01/22	Contra Costa County
Trost, Claudia	92654	P5.2	11/01/22	Contra Costa County
Trotter, Taunita	89649	P5.2	11/01/22	Contra Costa County
Vincent, Troy	D7830	S/D	11/01/22	San Ramon Valley Fire Protection District
Wacht, Brenna Leigh	88921	P5.2	11/01/22	Contra Costa County

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Walsh, Jack	92644	P5.2	11/01/22	Contra Costa County
Whales, Jonelyn	92686	P5.2	11/01/22	Contra Costa County
White, Austin	92657	P5.2	11/01/22	Contra Costa County
Wiley, Anastasia	92706	P5.2	11/01/22	Contra Costa County
Yoshida, Ayako	92582	P5.2	11/01/22	Contra Costa County

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

TIER CHANGES

<i>Name</i>	<i>Employee Number</i>	<i>Old Tier</i>	<i>New Tier</i>	<i>Effective Date</i>	<i>Employer</i>	<i>Reason for Change</i>
Baginski, Pamela	76175	P5.2	III	08/01/20	Contra Costa County	Tier Correction
Cortez, Maria Marinella	48146	P5.2	III	08/01/16	Contra Costa County	Tier Correction
Perez, Katrina Faith	81007	P5.2	P4.2	11/01/22	Contra Costa County Fire Protection District	Transfer Employers
Thompson, Amanda	87393	P5.2	P4.2	11/01/22	Contra Costa County Fire Protection District	Transfer Employers

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date
01/11/2023
Agenda Item
#5b.

Service and Disability Retirement Allowances:

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Tier</u>	<u>Selected</u>
Allen, Roger	85172	10/11/22	SR	PEPRA 5.2	Unmodified
Arias, Deborah	72628	10/01/22	SR	III	Unmodified
Avila, Kathleen	55955	09/30/22	SR	II and III	Unmodified
Ballenger, Hal	40404/AP	10/24/22	SR	II and III	Unmodified
Bigelow, Nancy	83474	10/01/22	SR	PEPRA 5.2	Unmodified
Boly, Lawrence	76581	10/01/22	SR	III	Unmodified
Brown, Lori	73138	09/08/22	SR	III	Unmodified
Camacho, Arturo	63843	07/01/22	SR	Safety A	Unmodified
Carlton, Jeffrey	61267	10/11/22	SR	II and III	Unmodified
Dominguez, Fernando	D3406	09/07/22	SR	I	Option 2
Eaton, Flordeliza	40670	09/30/22	SR	II and III	Unmodified
Einstadter, Laura	64511	10/01/22	SR	II and III	Unmodified
Espinoza, Javier	86992	10/13/22	SCD	Safety E	Unmodified
Garrison, Juanita	64848	10/01/22	SR	II and III	Unmodified
Hellman-Wylie, Cynthia	45265	10/01/22	SR	II and III	Unmodified
Iglesias, Rowena	78176	09/16/22	SR	PEPRA 5.3	Unmodified
Katz, Michael	45857	09/03/22	SR	II	Unmodified
Keilch, Rusty	42141	08/16/22	SR	II and III	Unmodified
Madrid, Mirna	75056	10/01/22	SR	PEPRA 5.2	Option 2
Monroy, Janey	D9500	08/24/22	SR	III	Unmodified
Moreno, Mario	D9991	06/08/22	SR	II	Unmodified
Onate, Luz-Elena	53973	11/01/22	SR	II and III	Unmodified
Regalado, Rosalinda	61014	02/15/22	SR	II and III	Unmodified
Rocroi, Renaud	76843	09/07/22	SR	III	Unmodified
Sciuto, Paul	D3460	10/01/22	SR	I	Unmodified
Serrato, Paul	D3460	10/01/22	SR	I	Unmodified
Stelly, Sheila	45758	10/01/22	SR	II and III	Unmodified
Villagrana, Estela	78182	08/18/22	SR	PEPRA 5.3	Unmodified
Watkins, Jason	60196	10/21/22	SR	Safety A	Unmodified
Wogsland, Loretta	66503	09/11/22	SR	II and III	Unmodified

Option Type

NSP = Non-Specified
 SCD = Service Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability
 * = County Advance Selected w/option

I = Tier I
 II = Tier II
 III = Tier III
 S/A = Safety Tier A
 S/C = safety Tier C

Tier

Pepra 4.2 = Pepra Tier 4 (2% COLA)
 Pepra 4.3 = Pepra Tier 4 (3% COLA)
 Pepra 5.2 = Pepra Tier 5 (2% COLA)
 Pepra 5.3 = Pepra Tier 5 (3% COLA)
 S/D = Pepra Safety Tier D
 S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date
01/11/2023
Agenda Item
#5c.

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Anderson, E Jaye	11/23/22	Contra Costa County
Cardinale, Girolma	12/09/22	Contra Costa County
Dias, Judith	11/06/22	Contra Costa County
Elton, Yvonne	11/02/22	Contra Costa County
Flores, Betty	12/22/22	Contra Costa County
Levin, Jacqueline	12/29/22	Contra Costa County
May, Cheryl	12/21/22	Contra Costa County
Ortega, Socorro	11/03/22	Superior Courts
Smith, Darlene	12/21/22	Contra Costa County
Toole, Deloris	11/23/22	Contra Costa County
Vierra, Albert	08/27/22	Bethel Island Municipal District



Meeting Date
01/11/2023
Agenda Item
#5d.

**Contra Costa County Employees' Retirement Association
Liquidity Report – November 2022**

November 2022 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$49,000,000	
Liquidity Sub-Portfolio Cash Flow	\$49,000,000	100%
Actual Benefits Paid	\$47,522,496	103.1%
<i>Next Month's Projected Benefit Payment</i>	<i>\$49,000,000</i>	

Monthly Manager Positioning – November 2022

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
Sit	\$358,123,460	(\$20,000,000)	\$14,990,327	\$353,113,787
DFA	\$588,584,452	(\$10,750,000)	(\$2,947,614)	\$574,886,839
Insight	\$652,969,820	(\$18,250,000)	\$8,696,808	\$643,416,628
Liquidity	\$1,599,677,732	(\$49,000,000)	\$20,739,521	\$1,571,417,254
Cash	\$128,517,915	\$1,477,504	\$17,831,490	\$147,826,909
Liquidity + Cash	\$1,728,195,647	(\$47,522,496)	\$38,571,012	\$1,719,244,163

Functional Roles

Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined monthly amount. DFA sources liquidity from across their portfolio.
Insight	Buy and maintain (limited trading) portfolio of high quality, short duration, primarily corporates.	Completion portfolio makes a payment through net income and bond maturities that bridges the gap between other managers and projected payment.
Cash	STIF account at custodial bank.	Buffer in the event of any Liquidity shortfall/excess.

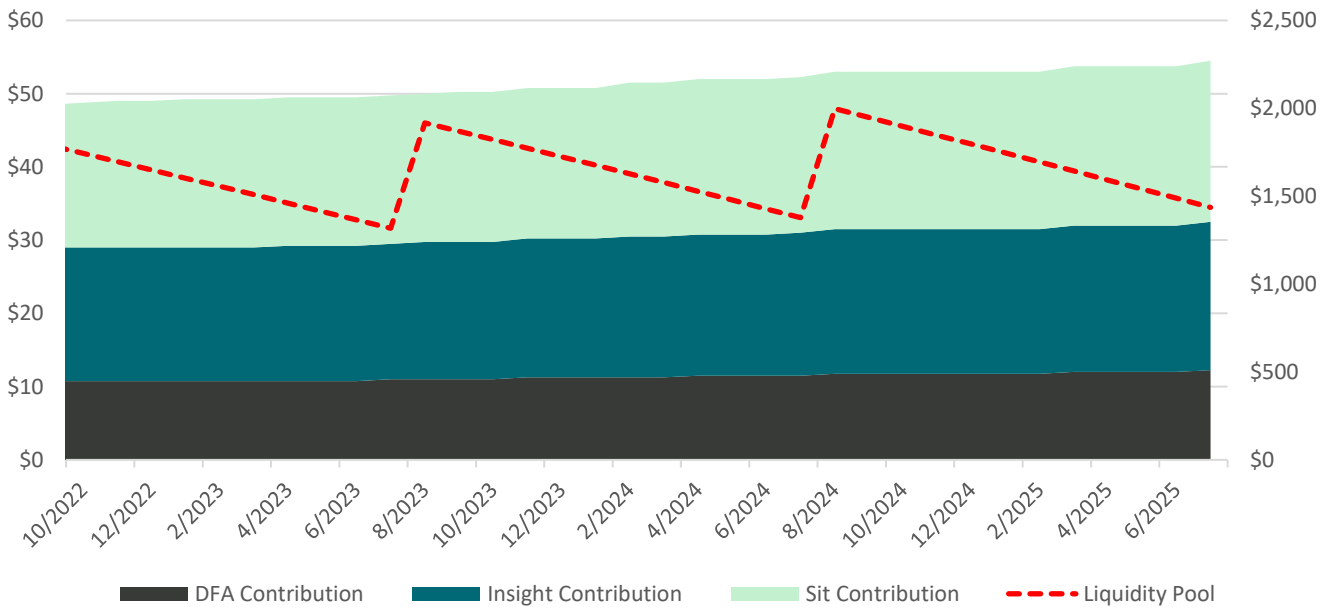
Notes

The eleventh cash flow for 2022 from the liquidity program was completed on November 21st. The actuarial model cash flow was higher than actual experience, producing \$769 thousand more than the actual benefits paid.

Cash Flow Structure

The chart below shows the sources of cash flow for the next three years of CCCERA’s projected benefit payments. This table will change slightly as the model is tweaked and as the portfolios receive new rounds of funding each July as part of the Annual Funding Plan.

**Dollar Contribution by Cashflow Period and Projected Liquidity Pool Size
(Millions of Dollars)**



CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date
01/11/2023
Agenda Item
#6a.

Disability Retirement Applications: *The Board's Hearing Officer is hereby authorized to issue subpoenas in the following cases involving disability applications:*

<u>Name</u>	<u>Number</u>	<u>Filed</u>	<u>Type</u>
Neveau, Shane	73267	12/13/22	SCD

<u>Option Type</u>		<u>Tier</u>
NSP = Non-Specified	I = Tier I	Pepira 4.2 = Pepira Tier 4 (2% COLA)
SCD = Service Connected Disability	II = Tier II	Pepira 4.3 = Pepira Tier 4 (3% COLA)
SR = Service Retirement	III = Tier III	Pepira 5.2 = Pepira Tier 5 (2% COLA)
NSCD = Non-Service Connected Disability	S/A = Safety Tier A	Pepira 5.3 = Pepira Tier 5 (3% COLA)
* = County Advance Selected w/option	S/C = safety Tier C	S/D = Pepira Safety Tier D
		S/E = Pepira Safety Tier E

**Contra Costa County Employees' Retirement Association
Asset Allocation as of November 30, 2022**

**Meeting Date
01/11/2023
Agenda Item
#6b.**

Liquidity	Market Value	Percentage of Total Fund	Current Target* Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
Dimensional Fund Advisors	353,113,787	3.4%	4.0%	-0.6%		
Insight	574,886,839	5.5%	6.5%	-1.0%		
Sit	643,416,628	6.1%	6.5%	-0.4%		
Total Liquidity	1,571,417,254	15.0%	17.0%	-2.0%	17.0%	-2.0%

**Range
11-22%**

Growth						
Domestic Equity						
Boston Partners	416,987,086	4.0%	4.0%	-0.0%		
BlackRock Index Fund	924,873,006	8.8%	9.0%	-0.2%		
Emerald Advisers	207,708,129	2.0%	1.5%	0.5%		
Ceredex	200,334,542	1.9%	1.5%	0.4%		
Total Domestic Equity	1,749,902,763	16.7%	16.0%	0.7%	13.0%	3.7%

Global & International Equity

Pyrford (Columbia)	436,645,007	4.2%	4.0%	0.2%		
William Blair	419,803,904	4.0%	4.0%	0.0%		
First Eagle	496,892,129	4.7%	4.5%	0.2%		
Artisan Global Opportunities	492,249,194	4.7%	4.5%	0.2%		
PIMCO/RAE Emerging Markets	350,041,846	3.3%	3.5%	-0.2%		
TT Emerging Markets	318,861,593	3.0%	3.5%	-0.5%		
Total Global & International Equity	2,514,493,674	24.0%	24.0%	0.0%	19.0%	5.0%

Private Equity**

Private Credit	1,360,398,934	13.0%	13.0%	-0.0%	18.0%	-5.0%
Real Estate - Value Add	957,491,714	9.1%	8.0%	1.1%	13.0%	-3.9%
Real Estate - Opportunistic & Distressed	246,811,049	2.4%	4.0%	-1.6%	5.0%	-2.6%
Real Estate - REIT	358,779,009	3.4%	4.0%	-0.6%	5.0%	-1.6%
Adelante	87,664,781	0.8%	2.0%	-0.1%	0.0%	1.9%
Invesco	112,156,470	1.1%				
High Yield (Allianz)	141,179,450	1.3%	1.5%	-0.2%	0.0%	1.3%
Risk Parity			3.0%	0.2%	3.0%	0.2%
AQR GRP EL	170,077,997	1.6%				
PanAgora	167,865,387	1.6%				
Total Other Growth Assets	3,602,424,790	34.4%	35.5%	-1.1%	44.0%	-9.6%

Total Growth Assets	7,866,821,227	75.1%	75.5%	-0.4%	76.0%	-0.9%
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**Range
65-85%**

Risk Diversifying						
AFL-CIO	222,172,101	2.1%	2.5%	-0.4%	2.5%	-0.4%
Acadian MAARS	253,120,205	2.4%	2.5%	-0.1%	2.5%	-0.1%
Sit LLCAR	299,222,131	2.9%	2.5%	0.4%	2.0%	0.9%
Total Risk Diversifying	774,514,438	7.4%	7.5%	-0.1%	7.0%	0.4%

**Range
0% - 10%**

Cash and Overlay						
Overlay (Parametric)	108,058,171	1.0%		1.0%		
Cash	147,826,909	1.4%		1.4%		
Total Cash and Overlay	255,885,080	2.4%	0.0%	2.4%	0.0%	2.4%

Total Fund	10,468,637,999	100%	100%		100%	
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*Current targets and ranges reflect asset allocation targets accepted by the Board on July 27, 2022 (BOR Resolution 2022-2).

**Private Equity long-term target includes Real Assets/Infrastructure (see Asset Allocation Mix 5 adopted December 9, 2020).

**Private Market Investments
As of November 30, 2022**

REAL ESTATE - Value Add

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Invesco IREF IV	12/01/14	12/01/21				35,000,000	1,861,617	0.02%	4,453,599
Invesco IREF V	09/11/18	09/11/25				75,000,000	75,431,606	0.72%	19,389,232
Invesco IREF VI	09/21/22	09/22/29				100,000,000	33,126,592	0.32%	66,873,408
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	1,360,422	0.01%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	30,961,789	0.30%	
Long Wharf LREP VI	02/05/20	02/05/28				50,000,000	32,124,781	0.31%	9,377,283
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	18,764,926	0.18%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	53,179,316	0.51%	2,922,628
						730,000,000	246,811,049	2.36%	106,962,150
Outstanding Commitments									106,962,150
Total									353,773,199

REAL ESTATE -Opportunistic & Distressed

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	11,711,727	0.11%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	55,988,703	0.53%	1,876,084
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	30,272,207	0.29%	5,046,583
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	22,181,968	0.21%	19,906,106
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	1,247,195	0.01%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	25,514,799	0.24%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	49,209,862	0.47%	16,120,000
PCCP Equity IX	04/11/22	04/01/30				75,000,000	34,074,408	0.33%	43,698,436
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	20,397,977	0.19%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	34,173,608	0.33%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	12,770,812	0.12%	4,462,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	15,311,689	0.15%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	13,102,108	0.13%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	32,821,946	0.31%	7,572,500
						905,000,000	358,779,009	3.43%	173,491,864
Outstanding Commitments									173,491,864
Total									532,270,873

PRIVATE CREDIT

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	5,603,769	0.05%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	7,631,737	0.07%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	1,854,643	0.02%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				1,170,000,000	942,401,565	9.00%	369,133,782
						1,524,500,000	957,491,714	9.15%	386,453,565
Outstanding Commitments									386,453,565
Total									1,343,945,279

**Private Market Investments
As of November 30, 2022**

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	12/22/25				269,565,614	143,202,287	1.37%	17,282,948
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	3,921,820	0.04%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	11,756,602	0.11%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	188,271,396	1.80%	8,962,500
AE Industrial Partners Fund II	05/18/18	05/18/28				35,000,000	41,247,713	0.39%	11,133,248
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	4,533	0.00%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	20,002,593	0.19%	0
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	0	0.00%	0
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	37,627	0.00%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	3,251,582	0.03%	0
EIF USPF IV	06/28/10	06/28/20				50,000,000	25,586,668	0.24%	4
Ares EIF V	09/09/15	11/19/25				50,000,000	35,189,570	0.34%	6,194,129
EQT X	11/17/22	11/17/32				100,000,000	0	0.00%	100,000,000
Genstar Capital Partners IX	02/18/19	02/18/29				50,000,000	64,531,244	0.62%	7,684,319
Genstar Capital Partners X	04/01/21	04/01/31				42,500,000	21,511,306	0.21%	21,654,081
GTCR VIII	10/27/20	12/31/36				50,000,000	24,360,986	0.23%	24,427,247
Hellman & Friedman Capital Partners	05/10/21	05/10/31				75,000,000	36,794,136	0.35%	34,117,819
Leonard Green - Green Equity Investors IX	03/01/22	02/28/32				60,000,000	0	0.00%	60,000,000
Leonard Green - Jade Equity Investors II	03/01/22	02/28/32				15,000,000	0	0.00%	15,000,000
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	435,558	0.00%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				30,000,000	29,593,786	0.28%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				50,000,000	50,758,432	0.48%	3,500,000
Paladin III	08/15/08	08/15/18				25,000,000	7,105,218	0.07%	387,482
Pathway	11/09/98	05/31/21				125,000,000	4,090,368	0.04%	10,550,380
Pathway 2008	12/26/08	12/26/23				30,000,000	15,219,663	0.15%	2,701,449
Pathway 6	05/24/11	05/24/26				40,000,000	33,263,457	0.32%	3,663,642
Pathway 7	02/07/13	02/07/23				70,000,000	71,389,434	0.68%	5,171,850
Pathway 8	11/23/15	11/23/25				50,000,000	73,380,854	0.70%	3,987,844
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	144,290,998	1.38%	29,597,500
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	0	0.00%	0
Siris Partners IV	05/18/18	05/18/28				35,000,000	39,886,406	0.38%	8,126,210
TA XIV	05/27/21	05/27/31				50,000,000	17,630,820	0.17%	31,000,000
TPG Healthcare Partners, L.P.	06/27/19	06/27/29				24,000,000	17,954,900	0.17%	8,603,578
TPG Healthcare Partners II	06/30/22	06/30/32				65,000,000	0	0.00%	
TPG Partners IX	06/30/22	06/30/32				50,000,000	4,300,155	0.04%	
Trident VIII, L.P.	05/24/19	05/24/29				40,000,000	46,300,891	0.44%	5,062,283
Trident IX, L.P.	09/17/21	09/17/31				50,000,000	4,300,155	0.04%	44,769,075
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	60,569,866	0.58%	2,567,205
Aether IV	01/01/16	01/01/28				50,000,000	63,519,313	0.61%	4,516,236
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	41,014,718	0.39%	2,475,007
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	20,024,033	0.19%	819,897
						2,326,065,614	1,360,398,934	14.40%	449,284,944
Outstanding Commitments							449,284,944		
Total							1,809,683,878		

Market value equals the most recent reported net asset value, plus capital calls after net asset value date, less distributions after net asset value date.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.



MEMORANDUM

Date: January 11, 2023
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Consider and take possible action to revise the Interest Crediting and Excess Earnings Policy

Background

The current Interest Crediting and Excess Earnings Policy (Policy) indicates that following the adoption of the investment rate assumption that the rate be credited to the reserves. The last two times the investment rate assumption was changed, with the December 31, 2015 and December 31, 2021 actuarial valuations, there was a six month delay in applying the new rates. This was due to the valuations not being approved by the Board until the last half of the subsequent years. There are administrative considerations as well. Instead of the rate being applied beginning January 1 of the following year, the rate was applied starting July 1 of the subsequent year.

Recommendation

In keeping with recent practice and considering what is administratively practical, the recommendation is to revise the Policy to credit the new interest rate beginning with the six-month period immediately following adoption of the investment return assumption.

Consider and take possible action to revise the Interest Crediting and Excess Earnings Policy to credit the new interest rate beginning with the six-month period immediately following adoption of the investment return assumption.

Via Email

November 21, 2022

Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association (CCCERA)
Timing of Application of New Interest Crediting Rate**

Dear Gail:

Following the Board's established practice, the investment return and other actuarial assumptions are reviewed every three years. Most recently, the assumptions recommended in the last experience study and adopted on April 13, 2022 were used in developing the December 31, 2021 valuation results adopted on August 10, 2022. Also, following CCCERA's Interest Crediting and Excess Earnings Policy (the Policy), the recently adopted 6.75% annual investment return assumption used in the valuation will be applied by CCCERA to credit interest to all the reserves in every six-month period.

As discussed, we are writing to discuss a possible change to the Policy to reflect the actual timing of when the CCCERA applied the new investment return assumption to credit interest after the investment return assumption was changed in the December 31, 2015 valuation (from 7.25% to 7.00%) and in the December 31, 2021 valuation (from 7.00% to 6.75%).

Background

In 2014, there was a discussion on the Policy provisions with respect to crediting interest to the reserves (see attached letter dated August 8, 2014). After that discussion, the Board decided to apply the investment return assumption: (1) as an annual effective interest rate instead of as a nominal interest rate compounded semi-annually¹ and (2) immediately following the adoption of the investment return assumption, instead of at the same time that the investment return is utilized to set employer and employee contribution rates and to determine actuarially equivalent optional forms of benefits and reserves for new retirees (i.e., 18 months after the valuation date).

¹ Using the 6.75% investment return assumption adopted in the December 31, 2021 valuation as an example, the crediting rate for every six-month period under the new practice is calculated as 3.3199% by applying the investment return assumption as an annual effective interest rate (because $1.033199 \times 1.033199 - 1$ equals 6.75%). If we were to use the old practice, the crediting rate for every six-month period would have been 3.375% (because $6.75\% / 2$ equals 3.375%), in effect using the 6.75% investment return assumption as a nominal rate, compounded semi-annually.

While the experience studies recommending assumptions for the December 31, 2015 and December 31, 2021 valuations were completed in the first half of calendar years 2016 and 2022, the actuarial valuations were not completed and adopted by the Board until the second half of calendar years 2016 and 2022. As a result of that timing and other administrative reasons, the 7.00% and 6.75% investment return assumptions were not applied to credit interest for the six-month periods immediately following the adoption of the experience studies. Instead, they were applied in the following six-month periods of July 1, 2016 to December 31, 2016 and July 1, 2022 to December 31, 2022, respectively, following the adoption of the valuations.

Alternative Courses of Action

We see two alternative courses of action.

Credit at New Interest Rate Immediately Upon Adoption of Investment Return Assumption

Under this alternative, immediately after the Board adopts a new investment return assumption in the experience study, a change will be made in the CCCERA's accounting system to credit the new interest rate to the reserves. As the same interest rate is currently used to determine periodic amounts for members who purchase service in installments, a change will also be made to that process. We note however that under this approach, during the six-month period in which the Board adopts a new investment return assumption some members might have service purchase installments calculated using the old interest rate while other members might have service purchase installments calculated using the new interest rate.

Credit at New Interest Rate beginning with the 6-Month Period Immediately Following Adoption of the Investment Return Assumption

Under this alternative, crediting the new interest rate to the reserves would be deferred until the six-month periods following the adoption of the experience study. This would also correspond to the six-month period in which the Board adopts the results based on the new assumptions in the valuation. While this would require a change in the Policy, this approach would give more time to update all the processes that use the new interest rate, and would also be consistent with recent practice.

Please let us know if you have any questions or would like to discuss further.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary



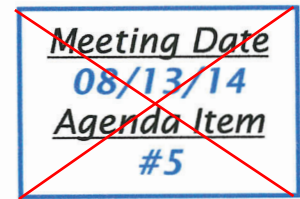
Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

cc: Christina Dunn
Henry Gudino

Attachment



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com



August 6, 2014

Mr. Kurt Schneider
Deputy Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Methodologies Used for Interest Crediting on Reserves

Dear Kurt:

As requested, we are providing information concerning Board policy decisions related to certain methodologies for interest crediting on reserves. We discuss the following two methodologies that the Board could potentially act on related to interest crediting on reserves:

1. The application of the semi-annual interest rate to be used in crediting reserves on every June 30 and December 31.
2. The effective date that the new investment return assumption is implemented for the purpose of crediting reserves when there is a change in the actuarial valuation investment return assumption.

SEMI-ANNUAL INTEREST RATE

The Association credits interest to the reserves and member contribution accounts semi-annually on every June 30 and December 31. Interest is based on the actuarial investment return assumption, which is an annual rate. The current policy is to credit using one-half of the (annual) actuarial investment return assumption when crediting the reserves (including member contributions) every six months. For example, currently the actuarial investment return assumption applicable to interest crediting during the 2014-15 fiscal year is 7.25%. The Association therefore would credit the reserves with a 3.625% rate (half of 7.25%) on December 31, 2014 and then another 3.625% on June 30, 2015. Because of the effect of compounding, the annual effective interest rate that would actually be credited for the entire year would be 7.38% ($1.03625 \times 1.03625 - 1$), which is higher than the investment return assumption of 7.25% per annum.

Another possible alternative approach that could be used is to credit the reserves with the semi-annual compounded rate that would result in an annual effective rate that equals the investment return assumption. Using the same example as above, a semi-annual interest crediting rate of 3.5616% would result in an equivalent annual interest crediting rate of 7.25% ($1.035616 \times 1.035616 - 1$). The advantage of this method is that the interest the reserves receive on an annual basis would be consistent with the actuarial investment return assumption.

In the actuarial valuation, we use the smoothed valuation value of assets to compare with the actuarial liabilities in order to calculate employer contribution rates towards the Unfunded Actuarial Accrued Liability (UAAL). The reserve crediting generally does not have a direct impact on the valuation value of assets but it does affect the reserve values and the Contra Tracking Account. However, the interest crediting rate applied to the member contributions would impact the amount of refund members will receive if they terminate employment and elect to withdraw their contributions. Some pre- and post-retirement death benefits and benefits paid under Option 1 will also be affected. In general, the alternative method would result in a slightly smaller member contribution account and therefore a slightly smaller benefit due to refunds or some pre- and post-retirement death benefits. It would also result in a slightly smaller Contra Tracking Account.

With respect to the employer contribution rates, we expect a very slight decrease because of a smaller liability due to refunds. Also, we would expect that the refundability factor could change very slightly which leads to a minor change in contribution amounts for the employer when they “subvent” part of the member contribution rate. Overall, the changes in employer rate and refundability factors due to these effects are de minimis.

EFFECTIVE DATE OF NEW INTEREST RATE

When the Board adopts new actuarial assumptions to be used in the actuarial valuation, there is an 18-month delay between the actuarial valuation date and the date those assumptions are implemented. In particular, the contribution rates based on the new actuarial assumptions are effective 18-month from the valuation date. Also, a change in the actuarial assumptions for either the investment return or mortality assumptions would require a change to the actuarial factors used in converting the unmodified benefit to other optional forms. The effective date to apply these new actuarial factors is also 18 months after the valuation date. There are various reasons for the 18-month delay that involve timing of the annual actuarial valuation, employer budgeting and administrative feasibility.

Currently, this 18-month delay also applies to the effective date to credit the reserves with the new interest rate and also to use it in the asset smoothing calculation. For example, the Board adopted the new actuarial investment return assumption of 7.25% in the December 31, 2012 actuarial valuation. However, the Association will not be using this new 7.25% rate to credit the reserves or in the asset smoothing calculation until July 1, 2014.

In the actuarial valuation, we in effect assume that the fund would earn 7.25% starting from January 1, 2013. Therefore, for the three six-month periods before the Association would start actually crediting the new 7.25% interest rate (January 1, 2013 through June 30, 2013, July 1, 2013 through December 31, 2013 and January 1, 2014 through June 30, 2014), the valuation assumes an expected annual market return of 7.25%. However, the reserves would actually have been credited based on the 7.75% rate and that same rate would have been used in the asset smoothing calculation for the actuarial value of assets. Since we only use the total reserves after reflecting the Contra Tracking Account, the effect of the delay on the interest crediting of reserves would not have any impact on the contribution rates. However, the mismatch between what is assumed to be earned and what is being used in the smoothing calculation for the actuarial value of assets does create a small actuarial gain or loss which is amortized over 18 years.

Conclusion

We believe that it would be reasonable for the Board to change the methodology for the rate of interest that is credited to reserves to be the semi-annual compounded rate that would result in an annual rate that equals the investment return assumption. Based on the 7.25% investment return assumption, the semi-annual crediting rate would be 3.5616%.

In addition, if the Board wants to eliminate the specific actuarial gains and losses associated with the 18-month delay that applies to the effective date for the new interest rate used to credit the reserves and for the asset smoothing calculation, then the most direct way would be to make the new interest rate effective with the interest crediting period that follows the valuation date for which the new investment return assumption is effective.

As in all matters pertaining to the interpretation and application of the law or Plan provisions, you should be guided by the advice of the Plan's Legal Counsel.

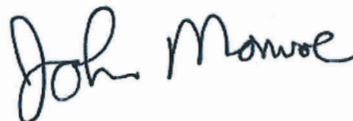
We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any comments or questions.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary



John Monroe, ASA, MAAA, EA
Vice President and Associate Actuary

EY/hy

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INTEREST CREDITING AND EXCESS EARNINGS POLICY

PURPOSE OF POLICY:

The purposes of this policy are to establish a methodology for:

- (1) crediting interest to contributions and reserves in the retirement system; and
- (2) administering the Excess Earnings, as defined, of the retirement system.

GOVERNING LAW:

CCCERA is governed by provisions of the County Employees' Retirement Law of 1937 ("CERL"), as well as other federal and state laws relating to public retirement systems. Pursuant to CERL, Govt' Code Section 31591, interest is to be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months immediately prior to that date.

CERL generally governs interest crediting and Excess Earnings. Various reserves and designations are established and maintained by the Board under procedures adopted by the Board pursuant to CERL.

GENERAL PRINCIPLES AND OBJECTIVES:

1. Determine "Available Earnings" according to the Actuarial Value of Assets methodology. Available Earnings on the Actuarial Value of Assets is equal to the expected earnings on a semi-annual basis consistent with the Board-adopted Actuarially Assumed Investment Rate of Return plus 10% of the market value gain or loss (relative to the respective Board-adopted Actuarially Assumed Investment Rate of Return) for each of the current and nine prior semi-annual accounting periods plus the balance in the Contingency Reserve(s) and Unrestricted Designation.
2. Credit interest on member accounts semi-annually as of each December 31st and the following June 30th in equal amounts which when taken together and compounded are equal to the Board-adopted Actuarially Assumed Investment Rate of Return for the December 31st actuarial valuation preceding that July 1 through June 30 period. Specifically, triennially, the Board acts to adopt actuarial assumptions and methodologies for the actuary to use in preparing annual actuarial valuations effective as of the December 31st immediately preceding the date of adoption, and as of each December 31 thereafter until changed. The annual actuarial valuation includes an Actuarially Assumed Investment Rate of Return, which is used in turn to establish the rate at which interest will be credited semi-annually to system reserves, pursuant to CERL § § 31453 and 31454. The interest crediting rate so determined shall accrue to member account balances commencing as of July 1 immediately following the Board's initial adoption of the Actuarially Assumed Investment Rate of Return. The interest crediting rate for the first six month period of July 1 through December 31 shall be credited on December 31 of that calendar year, and on June 30th for the second six month period of January 1 to June 30 of the next

succeeding calendar year. The interest rate credited twice for any 12-month period shall be in equal amounts which when taken together and compounded are equal to the Actuarially Assumed Investment Rate of Return for that period. The interest crediting rate shall remain effective unless and until the Board adopts a change in the Actuarially Assumed Investment Rate of Return, or acts otherwise to change the interest crediting rate.

3. Credit Available Earnings to remaining valuation and post-retirement death benefit reserves for the same periods and at the same crediting rates as set forth in Par. 2 above.
4. Maintain a Contra Tracking Account (“CTA”) to track any shortfalls of Available Earnings relative to earnings required to credit full interest to valuation and post-retirement death benefit reserves. Any such shortfalls will be funded from future Available Earnings as described in the next item.
5. Replenish shortfalls in the CTA and maintain the contingency reserves before deciding to use Available Earnings for any discretionary uses.
6. After crediting Full Interest to valuation and post-retirement death benefit reserves, use any remaining Available Earnings in the following order of priority:
 - a. Eliminate prior shortfalls of Available Earnings as tracked in the balance of the CTA by reducing the balance of the CTA to zero.
 - b. Bring the Statutory Contingency Reserve to 1% of total assets. This reserve is to be used as a reserve against deficiencies in interest, losses on investments and other contingencies.
 - c. Bring the Board Contingency Designation to the 1% level established by the Board. The Board Contingency Designation is to be used for those same purposes established for the Statutory Contingency Reserve (i.e., a deficiency in interest earnings, losses on investments and other contingencies.)
 - d. Consider granting new retiree Dollar Power Benefit to maintain retiree purchasing power at 80% level when established by Board and sufficiently funded pursuant to Government Code Section 31874.3(c).
 - e. Consider using Available Earnings to restore funding, as necessary, of benefits previously granted by the board of supervisors under Government Code section 31683 to CCCERA members who retired before January 1, 1983, and their surviving beneficiaries.
 - f. Consider the following discretionary uses of any remaining Available Earnings:
 - Payment of health and welfare benefits as authorized under Government Code Section 31592.2.
 - Transfer to employer advance reserves the amount needed to reduce or eliminate the employer and/or member cost-of-living contribution rate component for a period to be determined by the Board to the extent permitted under Govt. Code sec. 7522.52.

- Transfers to employer advance reserves under Government Code 31592.2, which may reduce CCCERA's Unfunded Actuarial Accrued Liability.
 - Transfers to a reserve or designation to pay ancillary benefits as permitted by law, including without limitation those provided in Government Code section 31683.
 - Transfers to a reserve or designation for other uses as permitted by law.
7. Any remaining Available Earnings will be transferred to the Unrestricted Designation.

INTEREST CREDITING POLICY:

Step 1 - Determine “Available Earnings” for accounting period as the sum of:

- a. Earnings of the retirement fund for the period based on Actuarial Value of Assets methodology, expressed in dollars. This could be a negative amount.
- b. Balance in the Unrestricted Designation
- c. Balance in any Board Contingency Designation
- d. Balance in the Statutory Contingency Reserve

Step 2 - Credit interest to Member Deposit and Member Cost of Living Reserves

Deduct this interest amount from Available Earnings. If this amount of interest is more than Available Earnings, charge the shortfall to the Contra Tracking Account.

Step 3 - Credit interest on all other Valuation Reserves and the Post Retirement Death Benefit Reserves

If Available Earnings is not sufficient, charge the shortfall to the Contra Tracking Account.

EXCESS EARNINGS POLICY:

Step 1 - Reduce the balance in the Contra Tracking Account to zero

Transfer from any remaining Available Earnings an amount to be applied to the balance in the Contra Tracking Account until the balance is zero.

Step 2 - Restore the Statutory Contingency Reserve

Transfer from any remaining Available Earnings into Statutory Contingency Reserve the amount required to maintain the Statutory Contingency Reserve balance at 1% of market value.

Step 3 - Restore Board Contingency Designation to 1%

Transfer any remaining Available Earnings into the Board Contingency Designation the amount required to maintain the Board Contingency Designation at 1% of market value.

Step 4 - Maintain retiree Dollar Power Benefit

Direct CCCERA’s actuary to determine the cost of fully funding retiree Dollar Power Benefits effective on a date to be determined by CCCERA’s Board, as required by Government Code Section 31874.3(c). The Board must also obtain: (a) from CCCERA’s actuary, an analysis of the impact of such actions on current and future annual costs, contribution rates, Unfunded Actuarial Accrued Liabilities and Funding Ratios; and (b) the advice of legal counsel. If remaining Available

Earnings are sufficient to fully fund the Dollar Power Benefits as of the date determined by the Board, the Board may, with the advice of the actuary and legal counsel, transfer any remaining Available Earnings into a reserve to maintain the retiree Dollar Power Benefits at the 80% purchasing power level.

Step 5 - Maintain funding of additional benefits previously granted by Board of Supervisors under Government Code section 31683

Direct CCCERA's actuary to determine whether the balance of funds previously transferred by the Board under Government Code section 31683 to fully fund the costs of additional benefits previously granted by the Board of Supervisors to pre-January 1, 1983 CCCERA retirees and their surviving beneficiaries are sufficient to maintain full funding of such benefits, and if not, to determine the cost to maintain full funding of those benefits. If an additional transfer of Available Earnings is necessary to fully fund the benefits, the Board must also obtain: (a) from CCCERA's actuary, an analysis of the impact of such actions on current and on future annual cost, on contribution rates, Unfunded Actuarial Accrued Liabilities and Funding Ratios; and (b) the advice of legal counsel. If remaining Available Earnings are available to maintain full funding of the Section 31683 benefits the Board may, with the advice of the actuary and legal counsel, transfer any remaining Available Earnings into the reserve created to fund such benefits.

Step 6 - Consider other discretionary uses

The Board may, in its discretion, consider any and all of the following uses of any remaining Available Earnings, which are not listed in order of priority. Prior to implementing any of the following options the Board must obtain: (a) from CCCERA's actuary, an analysis of the impact of such actions on current and future annual costs, on contribution rates, Unfunded Actuarial Accrued Liabilities and Funding Ratios; and (b) the advice of legal counsel.

- Transfers for health and welfare benefits as authorized under Government Code Section 31592.2.
- Transfers to employer advance reserves the amount needed to reduce or eliminate the employer and/or member cost-of-living contribution rate component for a period to be determined by the Board to the extent permitted under Govt. Code sec. 7522.52.
- Transfers to employer advance reserves under Government Code 31592.2 so as to reduce CCCERA's Unfunded Actuarial Accrued Liability.
- Transfers to a reserve or designation to pay ancillary benefits as permitted by law, including without limitation those provided in Government Code section 31683.
- Transfers to a reserve or designation for other uses as permitted by law.

Step 7 - Transfer Remaining Available Earnings to Unrestricted Designation

Any remaining Available Earnings will be transferred to the Unrestricted Designation.

DEFINITIONS:

Actuarially Assumed Investment Rate of Return: The expected investment earnings rate of return used in the annual actuarial valuation of the Plan, recommended to the Board by the Plan's actuary in an experience study and set by the Board.

Actuarial Value of Assets: The Market Value of Assets less deferred investment gains or losses as calculated under the Plan's actuarial asset smoothing method.

Available Earnings: The actual earnings of the Plan as determined based on the smoothed Actuarial Value of Assets and funds previously set aside in the Contingency Reserve.

Board: The CCCERA Board of Retirement.

Excess Earnings: Any Available Earnings remaining after the steps outlined in the Interest Crediting Policy have been completed.

Full Interest: The Actuarially Assumed Investment Rate of Return adopted by the Board for the subject fiscal year.

Market Value of Assets: An asset value where the full value of investment earnings is recognized in a year.

Valuation Reserves: Valuation reserves are used to determine the employers' and members' statutory contribution rates. The following reserves, as defined below, are considered Valuation Reserves into which earnings are credited at certain limits:

1. Member Deposits and Cost of Living Reserves are the reserves for all member contributions.
2. Employer Advance and Cost of Living Reserves are the reserves for statutorily determined contributions from all employers.
3. Retired Member and Cost of Living Reserves are the reserves for retirees. Funds from the Member Deposits and Cost of Living Reserves and the Employer Advance and Cost of Living Reserves attributable to a specific member are transferred to the Retired Member and Cost of Living Reserves when the member retires.
4. Contra Tracking Account is the reserve that tracks the amount of interest credited to the reserve accounts that has not been paid for out of current or Excess Earnings.
5. Dollar Power Cost of Living Supplemental Reserve is the reserve containing the balance of prior Available Earnings transfers made by the Board to provide Dollar Power Benefits.

Non-Valuation Reserves: These reserves are not used to determine employers' statutory contribution rates. The following reserves, as defined below, are considered Non-Valuation Reserves into which earnings are credited at certain limits:

1. Contingency Reserve is a statutorily defined reserve against deficiencies in earnings, losses on investments or other contingencies which, pursuant to Sections 31592 and 31592.2 of the CERL, must not be less than 1% of the actuarial value of assets.
2. Post Retirement/Death Benefit Reserve is the reserve for the balance of transfers from Excess Earnings and related earnings, less lump sum death benefit payments to beneficiaries of retirees.
3. Unrestricted Designation is the amount of Available Earnings remaining after the application of the Interest Crediting Policy and the Excess Earnings Policy
4. Total Deferred Return represents the unrecognized return after smoothing of investment gains and losses.

POLICY REVIEW

The Board of Retirement will review this Policy at least every three (3) years to ensure that it remains relevant and appropriate.

HISTORY

Excess Earnings Policy Adopted: 9/11/1990

Amended: 3/11/1997, 2/12/2002

Interest Crediting Policy Adopted: 2/12/2002

Amended: 6/11/2003

Redrafted and Amended Combined Policy Adopted: 5/17/2006

Amended: 9/22/2021, xx/xx/2023

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INTEREST CREDITING AND EXCESS EARNINGS POLICY

PURPOSE OF POLICY:

The purposes of this policy are to establish a methodology for:

- (1) crediting interest to contributions and reserves in the retirement system; and
- (2) administering the Excess Earnings, as defined, of the retirement system.

GOVERNING LAW:

CCCERA is governed by provisions of the County Employees' Retirement Law of 1937 ("CERL"), as well as other federal and state laws relating to public retirement systems. Pursuant to CERL, Govt' Code Section 31591, interest is to be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months immediately prior to that date.

CERL generally governs interest crediting and Excess Earnings. Various reserves and designations are established and maintained by the Board under procedures adopted by the Board pursuant to CERL.

GENERAL PRINCIPLES AND OBJECTIVES:

1. Determine "Available Earnings" according to the Actuarial Value of Assets methodology. Available Earnings on the Actuarial Value of Assets is equal to the expected earnings on a semi-annual basis consistent with the Board-adopted Actuarially Assumed Investment Rate of Return plus 10% of the market value gain or loss (relative to the respective Board-adopted Actuarially Assumed Investment Rate of Return) for each of the current and nine prior semi-annual accounting periods plus the balance in the Contingency Reserve(s) and Unrestricted Designation.
2. Credit interest on member accounts semi-annually as of each December 31st and the following June 30th and ~~December 31st~~ in equal amounts which when taken together and compounded are equal to the Board-adopted Actuarially Assumed Investment Rate of Return for ~~that fiscal year~~ the December 31st actuarial valuation preceding that July 1 through June 30 period. Specifically, triennially, the Board acts to adopt actuarial assumptions and methodologies for the actuary to use in preparing annual actuarial valuations effective as of the December 31st immediately preceding the date of adoption, and as of each December 31 thereafter until changed. The annual actuarial valuation includes an Actuarially Assumed Investment Rate of Return, which is used in turn to establish the rate at which interest will be credited semi-annually to system reserves, pursuant to CERL § § 31453 and 31454. The interest crediting rate so determined shall accrue to member account balances commencing as of July 1 immediately following the Board's initial adoption of the Actuarially Assumed Investment Rate of Return. The interest crediting rate for the first six month period of July 1 through December 31 shall be credited on December 31 of that calendar year, and on June 30th for the second six month period of January

1 to June 30 of the next succeeding calendar year. The interest rate credited twice for any 12-month period shall be in equal amounts which when taken together and compounded are equal to the Actuarially Assumed Investment Rate of Return for that period. The interest crediting rate shall remain effective unless and until the Board adopts a change in the Actuarially Assumed Investment Rate of Return, or acts otherwise to change the interest crediting rate.

3. Credit Available Earnings to remaining valuation and post-retirement death benefit reserves for the same periods and at the same crediting rates as set forth in Par. 2 above.~~as of June 30th and December 31st in equal amounts which when taken together and compounded are equal to the Board adopted Actuarially Assumed Investment Rate of Return for that fiscal year.~~
4. Maintain a Contra Tracking Account (“CTA”) to track any shortfalls of Available Earnings relative to earnings required to credit full interest to valuation and post-retirement death benefit reserves. Any such shortfalls will be funded from future Available Earnings as described in the next item.
5. Replenish shortfalls in the CTA and maintain the contingency reserves before deciding to use Available Earnings for any discretionary uses.
6. After crediting Full Interest to valuation and post-retirement death benefit reserves, use any remaining Available Earnings in the following order of priority:
 - a. Eliminate prior shortfalls of Available Earnings as tracked in the balance of the CTA by reducing the balance of the CTA to zero.
 - b. Bring the Statutory Contingency Reserve to 1% of total assets. This reserve is to be used as a reserve against deficiencies in interest, losses on investments and other contingencies.
 - c. Bring the Board Contingency Designation to the 1% level established by the Board. The Board Contingency Designation is to be used for those same purposes established for the Statutory Contingency Reserve (i.e., a deficiency in interest earnings, losses on investments and other contingencies.)
 - d. Consider granting new retiree Dollar Power Benefit to maintain retiree purchasing power at 80% level when established by Board and sufficiently funded pursuant to Government Code Section 31874.3(c).
 - e. Consider using Available Earnings to restore funding, as necessary, of benefits previously granted by the board of supervisors under Government Code section 31683 to CCCERA members who retired before January 1, 1983, and their surviving beneficiaries.
 - f. Consider the following discretionary uses of any remaining Available Earnings:
 - Payment of health and welfare benefits as authorized under Government Code Section 31592.2.
 - Transfer to employer advance reserves the amount needed to reduce or eliminate the employer and/or member cost-of-living contribution rate component for a period to be determined by the Board to the extent permitted under Govt. Code sec. 7522.52.

- Transfers to employer advance reserves under Government Code 31592.2, which may reduce CCCERA's Unfunded Actuarial Accrued Liability.
 - Transfers to a reserve or designation to pay ancillary benefits as permitted by law, including without limitation those provided in Government Code section 31683.
 - Transfers to a reserve or designation for other uses as permitted by law.
7. Any remaining Available Earnings will be transferred to the Unrestricted Designation.

INTEREST CREDITING POLICY:

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- a. Earnings of the retirement fund for the period based on Actuarial Value of Assets methodology, expressed in dollars. This could be a negative amount.
- b. Balance in the Unrestricted Designation
- c. Balance in any Board Contingency Designation
- d. Balance in the Statutory Contingency Reserve

Step 2 - Credit interest to Member Deposit and Member Cost of Living Reserves

Deduct this interest amount from Available Earnings. If this amount of interest is more than Available Earnings, charge the shortfall to the Contra Tracking Account.

Step 3 - Credit interest on all other Valuation Reserves and the Post Retirement Death Benefit Reserves

If Available Earnings is not sufficient, charge the shortfall to the Contra Tracking Account.

EXCESS EARNINGS POLICY:

Step 1 - Reduce the balance in the Contra Tracking Account to zero

Transfer from any remaining Available Earnings an amount to be applied to the balance in the Contra Tracking Account until the balance is zero.

Step 2 - Restore the Statutory Contingency Reserve

Transfer from any remaining Available Earnings into Statutory Contingency Reserve the amount required to maintain the Statutory Contingency Reserve balance at 1% of market value.

Step 3 - Restore Board Contingency Designation to 1%

Transfer any remaining Available Earnings into the Board Contingency Designation the amount required to maintain the Board Contingency Designation at 1% of market value.

Step 4 - Maintain retiree Dollar Power Benefit

Direct CCCERA’s actuary to determine the cost of fully funding retiree Dollar Power Benefits effective on a date to be determined by CCCERA’s Board, as required by Government Code Section 31874.3(c). The Board must also obtain: (a) from CCCERA’s actuary, an analysis of the impact of such actions on current and future annual costs, contribution rates, Unfunded Actuarial Accrued Liabilities and Funding Ratios; and (b) the advice of legal counsel. If remaining Available

Earnings are sufficient to fully fund the Dollar Power Benefits as of the date determined by the Board, the Board may, with the advice of the actuary and legal counsel, transfer any remaining Available Earnings into a reserve to maintain the retiree Dollar Power Benefits at the 80% purchasing power level.

Step 5 - Maintain funding of additional benefits previously granted by Board of Supervisors under Government Code section 31683

Direct CCCERA's actuary to determine whether the balance of funds previously transferred by the Board under Government Code section 31683 to fully fund the costs of additional benefits previously granted by the Board of Supervisors to pre-January 1, 1983 CCCERA retirees and their surviving beneficiaries are sufficient to maintain full funding of such benefits, and if not, to determine the cost to maintain full funding of those benefits. If an additional transfer of Available Earnings is necessary to fully fund the benefits, the Board must also obtain: (a) from CCCERA's actuary, an analysis of the impact of such actions on current and on future annual cost, on contribution rates, Unfunded Actuarial Accrued Liabilities and Funding Ratios; and (b) the advice of legal counsel. If remaining Available Earnings are available to maintain full funding of the Section 31683 benefits the Board may, with the advice of the actuary and legal counsel, transfer any remaining Available Earnings into the reserve created to fund such benefits.

Step 6 - Consider other discretionary uses

The Board may, in its discretion, consider any and all of the following uses of any remaining Available Earnings, which are not listed in order of priority. Prior to implementing any of the following options the Board must obtain: (a) from CCCERA's actuary, an analysis of the impact of such actions on current and future annual costs, on contribution rates, Unfunded Actuarial Accrued Liabilities and Funding Ratios; and (b) the advice of legal counsel.

- Transfers for health and welfare benefits as authorized under Government Code Section 31592.2.

- Transfers to employer advance reserves the amount needed to reduce or eliminate the employer and/or member cost-of-living contribution rate component for a period to be determined by the Board to the extent permitted under Govt. Code sec. 7522.52.

- Transfers to employer advance reserves under Government Code 31592.2 so as to reduce CCCERA's Unfunded Actuarial Accrued Liability.

- Transfers to a reserve or designation to pay ancillary benefits as permitted by law, including without limitation those provided in Government Code section 31683.

- Transfers to a reserve or designation for other uses as permitted by law.

Step 7 - Transfer Remaining Available Earnings to Unrestricted Designation

Any remaining Available Earnings will be transferred to the Unrestricted Designation.

DEFINITIONS:

Actuarially Assumed Investment Rate of Return: The expected investment earnings rate of return used in the annual actuarial valuation of the Plan, recommended to the Board by the Plan's actuary in an experience study and set by the Board.

Actuarial Value of Assets: The Market Value of Assets less deferred investment gains or losses as calculated under the Plan's actuarial asset smoothing method.

Available Earnings: The actual earnings of the Plan as determined based on the smoothed Actuarial Value of Assets and funds previously set aside in the Contingency Reserve.

Board: The CCCERA Board of Retirement.

Excess Earnings: Any Available Earnings remaining after the steps outlined in the Interest Crediting Policy have been completed.

Full Interest: The Actuarially Assumed Investment Rate of Return adopted by the Board for the subject fiscal year.

Market Value of Assets: An asset value where the full value of investment earnings is recognized in a year.

Valuation Reserves: Valuation reserves are used to determine the employers' and members' statutory contribution rates. The following reserves, as defined below, are considered Valuation Reserves into which earnings are credited at certain limits:

1. Member Deposits and Cost of Living Reserves are the reserves for all member contributions.
2. Employer Advance and Cost of Living Reserves are the reserves for statutorily determined contributions from all employers.
3. Retired Member and Cost of Living Reserves are the reserves for retirees. Funds from the Member Deposits and Cost of Living Reserves and the Employer Advance and Cost of Living Reserves attributable to a specific member are transferred to the Retired Member and Cost of Living Reserves when the member retires.
4. Contra Tracking Account is the reserve that tracks the amount of interest credited to the reserve accounts that has not been paid for out of current or Excess Earnings.
5. Dollar Power Cost of Living Supplemental Reserve is the reserve containing the balance of prior Available Earnings transfers made by the Board to provide Dollar Power Benefits.

Non-Valuation Reserves: These reserves are not used to determine employers' statutory contribution rates. The following reserves, as defined below, are considered Non-Valuation Reserves into which earnings are credited at certain limits:

1. Contingency Reserve is a statutorily defined reserve against deficiencies in earnings, losses on investments or other contingencies which, pursuant to Sections 31592 and 31592.2 of the CERL, must not be less than 1% of the actuarial value of assets.
2. Post Retirement/Death Benefit Reserve is the reserve for the balance of transfers from Excess Earnings and related earnings, less lump sum death benefit payments to beneficiaries of retirees.
3. Unrestricted Designation is the amount of Available Earnings remaining after the application of the Interest Crediting Policy and the Excess Earnings Policy
4. Total Deferred Return represents the unrecognized return after smoothing of investment gains and losses.

POLICY REVIEW

The Board of Retirement will review this Policy at least every three (3) years to ensure that it remains relevant and appropriate.

HISTORY

Excess Earnings Policy Adopted: 9/11/1990

Amended: 3/11/1997, 2/12/2002

Interest Crediting Policy Adopted: 2/12/2002

Amended: 6/11/2003

Redrafted and Amended Combined Policy Adopted: 5/17/2006

Amended: ~~9--/--22/2021~~, ~~xx/xx/2022~~³



Meeting Date
01/11/2023
Agenda Item
#14a.

MEMORANDUM

Date: January 11, 2023
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Pension administration system project update.

Background

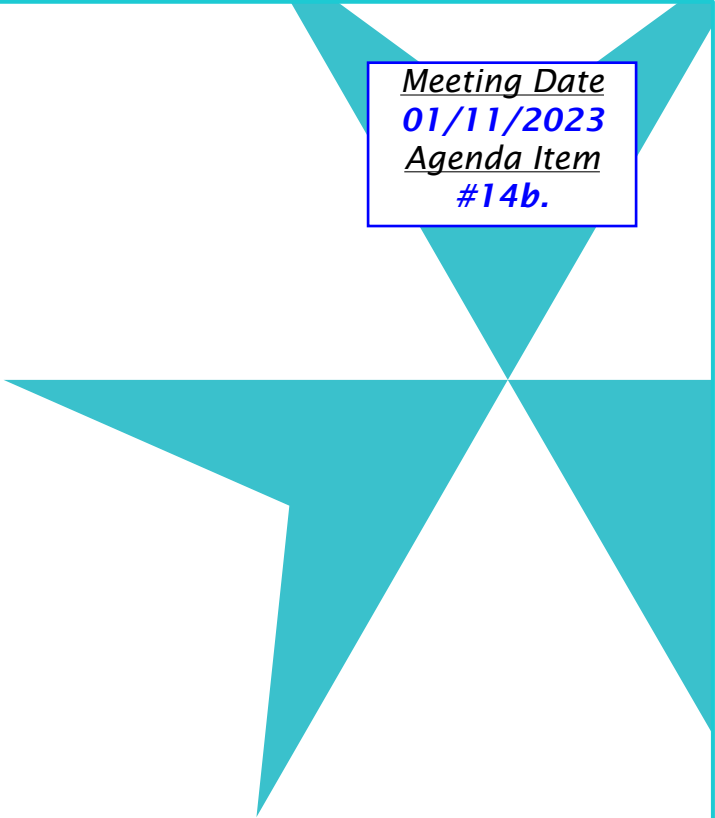
On April 14, 2021, the Board authorized the Chief Executive Officer to execute an agreement with Sagitec Solutions LLC (Sagitec) to provide pension administration system software, implementation, hosting and support services. CCCERA is continuing to work diligently with Sagitec. One change to note is that the start of User Acceptance Testing has moved from March 31 to April 3.

There will be a project update from:

- The Segal Group, Inc., Oversight Project Manager
- Icon
- Sagitec, PAS vendor

Recommendation

Informational only. No action is necessary at this time.



Meeting Date
01/11/2023
Agenda Item
#14b.

CCCERA Pension Administration System (PAS)
Modernization Project

Segal's Board Update

January 11, 2023

Board Recap as of November 02, 2022

- CCCERA, Segal and Sagitec provided an update to the CCCERA Board on **November 2, 2022**
- Overall CCCERA PAS Project from 38% to 46%
 - Phase 5 CORS Implementation from 37% to 45%
 - Implementation: Pilot 1 from 82% to 90%
 - Implementation: Pilot 2 from 11% to 23%
 - Implementation: Pilot 3 from 0% to 1%
- The project status remained Green as issues presented at the previous Board meeting have largely been mitigated and next steps have been approved in relation to the movement of non-core items to be released subsequent to the core items currently schedule for November 16, 2023, per the Sagitec Re-baselined Project Plan
- The Business Process Reengineering project regarding the Retirement Application Process continued to be closely monitored.
- Elaboration, data cleansing/conversion and methodology discussions are on-going and in various stages of review.

Board Update as of December 30, 2022

- The project team continues to use the Sagitec “Re-Baselined” Project Plan and project activities have continued and percent complete values have improved since the last Board update
 - Overall CCCERA PAS Project from 46% to 52%
 - Phase 5 CORS Implementation from 45% to 54%
 - Implementation: Pilot 1 from 90% to 96%
 - Implementation: Pilot 2 from 23% to 35%
 - Implementation: Pilot 3 from 1% to 16%
- The project status remains Green and remains aggressive as we approach key milestones scheduled for April 2023
 - Pilot 3 Elaboration and design to complete this month
 - Sample electronic contributions files expected from Pilot employers in March 2023
 - User Acceptance Testing is scheduled to begin in April 2023
- Data cleansing has achieved 98.1% cleansed. The remaining exceptions will be the more difficult items to resolve, and some will need to be addressed post go-live.

Board Update – Project Plan Review

Task Name	Baseline Start	Baseline Finish	Start	Finish	% Comp
▾ CCCERA Pension Administration System (PAS)	Mon 4/26/21	Tue 5/13/25	Mon 4/26/21	Tue 5/13/25	52%
Project Start	Mon 4/26/21	Mon 4/26/21	Mon 4/26/21	Mon 4/26/21	100%
▸ Phase 1 - Project Initiation and Start-up	Mon 4/26/21	Wed 6/23/21	Mon 4/26/21	Wed 6/23/21	100%
▸ Phase 2 - Hosting Environment Setup	Mon 4/26/21	Fri 7/23/21	Mon 4/26/21	Fri 7/23/21	100%
▸ Phase 3 - Requirements Confirmation	Mon 5/10/21	Fri 9/10/21	Mon 5/10/21	Fri 9/10/21	100%
▸ Phase 4: Imaging Implementation and Image Migration	Mon 12/6/21	Thu 9/1/22	Mon 12/6/21	Thu 10/20/22	100%
▸ Phase 5 - CORS Implementation	Mon 5/24/21	Thu 11/16/23	Mon 5/24/21	Thu 11/16/23	54%
▸ Phase 6 - Member/Retiree Self Service Rollout	Mon 11/7/22	Wed 2/14/24	Wed 2/8/23	Wed 2/14/24	0%
▸ Phase 7 - Post Implementation Support	Thu 11/16/23	Mon 5/13/24	Thu 11/16/23	Mon 5/13/24	0%
▸ Phase 8 - Warranty	Fri 2/16/24	Tue 5/13/25	Fri 2/16/24	Tue 5/13/25	0%

Information extracted as of 12/30/22

Board Update – Project Plan Review

Task Name	Baseline Start	Baseline Finish	Start	Finish	% Comp	Predecessors
▸ Implementation: Pilot 1	Thu 7/22/21	Fri 3/3/23	Thu 7/22/21	Fri 3/31/23	96%	
▸ Elaboration and Design Phase: Pilot 1	Mon 8/16/21	Fri 8/5/22	Mon 8/16/21	Fri 8/5/22	100%	
▸ Development Phase: Pilot 1	Fri 10/1/21	Fri 9/23/22	Fri 10/1/21	Fri 12/2/22	100%	
▸ Data Conversion Phase: Pilot 1	Thu 7/22/21	Mon 8/29/22	Thu 7/22/21	Tue 10/18/22	99%	
▸ Quality Assurance Phase: Pilot 1	Wed 9/29/21	Thu 2/23/23	Wed 9/29/21	Thu 3/23/23	83%	
▸ Pilot Demonstration	Fri 2/24/23	Fri 3/3/23	Fri 3/24/23	Fri 3/31/23	0%	
Pilot 1 Implementation Complete	Fri 3/3/23	Fri 3/3/23	Fri 3/31/23	Fri 3/31/23	0%	697
▸ Implementation: Pilot 2	Tue 5/31/22	Wed 6/21/23	Tue 5/31/22	Wed 7/26/23	35%	
▸ Elaboration and Design Phase: Pilot 2	Tue 5/31/22	Mon 10/24/22	Tue 5/31/22	Thu 12/1/22	100%	
▸ Development Phase: Pilot 2	Tue 7/5/22	Thu 12/22/22	Tue 7/5/22	Tue 3/21/23	38%	
▸ Data Conversion Phase: Pilot 2	Tue 8/23/22	Wed 6/21/23	Thu 9/1/22	Wed 7/26/23	4%	
▸ Quality Assurance Phase: Pilot 2	Thu 6/30/22	Mon 4/24/23	Thu 6/30/22	Thu 7/13/23	6%	
▸ Pilot Demonstration	Tue 4/25/23	Tue 5/2/23	Fri 7/14/23	Fri 7/21/23	0%	
Pilot 2 Implementation Complete	Tue 5/2/23	Tue 5/2/23	Fri 7/21/23	Fri 7/21/23	0%	1103
▸ Implementation: Pilot 3	Mon 9/26/22	Mon 10/2/23	Mon 10/10/22	Thu 11/2/23	16%	
▸ Elaboration and Design Phase: Pilot 3	Mon 9/26/22	Fri 2/3/23	Mon 10/10/22	Wed 2/8/23	83%	
▸ Development Phase: Pilot 3	Fri 12/23/22	Wed 5/31/23	Tue 11/15/22	Tue 5/2/23	0%	
▸ Data Conversion Phase: Pilot 3	Thu 6/22/23	Mon 10/2/23	Mon 7/3/23	Thu 11/2/23	0%	
▸ Quality Assurance Phase: Pilot 3	Wed 12/14/22	Thu 8/24/23	Tue 1/10/23	Mon 8/14/23	0%	
▸ Pilot Demonstration	Fri 8/25/23	Fri 9/1/23	Mon 8/14/23	Tue 8/22/23	0%	
Pilot 3 Implementation Complete	Fri 9/1/23	Fri 9/1/23	Tue 8/22/23	Tue 8/22/23	0%	1382

Information extracted as of 12/30/2022

Questions...?





ICON Integration &
Design, Inc.

the data experts ...

Data Quality and Conversion/Migration Status Summary Report

CCCERA DATA CLEANSING SUMMARY

Data Level	Original Issue Count	Current Issue Count	Number of Cleansed Records
Demographics / Foundation	56,872	2,899	53,973
Employment History	14,088	9,581	4,507
Contribution History	3,795,968	559,363	3,236,605
Service Credit History	16,472	470	16,002
Member Benefit History	3,530	2,148	1,382
Beneficiary Benefit History	14,307	14,096	211
Insurance History	10,282	10,372	(90)
Other / Misc	1	-	1
Totals	3,911,520	598,929	3,312,591

CCCERA DATA QUALITY STATUS SUMMARY

Data Level	Total Number of Legacy Records	Percentage of High Quality Data
Demographics / Foundation	1,147,592	99.75%
Employment History	415,192	97.67%
Contribution History	20,453,306	97.26%
Service Credit History	4,959,849	99.99%
Member Benefit History	2,533,856	99.92%
Beneficiary Benefit History	2,482,248	99.43%
Insurance History	10,287	-1.51%
Other / Misc	14,815	100.00%
Totals	32,017,145	98.13%

CCCERA Online Retirement System Project Implementation Progress

January 11, 2023

- Project Overall Performance
- Project Progress
- Planned Milestones/Deliverables (For Next Period)
- Project Schedule/Resources

Project Overall Performance

Project Phase	Initial Planned Completion Percentage	Actual Completion Percentage
Overall Status	58%	52%
Phase-1 Project Startup & Planning	100%	100%
Phase-2 Hosting Infrastructure Setup	100%	100%
Phase-3 Requirements Confirmation	100%	100%
Phase-4 Imaging Implementation and Image Migration	100%	100%
Phase-5 Line Of Business (LOB) Implementation	62%	54%

Project Go-Live dates	Original Baseline	Re-Baselined
PAS Go Live (Line of Business Solution)	09/05/2023	11/16/2023
Member Self Service Go Live	01/08/2024	02/14/2024

Project Progress

Phase 1 – Project Initiation & Startup – Completed 100%

Phase 2 – Hosting Environment Setup – Completed 100% (Non-Production/UAT)

Phase 3 – Requirements Confirmation – Completed 100%

Phase 4 – Imaging Implementation and Image Migrations – Completed 100%

Phase 5 – PAS Implementation – Completed 54%

Phase 5 – PAS Implementation

➤ Pilot 1 – Membership Related Functionality

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	10	10	0	0
Configuration/Development	10	10	0	0
Data Conversion ¹	9	9	0	0
Testing	10	7	3	0

1 – Includes 4 modules not needing conversion

➤ Pilot 2 – Benefit Calculation and Pension Payment Related Functionality

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	8	8	0	0
Configuration/Development	8	2	3	3
Data Conversion	8	0	3	5
Testing	8	0	3	5

2 – One module does not need conversion

Phase 5 – PAS Implementation (contd)

➤ Pilot 3 – Benefit Adjustments, Annual Processes and Tax Reporting

Pilot Stages	Modules Planned	Modules Completed	Modules in Progress	Modules Not Started
Elaboration and Design	6	4	2	0
Configuration/Development	6	0	0	6
Data Conversion ¹	8	0	0	8
Testing	6	0	0	6

1 – Includes 4 modules not needing conversion

Planned Milestones/Deliverables For Next Period

➤ Phase 5

- Pilot 1
 - Completion of the Quality Assurance of Modules – Regression and Integration testing
- Pilot 2
 - Completion of the Configuration of the remaining 6 modules
 - Completion of Data Mapping and Conversion Scripting of 5 modules
 - Completion of unit testing of all modules and system testing of 5 modules
- Pilot 3
 - Completion of the Elaboration and Design all the 6 modules
- Pilot 4
 - Initiation of the Elaboration and Design of all of the 3 modules in the Pilot

Project Schedule/Resources

- No changes or effects on the Project Schedule.
- No changes to the key project Personnel.



Thank You

ANNUAL FIDUCIARY EDUCATION

Board of Retirement
Contra Costa County
Employees' Retirement
Association

January 11, 2023

Maytak Chin
Harvey L. Leiderman
Reed **Smith** LLP



FIVE FUNDAMENTAL FIDUCIARY DUTIES

- Primary Loyalty Rule
- Exclusive Benefit Rule
- Duty of Prudence
- Duty to Diversify
- Follow the Plan



FUNDAMENTAL FIDUCIARY DUTIES

1. **Primary Loyalty Rule** – Duty to act in the best interests of the members and beneficiaries, not to promote personal or others' interests (this duty takes precedence over all others).
2. **Exclusive Benefit Rule** – Duty to use plan assets only to pay benefits and reasonable administrative expenses.
3. **Duty of Prudence** – You must exercise the care and skill of a knowledgeable, prudent person charged with similar duties under similar circumstances. And to assure the competency of the assets of the trust.

FUNDAMENTAL FIDUCIARY DUTIES

4. **Diversification** – Duty to diversify the portfolio of investments so as to minimize risk and maximize return, unless clearly not prudent to do so.
5. **Follow the Plan Documents** – Duty to administer the Plan in accordance with the Plan documents – including the Constitution, the CERL, IRC and regulations, Board regulations, charters and policies.
 - Important: The Board is not responsible for plan design; rather, plan *administration*

YOUR SINGULAR DUTY OF LOYALTY:
TO SOME BUT NOT ALL
CCCERA'S "STAKEHOLDERS"

Members & Beneficiaries

County and Districts

Unions

Retiree Organizations

General Public, Taxpayers

Consultants, vendors

WHAT DOES IT MEAN TO BE LOYAL?

- An “interested” board, not a “representative” one
- A constituency of one – members/beneficiaries
- Avoid conflicts of interest – strongest loyalty test
 - Serving others’ interests
 - Personal financial interests
 - Accepting gifts that could influence you
 - Disclose any conflicts, recuse if necessary
 - You owe a duty to your colleagues, too!

ONE COURT SAYS IT ALL

The fiduciary provisions of trust law were designed to prevent a trustee from being put in a position where he has dual loyalties, and therefore, he cannot act exclusively for the benefit of a plan's participants and beneficiaries. An employee benefit fund trustee is a fiduciary whose duty to the trust beneficiaries must overcome any loyalty to the interest of the party that appointed him. Thus, the statutes defining the duties of a management-appointed trustee make it virtually self-evident that trustees are not representatives.

* * *

There is a distinction between the process by which a person is appointed to office and the manner in which he performs that office after he has been appointed.

NLRB v. Amax Coal Co., 433 U. S. 322 (1981)

ANOTHER SUPREME COURT SAYS IT, TOO

“[A] person cannot serve two masters simultaneously. ... If a public official is pulled in one direction by his financial interest and in another direction by his official duties, **his judgment cannot and should not be trusted, even if he attempts impartiality.** ... Where a prohibited interest is found, ... the official ... is subject to a host of civil and (if the violation was willful) criminal penalties, including imprisonment and disqualification from holding public office in perpetuity.”

Lexin v. Superior Court (2010) 47 Cal.4th 1050

WHAT ELSE DOES IT MEAN TO BE “LOYAL”?

- Impartiality – treating all members fairly
 - Active and retired members may have different interests
 - Work to balance all members’ interests
 - Strive to be fair over the long run (goal: “inter-generational equity”)
 - Allowed discretion recognizes how difficult this balance can be to achieve

WHAT DOES IT MEAN TO BE PRUDENT?

- Deliberative process matters more than results
- Heightened prudence standard - you are expected to be “knowledgeable”
- Duty to delegate: If you don’t have the expertise, go out and get it
- Monitor and make adjustments if needed
- No liability for breach of fiduciary duty, so long as the board acts in a prudent manner

ANOTHER COURT SAYS IT ALL

A fiduciary's investments are prudent if s/he has given appropriate consideration to those facts and circumstances that are relevant to the particular investment involved and has acted accordingly. Appropriate consideration includes a determination by the fiduciary that the particular investment is reasonably designed to further the purposes of the plan, **taking into consideration the risk of loss and the opportunity for gain, in addition to consideration of the portfolio's diversification, liquidity, and projected return relative to the plan's funding objectives.** In addition, under trust law, a fiduciary normally has a continuing duty of some kind to monitor investments and remove imprudent ones.

The test for determining whether a fiduciary has satisfied his duty of prudence is whether the individual trustees, **at the time they engaged in the challenged transactions, employed the appropriate methods** to investigate the merits of the investment and to structure the investment.

In other words, we must focus on whether the fiduciary engaged in a **reasoned decision-making process**, consistent with that of a prudent person acting in a like capacity. Courts have readily determined that fiduciaries who act reasonably - i.e., who appropriately investigate the merits of an investment decision prior to acting - easily clear this bar.

Pfeil v. State Street Bank and Trust Co. 806 F. 3d 377 (6th Cir. 2015)

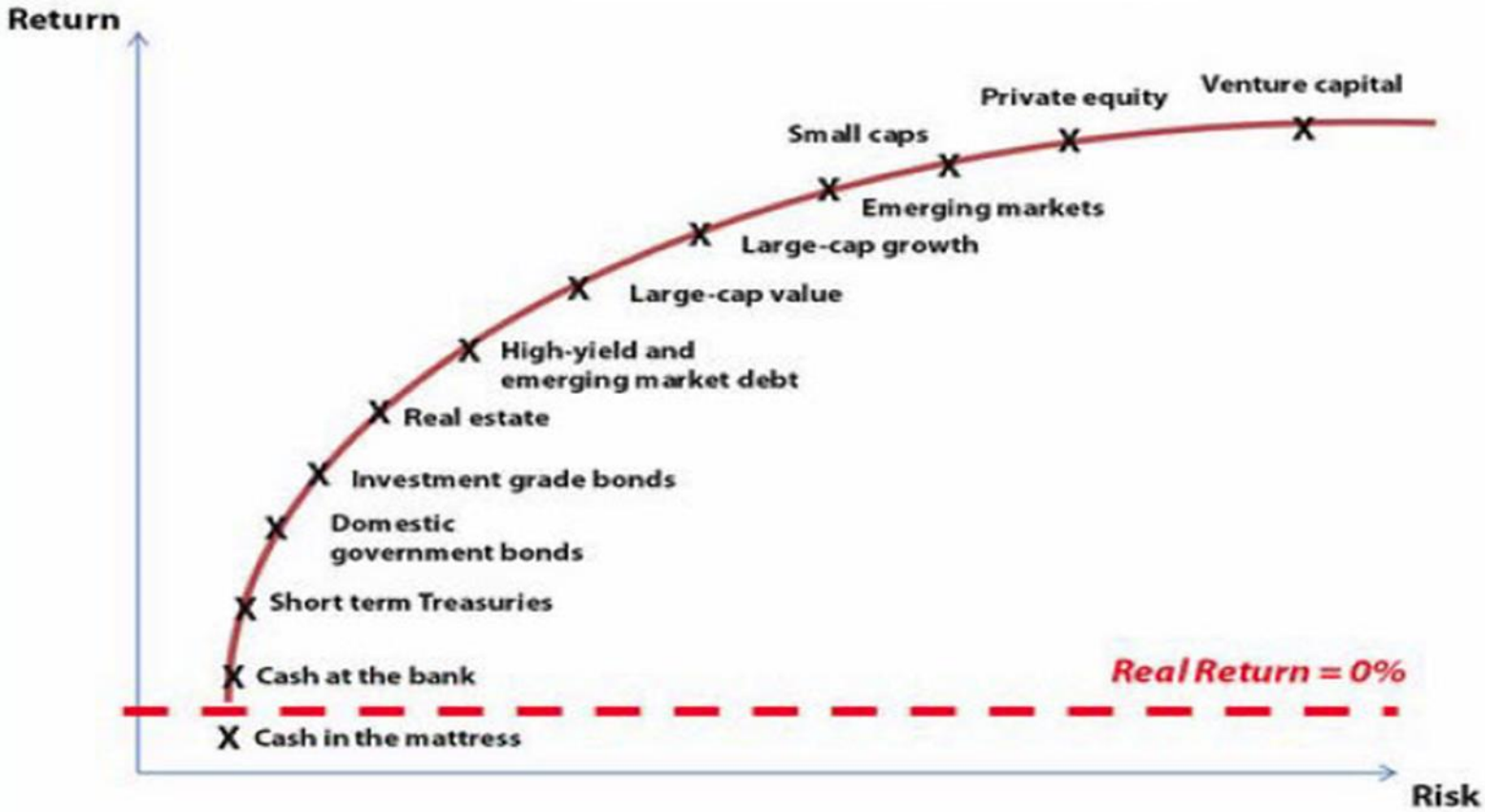
TO ESTABLISH PRUDENCE, GO TO SCHOOL ON *O'NEAL V. STANCERA*

- When faced with a key decision, the sound exercise of discretion includes:
 - Seek expert advice from actuaries, counsel, consultants
 - Hold open and public meetings
 - Invite all stakeholders to participate
 - Gather all relevant facts and consider all reasonable options
 - Remember your primary duty of loyalty to members
 - Document and record all proceedings

WHY A DUTY TO DIVERSIFY?

- Proposition 21 (1984) – public pension funds first allowed to invest in equities
- Diversification prevents “gambling in the markets” with imprudent risk-taking
- Only if diversification is “clearly imprudent” may you do otherwise

MODERN PORTFOLIO THEORY



MODERN PORTFOLIO REALITY

The Callan Periodic Table of Investment Returns

Annual Returns for Key Indices Ranked in Order of Performance (2002–2021)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gbl ex-U.S. Fixed Income 22.37%	Emerging Market Equity 66.82%	Real Estate 37.96%	Emerging Market Equity 34.05%	Real Estate 42.12%	Emerging Market Equity 39.33%	U.S. Fixed Income 6.24%	Emerging Market Equity 79.51%	Small Cap Equity 29.85%	U.S. Fixed Income 7.84%	Real Estate 27.73%	Small Cap Equity 39.82%	Real Estate 16.02%	Large Cap Equity 1.33%	Small Cap Equity 21.31%	Emerging Market Equity 37.23%	Cash Equivalent 1.87%	Large Cap Equity 31.49%	Small Cap Equity 19.98%	Large Cap Equity 28.71%
U.S. Fixed Income 10.28%	Small Cap Equity 47.25%	Emerging Market Equity 25.65%	Real Estate 16.36%	Emerging Market Equity 32.17%	Dev ex-U.S. Equity 12.44%	Gbl ex-U.S. Fixed Income 4.39%	High Yield 68.21%	Real Estate 19.93%	High Yield 4.98%	Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.89%	U.S. Fixed Income 0.65%	High Yield 17.13%	Dev ex-U.S. Equity 24.21%	U.S. Fixed Income 0.01%	Small Cap Equity 25.62%	Large Cap Equity 18.40%	Real Estate 28.09%
Real Estate 2.82%	Real Estate 40.88%	Dev ex-U.S. Equity 20.38%	Dev ex-U.S. Equity 14.47%	Dev ex-U.S. Equity 25.71%	Gbl ex-U.S. Fixed Income 11.03%	Cash Equivalent 2.09%	Real Estate 37.13%	Emerging Market Equity 18.85%	Gbl ex-U.S. Fixed Income 4.38%	Dev ex-U.S. Equity 18.41%	Dev ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Cash Equivalent 0.05%	Large Cap Equity 11.99%	Large Cap Equity 21.83%	High Yield -2.08%	Dev ex-U.S. Equity 22.48%	Emerging Market Equity 18.31%	Small Cap Equity 14.82%
Cash Equivalent 1.78%	Dev ex-U.S. Equity 39.42%	Small Cap Equity 18.33%	Large Cap Equity 4.91%	Small Cap Equity 18.37%	U.S. Fixed Income 8.97%	High Yield -28.16%	Dev ex-U.S. Equity 33.97%	High Yield 15.12%	Large Cap Equity 2.11%	Small Cap Equity 18.35%	High Yield 7.44%	Small Cap Equity -4.89%	Real Estate -0.79%	Emerging Market Equity 11.19%	Small Cap Equity 14.85%	Gbl ex-U.S. Fixed Income -2.15%	Real Estate 21.91%	Gbl ex-U.S. Fixed Income 10.11%	Dev ex-U.S. Equity 12.82%
High Yield -1.37%	High Yield 28.97%	Gbl ex-U.S. Fixed Income 12.64%	Small Cap Equity 4.65%	Large Cap Equity 16.79%	Large Cap Equity 6.49%	Small Cap Equity -33.79%	Small Cap Equity 27.17%	Large Cap Equity 16.06%	Cash Equivalent 0.10%	Large Cap Equity 18.00%	Real Estate 3.87%	High Yield 2.45%	Dev ex-U.S. Equity -3.04%	Real Estate 4.08%	Gbl ex-U.S. Fixed Income 10.61%	Large Cap Equity -4.38%	Emerging Market Equity 18.44%	Dev ex-U.S. Equity 7.69%	High Yield 6.29%
Emerging Market Equity -8.18%	Large Cap Equity 28.88%	High Yield 11.13%	Cash Equivalent 3.07%	High Yield 11.85%	Cash Equivalent 6.09%	Large Cap Equity -37.00%	Large Cap Equity 28.47%	Dev ex-U.S. Equity 8.95%	Small Cap Equity -4.18%	High Yield 16.81%	Cash Equivalent 0.97%	Cash Equivalent 0.93%	Small Cap Equity -4.41%	Dev ex-U.S. Equity 2.75%	Real Estate 10.38%	Real Estate -5.93%	High Yield 14.32%	U.S. Fixed Income 7.61%	Cash Equivalent 0.95%
Dev ex-U.S. Equity -15.89%	Gbl ex-U.S. Fixed Income 19.38%	Large Cap Equity 10.88%	High Yield 2.74%	Gbl ex-U.S. Fixed Income 8.18%	High Yield 1.87%	Dev ex-U.S. Equity -43.68%	Gbl ex-U.S. Fixed Income 7.63%	U.S. Fixed Income 8.64%	Real Estate -8.48%	U.S. Fixed Income 4.21%	U.S. Fixed Income -2.82%	Emerging Market Equity -2.19%	High Yield -4.47%	U.S. Fixed Income 2.86%	High Yield 7.69%	Small Cap Equity -11.01%	U.S. Fixed Income 8.72%	High Yield 7.11%	U.S. Fixed Income -1.64%
Small Cap Equity -28.48%	U.S. Fixed Income 4.19%	U.S. Fixed Income 4.34%	U.S. Fixed Income 2.43%	Cash Equivalent 4.85%	Small Cap Equity -1.57%	Real Estate -48.21%	U.S. Fixed Income 6.93%	Gbl ex-U.S. Fixed Income 4.95%	Dev ex-U.S. Fixed Income -12.21%	Gbl ex-U.S. Fixed Income 4.98%	Emerging Market Equity -2.80%	Gbl ex-U.S. Fixed Income -3.09%	Gbl ex-U.S. Fixed Income -8.02%	Gbl ex-U.S. Fixed Income 1.49%	U.S. Fixed Income 3.64%	Dev ex-U.S. Equity -14.09%	Gbl ex-U.S. Fixed Income 6.09%	Cash Equivalent 0.87%	Emerging Market Equity -2.64%
Large Cap Equity -22.10%	Cash Equivalent 1.15%	Cash Equivalent 1.33%	Gbl ex-U.S. Fixed Income -8.65%	U.S. Fixed Income 4.33%	Real Estate -7.39%	Emerging Market Equity -53.33%	Cash Equivalent 0.21%	Cash Equivalent 0.19%	Emerging Market Equity -18.42%	Cash Equivalent 0.11%	Gbl ex-U.S. Fixed Income -3.08%	Dev ex-U.S. Equity -4.32%	Emerging Market Equity -14.82%	Cash Equivalent 0.33%	Cash Equivalent 0.89%	Emerging Market Equity -14.67%	Cash Equivalent 2.29%	Real Estate -8.04%	Gbl ex-U.S. Fixed Income -7.05%

The Callan Periodic Table of Investment Returns conveys the strong case for *diversification* across asset classes (stocks vs. bonds), capitalizations (large vs. small), and equity markets (U.S. vs. global ex-U.S.). The Table highlights the uncertainty inherent in all capital markets. Rankings change every year. Also noteworthy is the difference between absolute and relative performance, as returns for the top-performing asset class span a wide range over the past 20 years.

A printable copy of *The Callan Periodic Table of Investment Returns* is available on our website at callan.com/periodic-table/.

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- Fiduciary trustees are administrators, not designers. Must strictly follow terms of the trust, unless unlawful, and unless granted discretion
- Our plan documents include Constitution, Codes, Regulations, IRS law and regulations, CCCERA Policies...
- CCCERA is a tax-exempt governmental plan, IRS requires strict adherence to maintain the exemption
- Operational errors must be corrected, even if painful for members who relied on the errors
- Law provides great latitude to correct past and future errors to assure compliance with the plan

“HOT BUTTON” ISSUES THAT MAY TEST YOUR FIDUCIARY COMMITMENT



- Funding decisions that impact employer and employee contribution rates and budgets
- Paying for “alpha” you don’t get (Warning: the threat of fee litigation is real!)
- Integrating ESG/DE&I values with investment decisions
- Relative peer performance

QUESTIONS?

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION**
Code of Fiduciary Conduct and Ethics
Adopted 7/23/03

WHEREAS, the National Conference on Public Employee Retirement Systems has published NCPERS' Model Code of Ethics, the Guiding Principles of which are as follows:

1. Service to the beneficiaries of public pension funds is the primary function of public pension fund trustees.
2. The beneficiaries of public pension funds are sovereign and the trustees of those funds are ultimately responsible to them.
3. In those situations where the law is not clear, the best interests of the fund beneficiaries must be served. Conscience is critical. Good ends never justify unethical means.
4. Efficient and effective administration and investment management is basic to public pension funds. Misuse of influence, fraud, waste or abuse is unacceptable conduct.
5. Safeguarding the trust of fund beneficiaries is paramount. Conflicts of interest, bribes, gifts or favors which subordinate fund trustees to private gains are unacceptable.
6. Service to public pension fund beneficiaries demands special sensitivity to the qualities of justice, courage, honesty, equity, competence and compassion.
7. Timely and energetic execution of fiduciary responsibilities is to be pursued at all times by pension fund trustees.

WHEREAS, the Political Reform Act of 1974 and Government Code section 1090 set forth specific circumstances which require public officials to disqualify themselves from making, participating in, or attempting to influence governmental decisions which may affect any of their financial interests.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Contra Costa County Employees' Retirement Association (the "Board") hereby adopts the following Code of Fiduciary Conduct and Ethics:

PREAMBLE

The Contra Costa County Employees' Retirement Association ("CCCERA") is a public pension plan organized under the County Employees Retirement Law of 1937. (California Government Code Section 31450, et seq.)

The management of CCCERA is vested in the Retirement Board.

Each member of CCCERA's Board shall discharge his or her duties with respect to the system solely in the interests of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system, with the duty to the participants and beneficiaries taking precedence over any other duty. (California Constitution Article XVI, Section 17(b).)

The members of CCCERA's Board are mindful of the positions of trust and confidence held by them. They adopt this Code to ensure the proper administration of CCCERA, and to foster unquestioned public confidence in CCCERA's institutional integrity as a prudently managed and fiduciarily governed public pension system.

CCCERA's *Code of Fiduciary Conduct and Ethics* provides a fiduciary framework for the proper conduct of CCCERA's affairs.

1. Fiduciary Duties.

Each member of CCCERA's Board shall execute their duties as set forth in the County Employees' Retirement Law of 1937, as amended, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

Each member of CCCERA's Board shall diligently attend to the business of the Board and shall not leave to other Board members control over the administration of the affairs of the Board.

Each member of CCCERA's Board shall comply with CCCERA's *Code of Fiduciary Conduct and Ethics*.

2. Fiduciary Conflicts of Interest.

Each member of CCCERA's Board shall abide by the provisions of California Government Code Sections 1090 et seq., which prohibit Board Members from being financially interested, directly or indirectly, in any contract made by the Board.

Each member of CCCERA's Board shall abide by the provisions of the Political Reform Act, Government Code sections 81000, et seq, including section 87100 which prohibits Board Members from making, participating in making, or using their positions to influence Board and Association decisions in which they have a financial interest.

No member of CCCERA's Board shall engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, or in conflict with, his or her duties as a member of CCCERA's Board, or with the duties, functions, or responsibilities of CCCERA's Board.

No member of CCCERA's Board shall perform any work, service, or counsel for compensation outside his or her Board responsibilities where any part of his or her efforts will be subject to approval by any other members of the Board on which he or she serves.

Each member of CCCERA's Board shall abide by the provisions of California Government Code Sections 87200 et seq., which require the public disclosure of economic interests as prescribed therein.

In keeping with the provisions of the Government Code, a member of CCCERA's Board shall not become an endorser, surety, or obligor on, or have any personal interest, direct or indirect, in the making of any investment for the Board, or in the gains or profits accruing therefrom. These people are prohibited from having any financial interest in any contract made by them in their official capacity and from making or influencing official decisions in which they have a financial interest.

Each member of CCCERA's Board shall strive to avoid activities which may impair the ability to exercise independent judgment in the discharge of official duties.

In order to maintain the highest standards of conduct and ethics above the minimum requirements of the California Government Code and to avoid even the appearance of a conflict of interest, each member of CCCERA's Board should conduct official and private affairs so as to avoid giving rise to a reasonable conclusion that he or she can be improperly influenced in the performance of his or her public duty.

Members of the CCCERA Board shall be accountable for recognizing a potential or actual conflict of interest and for disqualifying themselves from making, participating in, or attempting to influence Board decisions which may affect any of their financial interests. Immediately prior to the Board's consideration of the matter, a Member shall publicly disclose the actual or potential conflict in detail sufficient to be understood by the public, recuse himself or herself from acting on the matter, and, except in the case of consent agenda items, leave the room until the matter is concluded. Disclosure during Board meetings may be made 1) orally or 2) by handing a written statement to the Chair of the CCCERA Board, with a

copy to all trustees and the Retirement Administrator. Such a disclosure shall be reflected in the official record of the meeting.

3. Limitations on Gifts, Honoraria and Personal Loans; and Disclosure of Gifts on the Record.

Each member of CCCERA's Board and designated staff shall comply with the gift limitation provisions and the prohibition on acceptance of honoraria under California Government Code Sections 89500 et seq.

Each member of CCCERA's Board and designated staff shall abide by the loan limitation provisions of California Government Code Sections 87460 et seq., which prohibits receiving personal loans from any officer, employee, member, consultant, or contractor with the CCCERA.

In addition to the minimum gift limitation requirements of California Government Code Sections 89500 et seq., CCCERA Board Members shall not accept or solicit gifts, favors, services or promises of future benefits which might compromise or impair the Board Member's exercise of independent judgment, or which the Board Member knows, or should know, are being offered with the intent to influence that Board Member's official conduct.

If a Board Member or designated staff has received gifts of \$75.00 or more in the current calendar year from a person, firm or entity conducting business or seeking to conduct business with the CCCERA Board, immediately before the Board considers an item involving that donor, the Board Member or designated staff shall disclose on the record the receipt of the gift(s), the donor's name, and the nature and value of the gift(s).

If CCCERA has received a gift(s) (i.e., of travel, admission to seminars, tickets to events, use of sporting facilities, entertainment) of \$75.00 or more in the current calendar year from a person, firm or entity, at the time the Board considers assignment to a particular Board Member or designated staff, the Retirement Administrator shall disclose on the record the original donor's name, and the nature and value of the gift(s).

4. Contacts with Vendors, Consultants and Advisors.

- (a) **Prospective Vendors, Consultants and Advisors.** During the time when the CCCERA is in the process of selecting a vendor, consultant or advisor (a "service provider"), no member of the CCCERA Board or staff shall accept any gifts, favors, or services from any current or prospective service provider that the Board Member or staff knows has responded to a Request for Proposal, or is otherwise a candidate in a non-RFP selection process. During the time when CCCERA is in the process of selecting a vendor, consultant or advisor, no member of the CCCERA Board or staff shall accept any gift, benefit or service from CCCERA if it was donated to CCCERA by a current or prospective service provider that the Board or

staff knows has responded to a Request for Proposal, or is otherwise a candidate in a non-RFP selection process. Furthermore, each member of the Board shall refrain from any discussions with any current or prospective service provider who is a finalist in the selection process regarding the Request for Proposal outside of an open public meeting, other than as part of a regularly scheduled interview during the selection process.

- (b) **Existing Vendors, Consultants and Advisors.** Business meetings and discussions, including meetings which include meals, with current vendors, consultants and advisors (“service providers”) may provide useful information of benefit to the Board member, and are not prohibited by this *Code of Fiduciary Conduct and Ethics*.

5. Use of CCCERA Resources and Facilities for Private Gain.

No member of the CCCERA Board shall use Board consultants or staff, or CCCERA facilities, equipment, materials or supplies for any purpose other than the discharge of his or her responsibilities to the retirement system.

6. Use of Official Position.

No CCCERA Board member shall use his or her Board position either to negotiate on behalf of the CCCERA Board outside of any process established for that purpose or to become involved in personnel matters. Furthermore, no Board member shall use his or her official position to secure a special privilege or exemption for himself or herself or on behalf of others.

7. Confidential Information.

No member of the CCCERA Board shall obtain or use for personal reasons or for private gain any confidential information acquired as a result of his or her position as a member of the Board.

Each Board Member shall abide by the provisions of Government Code section 54963, which prohibits the disclosure of confidential information acquired during authorized closed sessions.

8. Conduct at Retirement Board Meetings.

The CCCERA Board shall provide fair and equal treatment for all persons and matters coming before the Board or any Board committee.

Board members shall listen courteously to all discussions at meetings and avoid interrupting other speakers, including other Board members, staff or committee members, except as may be permitted by established Rules of Order.

Board members shall refrain from abusive or disruptive conduct, personal charges or verbal attacks upon the character, motives, ethics, or morals of others.

9. Communications with Service Providers and other Non-CCCERA Persons and Entities.

A Board member shall be respectful of the Board and its decisions in all external communications, even if he or she disagrees with such decision.

Board members shall indicate when they are speaking in a capacity as a member of the CCCERA Board or in another capacity in their external communications.

A Board member shall not correspond with a non-CCCERA person or entity using CCCERA letterhead or as a spokesperson on behalf of the Board unless the communication is authorized by the Board.

Copies of all written communications from a Board member to a current service provider (vendor, consultant or advisor), or person or entity related to a current service provider, relating to CCCERA's business (other than purely personal or social correspondence) shall be provided to the CCCERA Administrator for subsequent distribution to all members of the Board.

A copy of any written business related communication (other than routine announcements, generally distributed newsletters, and similar material) received by a Board member from a current CCCERA service provider, or person or entity related to a current service provider, and not received by any other Board Member, shall be forwarded to the CCCERA Administrator for subsequent distribution to all members of the Board.

10. Communications with Plan Members.

Board members shall be aware of the risk of communicating inaccurate information to plan members (both active members and retirees), and the potential exposure to liability and possible harm to a plan member that may result from such miscommunications.

Board members shall mitigate the risk of miscommunication with plan members and thereby avoid creating additional plan liability by refraining from providing specific advice or counsel with respect to the rights or benefits to which a plan member may be entitled under the CCCERA plan. **To that end, any Board member communication to three or more members of the public should include the following disclaimer: "The following statement has not been authorized by CCCERA or its Board. It reflects the personal views of the author and should not be construed as an official statement of CCCERA or its Board. Additionally, members of CCCERA should not rely on any factual information contained in the following statement when making retirement related decisions. All inquires relating to a member's retirement should be directed to the CCCERA staff."**

Where explicit advice or counsel, with respect to retirement plan provisions, policies or benefits is needed, Board members will refer inquiries to the CCCERA Administrator or appropriate designee.

11. Non-Compliance Sanctions.

Violation of this *Code of Fiduciary Conduct and Ethics* is grounds to remove the offender from the position of Chair or Vice-Chair of the CCCERA Board, or from any other assignment on behalf of the Board, and may also subject the offender to censure by the Board. The Board may also pursue all of its legal remedies against any Board member who violates the provisions of this *Code of Fiduciary Conduct and Ethics*.



Meeting Date
01/11/2023
Agenda Item
#16

MEMORANDUM

Date: January 11, 2023
To: CCCERA Board of Retirement
From: Karen Levy, General Counsel
Subject: Continuing teleconference meetings under Government Code section 54953 (e)

Background

All meetings of the Board of Retirement are open to the general public, as required by the Ralph M. Brown Act, California Government Code sections 54950 *et seq.* Section 54953 (e) of the Brown Act authorizes conducting public meetings via teleconferencing during a state of emergency.¹ The Board has approved conducting its meetings via teleconferencing under Section 54953 (e), finding that in-person meetings of the Board are open to the general public and would risk the health or safety of the public, staff, outside consultants and trustees attending public meetings, in light of the COVID-19 pandemic and related state of emergency. Under the law, if the Board wishes to continue using these special teleconferencing rules it must reconsider the circumstances of the state of emergency and make certain findings.

Proclaimed State of Emergency and Health and Safety Guidance

Currently, the COVID-19 state of emergency proclaimed by the Governor is in effect. On October 17, 2022, the Governor issued a press release advising that the COVID-19 state of emergency will end on February 28, 2023. (See Attachment A, Press Release.) The Press Release states:

With hospitalizations and deaths dramatically reduced due to the state's vaccination and public health efforts, California has the tools needed to continue fighting COVID-19 when the State of Emergency terminates at the end of February, including vaccines and boosters, testing, treatments and other mitigation measures like masking and indoor ventilation.

¹ This change in the Brown Act was enacted under AB 361, which sunsets by its own provisions on January 1, 2024.

The Contra Costa County Health Officer updated its recommendations for safely holding public meetings on January 5, 2023. The recommendations continue to include measures to promote social distancing. (See Attachment B, Health Officer's Recommendations.) The Health Officer has recommended as follows:

Online meetings (i.e. teleconferencing meetings) are encouraged, where practical, as these meetings present the lowest risk of transmission of SARS CoV-2, the virus that causes COVID 19. This is particularly important when community prevalence rates are high. Our current trends as of January 5, 2023 in Covid-19 case rate, test positivity, Covid-19 hospitalizations, and Covid-19 wastewater surveillance are stable but remain elevated. In addition to this, the predominant variant of Covid-19 being identified continues to be the Omicron variant and it's subvariants the impact of which on the spread of Covid-19 has shown to dramatically increase COVID-19 transmission.

Recommendation

Consider and take possible action to authorize the Board and its committee(s) to continue to conduct teleconference meetings for the next 30 days under Government Code section 54953 (e) and make the following findings:

1. The Board has reconsidered the circumstances of the statewide state of emergency proclaimed by the Governor on March 4, 2020 and the countywide local emergency proclaimed by the Contra Costa County Board of Supervisors on March 10, 2020.
2. The following circumstances currently exist:
 - a. The statewide state of emergency and the countywide local emergency continue to directly impact the ability of the Board and its committee(s) to meet safely in person at meetings that are open to the general public because of the COVID-19 pandemic.
 - b. The County Health Officer's recommendations for safely holding public meetings, which encourage virtual meetings and other measures to promote social distancing, are still in effect.

Attachment

A

Governor Newsom to End the COVID-19 State of Emergency

Published: Oct 17, 2022

California's pandemic response saved tens of thousands of lives, protected the economy, distributed nation-leading financial assistance and built up an unprecedented public health infrastructure

The SMARTER Plan will maintain California's operational preparedness to support communities and quickly respond to outbreaks

SACRAMENTO – Today, Governor Gavin Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023, charting the path to phasing out one of the most effective and necessary tools that California has used to combat COVID-19. This timeline gives the health care system needed flexibility to handle any potential surge that may occur after the holidays in January and February, in addition to providing state and local partners the time needed to prepare for this phaseout and set themselves up for success afterwards.

With hospitalizations and deaths dramatically reduced due to the state's vaccination and public health efforts, California has the tools needed to continue fighting COVID-19 when the State of Emergency terminates at the end of February, including vaccines and boosters, testing, treatments and other mitigation measures like masking and indoor ventilation. As the State of Emergency is phased out, the SMARTER Plan continues to guide California's strategy to best protect people from COVID-19.

[SMARTER Plan progress update](#)

“Throughout the pandemic, we've been guided by the science and data – moving quickly and strategically to save lives. The State of Emergency was an effective and necessary tool that we utilized to protect our state, and we wouldn't have gotten to this point without it,” said Governor Newsom. “With the operational preparedness that we've built up and the measures that we'll continue to employ moving forward, California is ready to phase out this tool.”

To maintain California's COVID-19 laboratory testing and therapeutics treatment capacity, the Newsom Administration will be seeking two statutory changes immediately upon the Legislature's return: 1) The continued ability of nurses to dispense COVID-19 therapeutics; and 2) The continued ability of laboratory workers to solely process COVID-19 tests.

“California's response to the COVID-19 pandemic has prepared us for whatever comes next. As we move into this next phase, the infrastructure and processes we've invested in and built up will provide us the tools to manage any ups and downs in the future,” said Secretary of the California Health & Human Services Agency, Dr. Mark Ghaly. “While the threat of this virus is still real, our preparedness and collective work have helped turn this once crisis emergency into a manageable situation.”

Throughout the pandemic, Governor Newsom, the Legislature and state agencies have been guided by the science and data to best protect Californians and save lives – with a focus on those facing the greatest social and health inequities – remaining nimble to adapt mitigation efforts along the way as we learned more about COVID-19. The state's efforts to support Californians resulted in:

- Administration of 81 million vaccinations, distribution of a billion units of PPE throughout the state and processing of 186 million tests.
- Allocation of billions of dollars to support hospitals, community organizations, frontline workers, schools and more throughout the pandemic.
- The nation's largest stimulus programs to support people hardest hit by the pandemic – \$18.5 billion for direct payments to Californians, \$8 billion for rent relief, \$10 billion for small business grants and tax relief, \$2.8 billion to help with overdue utility bills, and more.

California's pandemic response efforts have saved tens of thousands of lives, kept people out of the hospital and protected the economy:

- California's [death rate](#) is the lowest amongst large states. If California had Texas' death rate, 27,000 more people would have died here. If California had Florida's rate, that figure jumps to approximately 56,000 more deaths.
- In only the first ten months of vaccines being available, a study showed that California's efforts [saved 20,000 lives](#), kept 73,000 people out of the hospital and prevented 1.5 million infections.
- California's actions during the pandemic protected the economy and the state continues to lead the nation in creating jobs and new business starts:
 - [“‘Lockdown’ states like California did better economically than ‘looser’ states like Florida, new COVID data shows,”](#) with **California's economy having contracted less** than such states – economic output shrank 3.5% on average for the U.S., compared with 2.8% for California.
 - Since February 2021, **California has created 1,628,300 new jobs** – over 16% of the nation's jobs, by far more than any other state. By comparison, Texas created 1,133,200 jobs (11.3% of the nation's) and Florida created 787,600 jobs (7.9% of the nation's) in that same timeframe.
 - Since the beginning of 2019, data from the [Bureau of Labor Statistics](#) shows that **over 569,000 businesses started in California**, by far more than any other state.

###

Attachment

B



Recommendations for safely holding public meetings

Each local government agency is authorized to determine whether to hold public meetings in person, on-line (teleconferencing only), or via a combination of methods. The following are recommendations from the Contra Costa County Health Officer to minimize the risk of COVID 19 transmission during a public meeting.

1. Online meetings (i.e. teleconferencing meetings) are encouraged, where practical, as these meetings present the lowest risk of transmission of SARS CoV-2, the virus that causes COVID 19. This is particularly important when community prevalence rates are high. Our current trends as of January 5, 2023 in Covid-19 case rate, test positivity, Covid-19 hospitalizations, and Covid-19 wastewater surveillance are stable but remain elevated. In addition to this, the predominant variant of Covid-19 being identified continues to be the Omicron variant and it's subvariants the impact of which on the spread of Covid-19 has shown to dramatically increase COVID-19 transmission.
2. If a local agency determines to hold in-person meetings, offering the public the opportunity to attend via a call-in option or an internet-based service option is recommended, when possible, to give those at higher risk of and/or higher concern about COVID-19 an alternative to participating in person.
3. A written safety protocol should be developed and followed. It is recommended that the protocol require social distancing, where feasible – i.e. six feet of separation between attendees; and consider requiring or strongly encouraging face masking of all attendees and encouraging attendees to be up-to-date on their COVID-19 vaccine.
4. Seating arrangements should allow for staff and members of the public to easily maintain at least six-foot distance from one another at all practicable times.
5. Consider holding public meetings outdoors. Increasing scientific consensus is that outdoor airflow reduces the risk of COVID-19 transmission compared to indoor spaces. Hosting events outdoors also may make it easier to space staff and members of the public at least 6 feet apart. If unable to host outdoors, consider ways to [increase ventilation and flow](#) of the indoor space to reduce the risk of COVID-19 while indoors.
6. Current evidence is unclear as to the added benefit of temperature checks in addition to symptom checks. We encourage focus on symptom checks as they may screen out individuals with other Covid-19 symptoms besides fever and help reinforce the message to not go out in public if you are not feeling well.
7. Consider a voluntary attendance sheet with names and contact information to assist in contact tracing of any cases linked to a public meeting.

Revised 1-5-2023

Sefanit Mekuria

Sefanit Mekuria, MD, MPH
Deputy Health Officer, Contra Costa County





Meeting Date
01/11/2023
Agenda Item
#17

MEMORANDUM

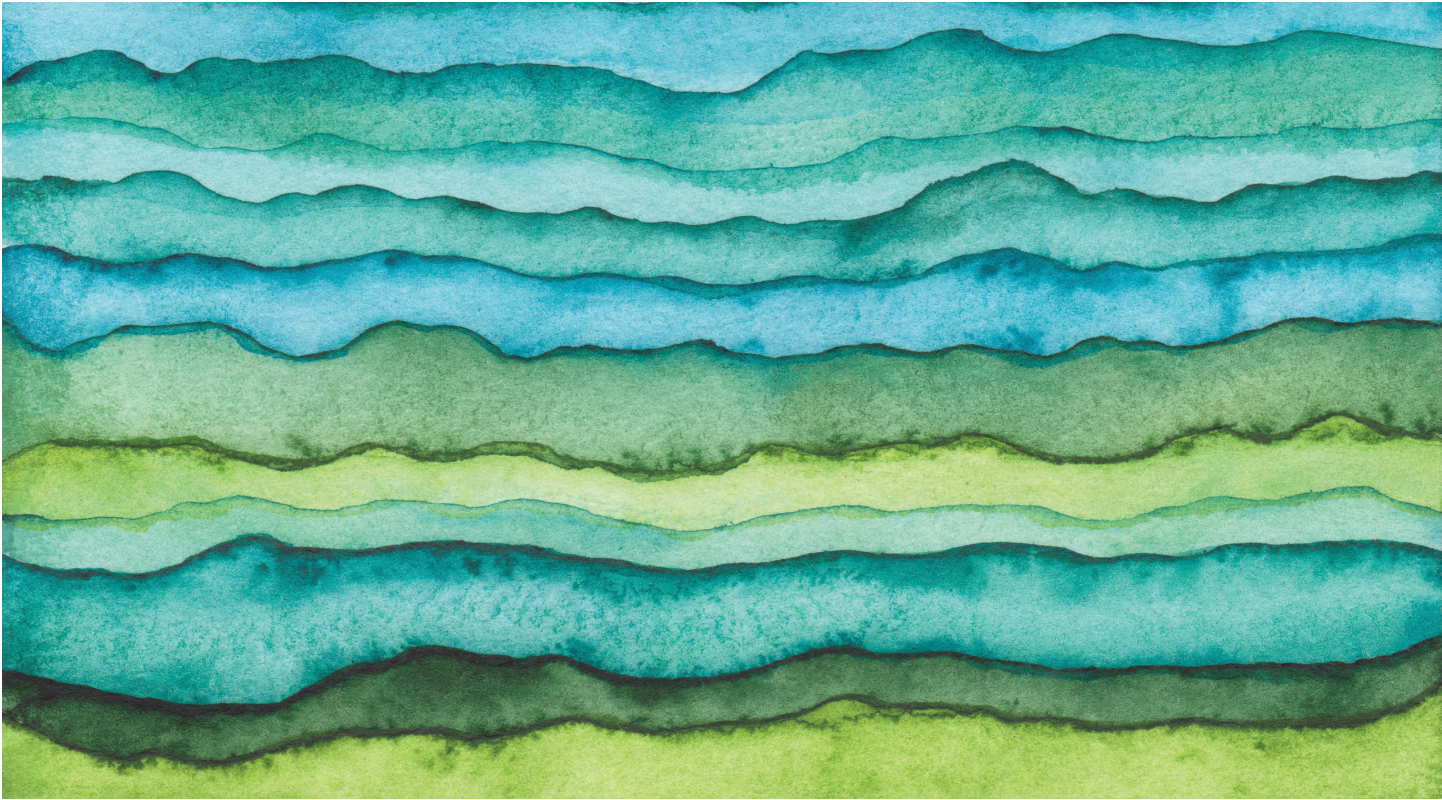
Date: January 11, 2023
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Presentation of the final 2023 CCCERA budget.

Background

The final 2023 CCCERA budget schedules are enclosed. The Board adopted the budget at its December 14, 2022 meeting.

Recommendation

Informational only. No action is necessary at this time.

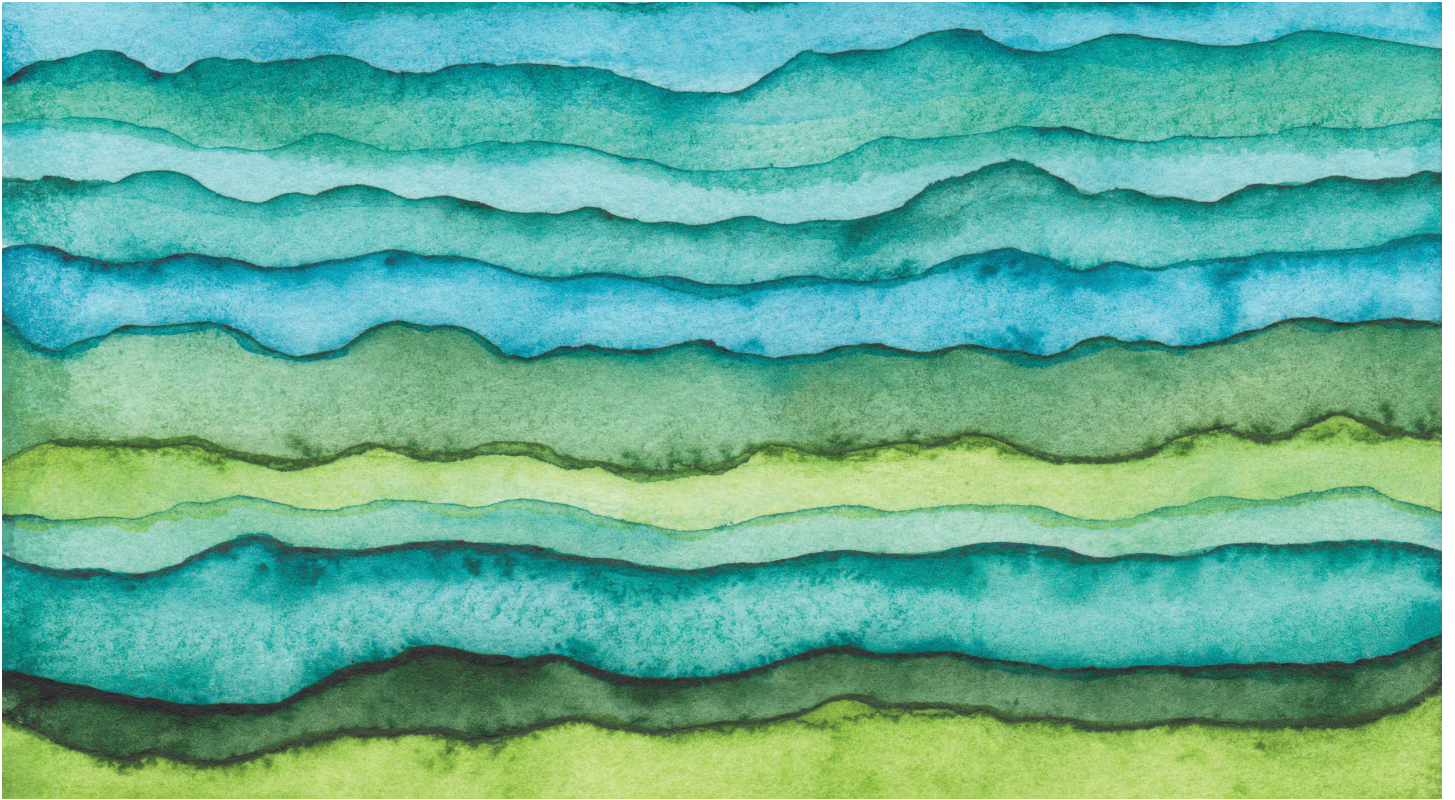


2023 TOTAL BUDGET

2023 TOTAL BUDGET

2023 TOTAL BUDGET Including Administrative and Non-Administrative Departments

	2022 Budget	2022 Estimate	\$ Budget Remaining	% Budget Remaining	2023 Total Budget	\$ Change 2022 Budget	% Change 2022 Budget
Personnel Services:							
Salaries and Wages	\$8,111,600	\$6,977,416	\$1,134,184	14%	\$8,569,300	\$457,700	6%
Employee Benefits and Retirement	5,291,100	4,627,384	663,716	13%	5,570,800	279,700	5%
Total Personnel Services	13,402,700	11,604,800	1,797,900	13%	14,140,100	737,400	6%
Operational Expenses:							
Professional Services							
Investment Consulting	954,000	968,111	(14,111)	(1%)	1,022,100	68,100	7%
Actuarial Services	298,700	144,740	153,960	52%	252,800	(45,900)	(15%)
Outside Legal Counsel Services	432,000	268,085	163,915	38%	429,000	(3,000)	(1%)
Audit Services	56,000	62,659	(6,659)	(12%)	65,000	9,000	16%
Benefit Statements	75,000	88,189	(13,189)	(18%)	88,000	13,000	17%
Disability Hearing/Medical Reviews	160,000	19,439	140,561	88%	136,000	(24,000)	(15%)
Other Professional Services	61,100	44,735	16,365	27%	73,800	12,700	21%
Total Professional Services	2,036,800	1,595,957	440,843	22%	2,066,700	29,900	1%
Office Expenses:							
Office Lease	577,000	581,972	(4,972)	(1%)	594,300	17,300	3%
Telephone & Internet Services	116,300	92,711	23,589	20%	131,400	15,100	13%
Equipment Lease & Maintenance	22,500	18,148	4,352	19%	22,500	-	-
Furniture & Equipment	7,000	504	6,496	93%	23,000	16,000	229%
Office Supplies & Maintenance	127,900	64,845	63,055	49%	107,900	(20,000)	(16%)
Printing & Postage	141,600	179,917	(38,317)	(27%)	172,200	30,600	22%
Training & Education	139,400	89,089	50,311	36%	130,000	(9,400)	(7%)
Travel & Transportation	190,000	99,601	90,399	48%	210,600	20,600	11%
Insurance	361,800	281,514	80,286	22%	352,400	(9,400)	(3%)
Total Office Expenses	1,683,500	1,408,302	275,198	16%	1,744,300	60,800	4%
Information Technology Systems:							
Support Service & Software Contracts	763,100	675,177	87,923	12%	714,700	(48,400)	(6%)
Hardware & Equipment Maintenance	48,300	19,156	29,144	60%	97,300	49,000	101%
Project Consulting	433,000	631,225	(198,225)	(46%)	452,000	19,000	4%
Total IT Systems	1,244,400	1,325,558	(81,158)	(7%)	1,264,000	19,600	2%
Assets Depreciation	305,200	222,687	82,513	27%	481,000	175,800	58%
Total CCCERA Expenses	\$18,672,600	\$16,157,304	\$2,515,296	13%	\$19,696,100	\$1,023,500	5%

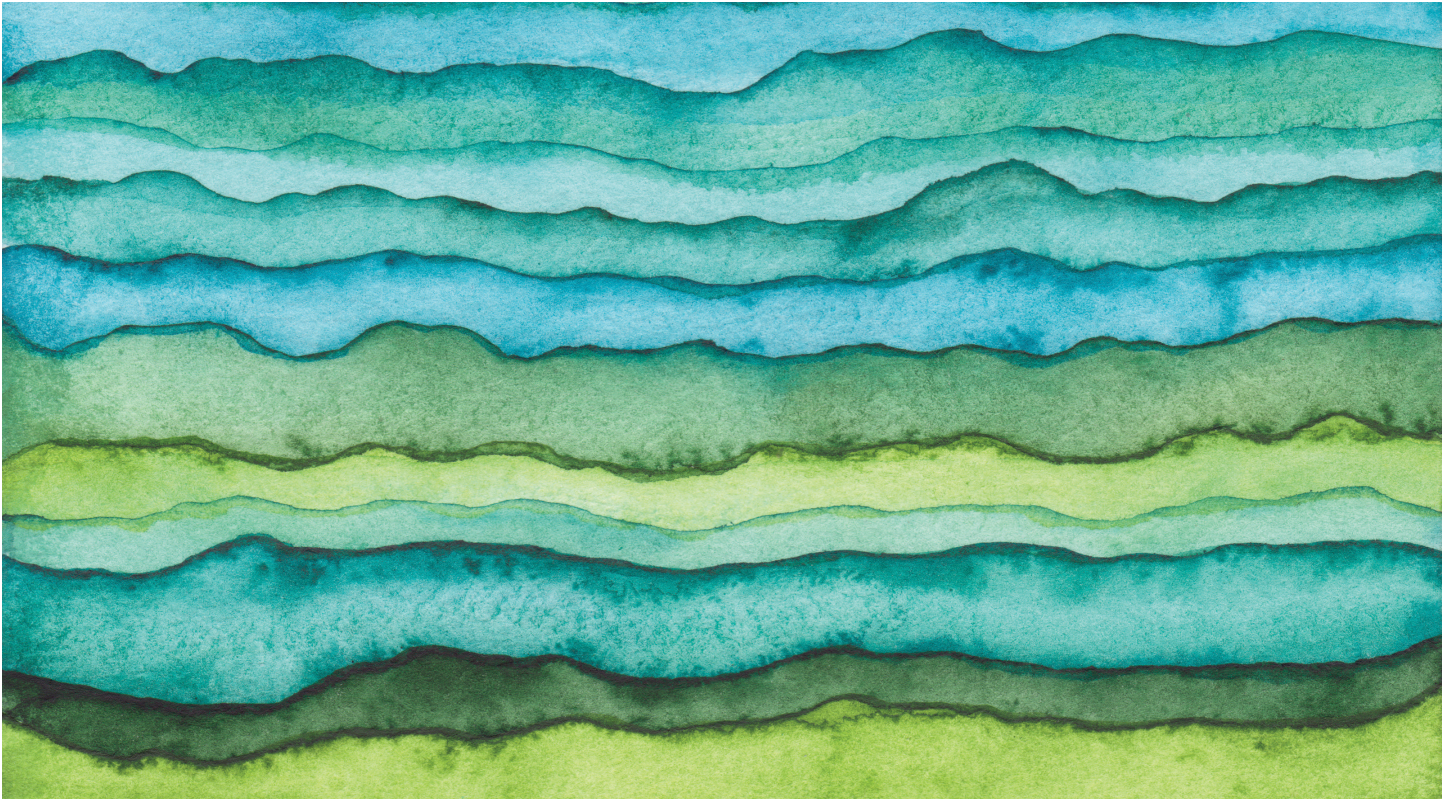


2023 ADMINISTRATIVE BUDGET

2023 ADMINISTRATIVE BUDGET

2023 ADMINISTRATIVE BUDGET

	2022 Budget	2022 Estimate	\$ Budget Remaining	% Budget Remaining	2023 Total Budget	\$ Change 2022 Budget	% Change 2022 Budget
Personnel Services:							
Salaries and Wages	\$5,906,100	\$5,259,491	\$646,609	11%	\$6,497,700	\$591,600	10%
Employee Benefits and Retirement	4,250,200	3,723,436	526,764	12%	4,497,600	247,400	6%
Total Personnel Services	10,156,300	8,982,927	1,173,373	12%	10,995,300	839,000	8%
Operational Expenses:							
Professional Services							
Audit Services	56,000	62,659	(6,659)	(12%)	65,000	9,000	16%
Benefit Statements	75,000	88,189	(13,189)	(18%)	88,000	13,000	17%
Disability Hearing/Medical Reviews	160,000	19,439	140,561	88%	136,000	(24,000)	(15%)
Other Professional Services	60,100	44,459	15,641	26%	72,800	12,700	21%
Total Professional Services	351,100	214,745	136,355	39%	361,800	10,700	3%
Office Expenses:							
Office Lease	502,000	504,269	(2,269)	-	517,000	15,000	3%
Telephone & Internet Services	102,000	78,607	23,393	23%	117,600	15,600	15%
Equipment Lease & Maintenance	22,500	18,148	4,352	19%	22,500	-	-
Furniture & Equipment	7,000	504	6,496	93%	23,000	16,000	229%
Office Supplies & Maintenance	116,000	61,817	54,183	47%	98,000	(18,000)	(16%)
Printing & Postage	140,400	179,837	(39,437)	(28%)	172,000	31,600	23%
Training & Education	125,900	74,879	51,021	41%	109,500	(16,400)	(13%)
Travel & Transportation	90,000	54,205	35,795	40%	105,600	15,600	17%
Insurance	361,800	281,514	80,286	22%	352,400	(9,400)	(3%)
Total Office Expenses	1,467,600	1,253,780	213,820	15%	1,517,600	50,000	3%
Information Technology Systems:							
Support Service & Software Contracts	439,400	466,273	(26,873)	(6%)	483,700	44,300	10%
Hardware & Equipment Maintenance	36,400	19,156	17,244	47%	90,800	54,400	149%
Project Consulting	428,000	631,225	(203,225)	(47%)	447,000	19,000	4%
Total IT Systems	903,800	1,116,654	(212,854)	(24%)	1,021,500	117,700	13%
Assets Depreciation	249,500	173,728	75,772	30%	408,000	158,500	64%
Total Administrative Expenses	\$13,128,300	\$11,741,834	\$1,386,466	11%	\$14,304,200	\$1,175,900	9%



2023

NON-ADMINISTRATIVE BUDGET

Investments, Legal, and IT Disaster Recovery Program

2023 NON-ADMINISTRATIVE BUDGET

2023 NON-ADMINISTRATIVE BUDGET Investments, Legal, and Disaster Recovery Program

	2022 Budget	2022 Estimate	\$ Budget Remaining	% Budget Remaining	2023 Total Budget	\$ Change 2022 Budget	% Change 2022 Budget
Personnel Services							
Salaries and Wages	\$2,205,500	\$1,717,925	\$487,575	22%	\$2,071,600	\$(133,900)	(6%)
Employee Benefits and Retirement	1,040,900	903,948	136,952	13%	1,073,200	32,300	3%
Total Personnel Services	3,246,400	2,621,873	624,527	19%	3,144,800	(101,600)	(3%)
Operational Expenses:							
Professional Services							
Investment Consulting	954,000	968,111	(14,111)	(1%)	1,022,100	68,100	7%
Actuarial Services	298,700	144,740	153,960	52%	252,800	(45,900)	(15%)
General & Fiduciary Legal Counsel	280,000	181,595	98,405	35%	280,000	-	-
Investment Legal Counsel	110,000	71,236	38,764	35%	125,000	15,000	14%
Disability Legal Services	42,000	15,255	26,745	64%	24,000	(18,000)	(43%)
Other Professional Services	1,000	276	724	72%	1,000	-	-
Total Professional Services	1,685,700	1,381,212	304,488	18%	1,704,900	19,200	1%
Office Expenses:							
Office Lease	75,000	77,703	(2,703)	(4%)	77,300	2,300	3%
Telephone & Internet Services	14,300	14,104	196	1%	13,800	(500)	(3%)
Office Supplies & Maintenance	11,900	3,028	8,872	75%	9,900	(2,000)	(17%)
Printing & Postage	1,200	80	1,120	93%	200	(1,000)	(83%)
Training & Education	13,500	14,211	(711)	(5%)	20,500	7,000	52%
Travel & Transportation	100,000	45,396	54,604	55%	105,000	5,000	5%
Total Office Expenses	215,900	154,522	61,378	28%	226,700	10,800	5%
Information Technology Systems:							
Support Service & Software Contracts	323,700	208,904	114,796	35%	231,000	(92,700)	(29%)
Hardware & Equipment Maintenance	11,900	-	11,900	100%	6,500	(5,400)	(45%)
Project Consulting	5,000	-	5,000	100%	5,000	-	-
Total IT Systems	340,600	208,904	131,696	39%	242,500	(98,100)	(29%)
Assets Depreciation	55,700	48,959	6,741	12%	73,000	17,300	31%
Total Non-Administrative Expenses	\$5,544,300	\$4,415,470	\$1,128,830	20%	\$5,391,900	\$(152,400)	(3%)



2023 CAPITAL BUDGET

2023 CAPITAL BUDGET

2023 CAPITAL BUDGET

	Contract	Estimated Incurred To Date 2022	Remaining Costs to Completion	Percent Remaining
Pension Administration System (PAS)				
Data Conditioning Project - ICON	\$2,115,000	\$1,004,403	\$1,110,597	53%
Pension Administration System - Sagitec	12,597,660	2,869,200	9,728,460	77%
Total Project Costs	\$14,712,660	\$3,873,603	\$10,839,057	86%

*PAS costs accumulate while in-progress. Depreciation begins at Project completion over 10-year useful life.

	Useful Life Remaining	Asset Cost Remaining	2023 Depreciation
Other Capital Assets & Depreciation			
New Pension System (Nov 2023)	10 years	\$14,712,660	\$250,000
Leasehold Improvements	7 years	93,291	14,000
Office Furniture/Workstations	2 years	179,274	107,500
Communication & Network Equipment	2 years	35,972	21,600
Audio Visual Equipment	2 years	61,423	36,900
Security Equipment	2 years	33,982	20,400
IT Hardware & Software	2 years	41,724	30,600
Total Assets & Depreciation		\$15,158,326	\$481,000



Meeting Date
01/11/2023
Agenda Item
#18

MEMORANDUM

Date: January 11, 2023
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Review of the Procurement of Products and Services Policy

Background

The Procurement of Products and Services Policy indicates that it should be reviewed by the Board every three years. The last review occurred in September 2019.

Recommendation

This is informational only. No action is necessary.

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
PROCUREMENT OF PRODUCTS AND SERVICES POLICY**

Adopted: October 7, 2015
Amended: 09/29/16

I. PURPOSE

This policy is intended to establish guidelines by which the Contra Costa County Employees' Association (CCCERA) will acquire products and services.

II. OBJECTIVES

- A. The objectives of the Procurement of Products and Services Policy are to ensure that:
 - 1. The acquisition of products and services is made in the best interests of CCCERA, its members and beneficiaries.
 - 2. The process of selecting providers is diligent, fair and open.
 - 3. Quality products and services are obtained at reasonable cost.

III. APPLICABLE LAW

The CCCERA Board has plenary authority and fiduciary responsibility for the administration of the CCCERA system. (California Constitution, Article XVI, Sec. 17.) In addition, the Board is the governing body of CCCERA, an independent district and the direct employer of all its staff, effective January 1, 2015. (Senate Bill 673, Statutes 2014, Chapter 244; Government Code Section 31522.9 and 31468.) The Board has the authority to delegate administrative responsibility to CCCERA personnel to carry out the necessary work of the board. (Government Code Section 31522.9.)

IV. POLICY

- A. The general role of the Chief Executive Officer in the selection of service providers requiring Board approval is to provide sound research and analysis concerning potential service providers, to develop clear and appropriate screening criteria, and to recommend candidates for appointment by the Board.
- B. In accordance with its fiduciary duty, the general role of the Board in the selection process is to determine that the recommendations and accompanying analysis provided by the Chief Executive Officer have been prepared with the requisite level of skill, diligence and care, and reflect the mission and goals of CCCERA; and to exercise its best judgment as to the service providers that will assist the Board in carrying out its fiduciary responsibilities.

C. Service providers shall be divided into two broad categories: Core service providers and non-core service providers. Core service providers include, but are not limited to:

1. The actuary;
2. The auditor;
3. The custodian bank;
4. General and specialty investment consultants;
5. Investment managers and vehicles;
6. Fiduciary counsel;
7. Labor and Employment legal counsel;
8. Chief labor negotiator;
9. Employee benefits insurance; and
10. Other service providers, where the cost of providing the service sought is expected to exceed \$50,000 in total or where the term of the contract exceeds five years.

D. Non-core service providers include, but are not limited to:

1. Ad hoc consultants; and
2. Information technology services

E. Selection Guidelines

1. All service providers shall be selected in the best interests of CCCERA, its members and beneficiaries.
2. The selection of all service providers shall be subject to a level of due diligence that is appropriate to the materiality of the service in question.
3. Contracts or similar arrangements clearly defining the terms and scope of engagement and CCCERA's expectations shall be established for all service providers engaged by CCCERA.
4. All service providers engaged by CCCERA shall be subject to periodic review in accordance with CCCERA's Professional Consultant Evaluation Policy. The frequency and depth of such reviews shall be commensurate with the materiality of the services provided.
5. The Chief Executive Officer shall present annually to the Board a multi-year time-line depicting all scheduled performance of CCCERA service providers, and will report to the Board annually on progress achieved.

F. Core Service Providers

1. The search for a core service provider shall generally be initiated by an action of the Board, acting on its own initiative or on the recommendation of the Chief Executive Officer.
2. The Chief Executive Officer, with the assistance of staff, consultants and advisors as appropriate, shall develop appropriate selection criteria to ensure

that all candidates are accorded a fair and thorough review. Such criteria may include, but are not limited to:

- a. Provider experience and track record;
 - b. Quality of individuals assigned to work with and provide service to CCCERA;
 - c. Ability to communicate successfully with the Board and staff;
 - d. Client references;
 - e. Costs;
 - f. Sound business and ethical practices;
 - g. Liability coverage; and
 - h. CCCERA satisfaction with past service, in the case of incumbent providers.
3. The Chief Executive Officer shall provide the Board with periodic reports on the status of all search processes.
 4. Except as stated in Par. 9 below, based on the selection criteria, the Chief Executive Officer shall select a short list of potential candidates. The Chief Executive Officer shall interview the short-listed candidates and may conduct due diligence visits in order to identify the most suitable candidate(s). The Chief Executive Officer will inform the Board of the interview schedule and invite Board members to participate as appropriate.
 5. The Chief Executive Officer shall prepare a report and recommendation for the Board which will include:
 - a. The criteria used to select potential candidates;
 - b. A list of candidates that were considered; and
 - c. A recommendation as to the candidate(s) who would best fulfill the needs identified by CCCERA, and the rationale behind the recommendation.
 6. The Board shall consider the analysis and recommendation of the Chief Executive Officer. In reviewing the recommendation, the Board shall determine that the recommendations and accompanying analysis provided by the Chief Executive Officer have been prepared with the requisite level of skill, diligence and care, and reflect the mission and goals of the CCCERA. In the event the Board is not satisfied with the analysis or the search process undertaken, the Board may direct the Chief Executive Officer to address any areas of concern regarding the analysis or the search process. Once such additional efforts are complete, the Chief Executive Officer shall resubmit a recommendation.
 7. The Board may, at its option, interview the Chief Executive Officer's recommended candidate(s) and any other candidates that were considered.
 8. Following the actions described in Pars. 6 and 7, above, the Board shall proceed to vote on the selection of service providers. The Board shall exercise its best judgment as to the service providers that will assist the Board in carrying out its fiduciary responsibilities.

9. With regard to the selection of the Board's Fiduciary Counsel, the selection and recommendation process detailed in Pars. 2-7 above shall be conducted jointly by one or more Board members appointed by majority vote of the full Board for that purpose and the Chief Executive Officer.

G. Guidelines for the Use of Requests for Proposal

1. Requests for proposal (RFP) shall generally be used in searching for service providers where the project is material in scope or financial costs.
2. All CCCERA RFPs shall clearly state that contracts will not necessarily be awarded to the lowest bidder.
3. When an RFP is issued, CCCERA shall ensure that all candidates are provided with identical information and requirements. Candidates shall have the opportunity to request additional information during the process and such additional information shall be made available publicly on CCCERA's website in advance of to the deadline for responding to the RFP.

H. Quiet Periods

1. The Board and/or the Chief Executive Officer shall declare a "quiet" (black-out) period when initiating a Core Service Provider search process.
2. During quiet periods, Board members shall not communicate with service providers known to the Board or staff as likely candidates in the search on matters pertaining to CCCERA, except during open and public Board meetings. Furthermore, during quiet periods, individual Board members or groups of Board members will not meet with such service providers for entertainment or social purposes. Exceptions may be made in the case of industry conferences such as SACRS, where CCCERA Board members may socialize with specified service providers during open social events that are also attended by Trustees or staff of other systems, provided CCCERA Board members do not discuss matters pertaining to CCCERA business.
3. For the purpose of quiet periods, prohibited communications include those conducted through telephone conversations, letters, e-mails, and social media.
4. Quiet periods will cease when the subject contract becomes effective or the search process is otherwise concluded or suspended by the Board.
5. CCCERA service providers shall be provided with a copy of these quiet period provisions.
6. All RFPs shall include reference to these quiet period provisions; require that prospective service providers comply with its provisions during the selection process; and advise prospective service providers that violation of these quiet period provisions shall require their disqualification from consideration.

I. Non-Core Service Providers

The Chief Executive Officer may engage non-core service providers for up to a total contract value of \$50,000 without the prior approval of the Board, provided that the cost

of the service does not exceed the amount allocated of such service in the CCCERA's annual budget. The Chief Executive Officer shall notify the Board of the engagement of service providers with a cost \$10,000 or more at the next following regular meeting of the Board.

J. Contracts for the Procurement of Products

Contracts for the procurement of products shall be divided into two basis categories: Contracts requiring an expenditure of \$50,000 or less and those requiring an expenditure of more than \$50,000. The Chief Executive Officer has the authority to enter into contracts requiring an expenditure of \$50,000 or less without Board authorization. Contracts requiring an expenditure in excess of \$50,000 require Board approval.

K. Exceptions to Expenditure Limit

The acquisition of certain operational services is an exception to the \$50,000 limit. These services include the acquisition of insurance (except employee benefits insurance) and physical and data security measures at CCCERA. In addition, renewals of services with long standing non-core service providers are included.

L. Publication

These Guidelines and Policy shall be made a part of the Board's official policies and shall be prominently posted to the CCCERA internet website.

M. Review

These Guidelines and Policy shall be subject to Board review within one year following their initial adoption by the Board, and thereafter, not less than every three years.



2023 Compliance Activity Plan

Wrally Dutkiewicz
Compliance Officer

Contents

- Introduction 1**
- Scope & Mission 1**
- Compliance Monitoring and Review Process 1**
- Risk Assessment 2**
- Internal Audit Assignments:..... 4**
- Employer Audits: 5**
- Reporting 7**
- Follow-Up 7**
- 2022 Compliance Activity Recap 8**
- 2022 Compliance Activity Completed Projects: 8**
- 2022 Employer Audits: 9**
- Compliance Activity Planned for 2023 10**
- 2023 Compliance Activity Projects 10**
- 2023 Employer Audits: 11**



Introduction

The Compliance Officer is authorized to engage in internal control reviews, business activity monitoring, risk assessments, and procedure development to support the retirement system's activities. Also, CCCERA Compliance coordinates its activities with auditors to ensure compliance with CERL, PEPRA, Board of Retirement (BOR) Regulations, Internal Revenue Code, IRC, and other government statutes.

Compliance monitoring and reporting will be the principal tools for the Compliance Department to evaluate the efficacy of CCCERA's internal controls, compliance, governance, and risk management going forward through the 2023 Compliance Activity Plan calendar and beyond.

Scope & Mission

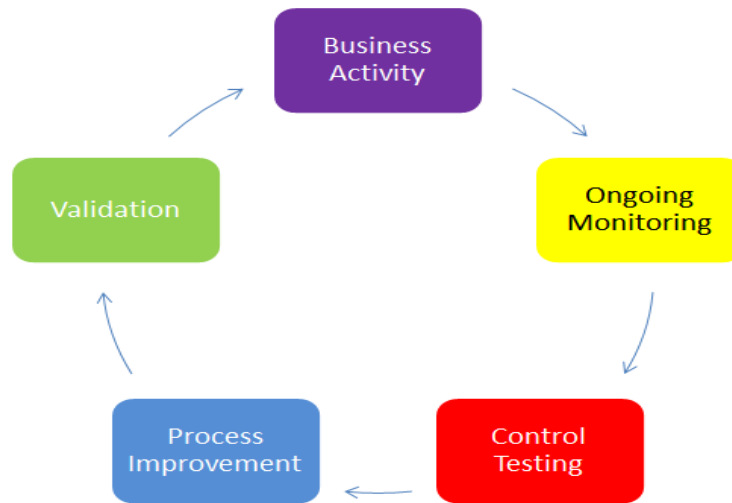
The CERL, PEPRA, and CCCERA's policies, along with the standards published by the Society of Corporate Compliance and Ethics (SCCE) and The Institute of Internal Auditors (IIA) provide the framework within which the Compliance Officer performs compliance activities to support, manage, and test CCCERA's Compliance Program and to determine the priorities for compliance activities. The Compliance Officer prepares an annual Compliance Activity Plan (CAP) to help identify, measure, and prioritize potential issues related to internal controls around business activities and the level of risk that may exist if those controls were to become impaired or rendered ineffective. The purpose of the annual CAP is to outline the work to be performed and is designed to cover high risk activities while limiting the scope of work to what can realistically be accomplished during the upcoming fiscal year.

Compliance Monitoring and Review Process

The development and implementation of updated department procedures is an ongoing goal and CCCERA Compliance will work with each of the department managers and advise on matters concerning workflow, technical applications of government code and BOR policy, and supervisory tools and structures.

The Compliance Officer will obtain a sufficiently detailed explanation of the business process from CCCERA staff. This process will be documented in the working paper files. Such documentation may take the form of a narrative description, a flowchart depiction, or a combination of both when appropriate.

The goal is to create a continually validating compliance program that is integrated into business processes:



The annual compliance planning process includes the following major planning activities:

- Defining the Compliance Universe
- Conducting a Risk Assessment
- Preparing the Compliance Activity Plan
- Presenting the Compliance Activity Plan

The Compliance Program encompasses the following five stages:

1. Planning
2. Review & Testing
3. Quality Assessment
4. Reporting
5. Follow-up

Risk Assessment

The Risk Assessment for compliance activity planning is the process of systematically scoring (or rating) the relative impact of a variety of “risk factors.” A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the outcome of a business activity. Various risk factors will be used to measure risks (such as the complexity of operations or regulations) or organizational vulnerability (such as weak internal controls).

A questionnaire is completed for each business process activity to score the level of risk for each of the risk factors identified. Also, weights are assigned to each risk factor based on relative importance as determined by input from management. The final step to complete the Risk Assessment is to calculate the total risk score for each business process activity in order from highest risk score to the lowest by tabulating the information gathered from the questionnaires and applying the weights assigned to the risk factors.

The Compliance Department prepares a Risk Assessment Worksheet that provides a weighted risk assessment score for each business activity component under review. If a business activity is comprised of several functional parts, the overall risk assessment will be the average of the sum of the risk assessment scores for its component parts.

The Risk Assessment Worksheet takes into consideration the following six risk factors:

<p>Incapacitation: Significance of an impairment event on the ability to meet strategic and/or organizational goals and objectives. Amount of impact the business activity process has on the retirement system’s constituents.</p>
<p>External Influence: Concern about adverse publicity; laws and regulations; customer demands; and political exposure.</p>
<p>Internal Controls:</p> <ul style="list-style-type: none"> • The internal control structure takes into consideration the adequacy of written procedures and whether or not controls have been previously tested. • Degree of segregation of duties and responsibilities, supervision and training, planning for business resumption and contingency, and reconciliation controls, make exposures for this audit.
<p>Complexity:</p> <ul style="list-style-type: none"> • Business process has many steps and several control points. May include both manual and system-based steps; • Complexity can increase both the probability of error and the effort required to monitor the business activity process. Includes complexity of federal and state laws, rules and regulations governing a particular program.
<p>Information Technology Controls:</p> <ul style="list-style-type: none"> • Computer applications affect the accuracy and timeliness of completed work tasks, as well as the productivities of the staff. Information systems should process information in a secure, reliable and accurate manner. • Age, condition, extent of manual user intervention, efficiency and effectiveness of the data processing system specific to this business activity, and the perceived impact of general information technology controls related to: consistent use of an acceptable systems development methodology (including programmer and user documentation and testing procedures), consistent use of an acceptable project management system, effective computer maintenance change controls (to assure application program changes are properly authorized, managed, and recorded), and effective logical access security to guard against unwarranted access and unauthorized changes to computer programs and/or data.

Change:

- Changes in operation to meet statutory, regulatory, and legal requirements, and/or to address organizational restructuring including modifications to manual or automated procedures such as increased use of technology.
- Changes in operations can impact the efficiency and effectiveness of the retirement system's performance. Criteria include changes in staff size, processing changes (manual to computerized), systems (input and/or output), as well as staff turnover. This area includes concerns of rapid growth, which includes rapid growth of personnel size and of additional programs added to an operational area.

Risk Assessment Scoring assigns a weighting to each of the six risk assessment factors to generate an Overall Risk Assessment Score. This scoring is used to create a risk-based map of CCCERA's operations over time to aid in its governance, risk, and compliance (GRC) strategic planning.

A "risk assignment" refers to the subjective classification of risk based on judgment rather than observation. A "risk assessment" refers to the assignment of risk based on observable facts, activities, identified threats, and empirical analysis.

The focus of the "risk assignment" review is to prioritize business activities that CCCERA's compliance department will review in connection with its Compliance Activity Plan. The following criteria are used during the "risk assignment" review:

- Financial Exposure
- Compliance – Laws and Regulations
- Complexity of Operations
- Public Exposure

Internal Audit Assignments:

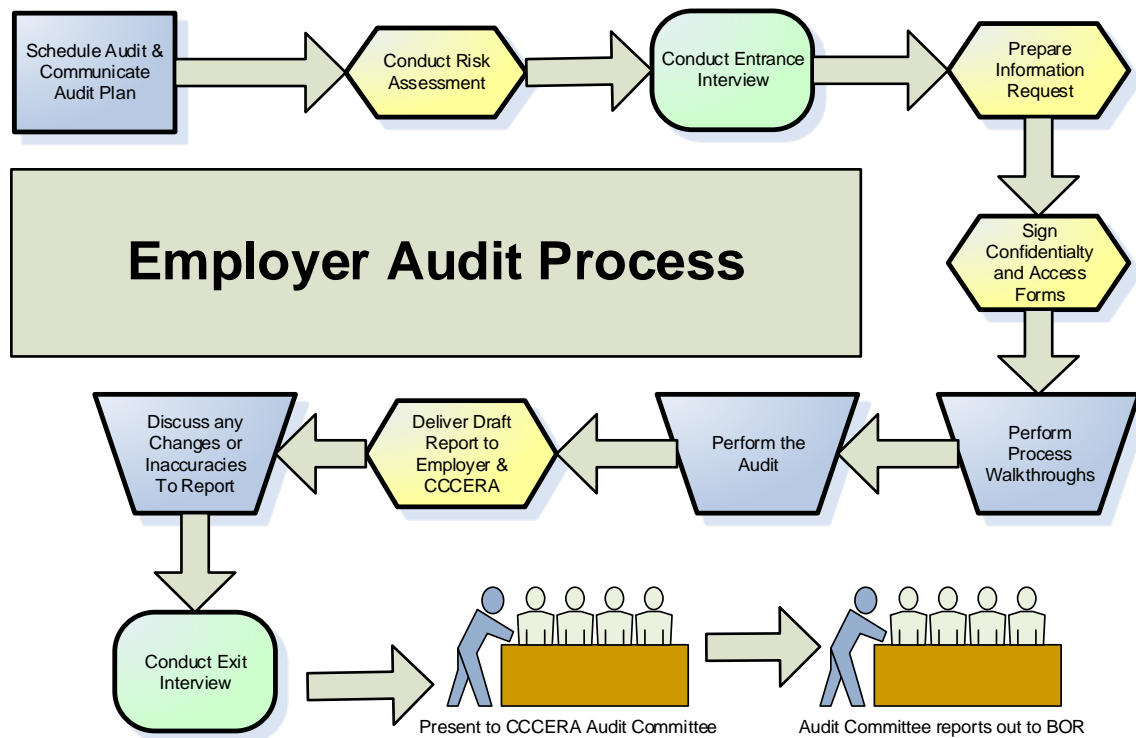
In anticipation of the eventual creation of the Internal Audit function within CCCERA, those activities that have been performed by Compliance that traditionally have fallen under the purview of Internal Audit functions, will be identified and will transfer over to the Internal Auditor. The Compliance Department will collaborate with the Internal Auditor and will include the transfer of internal audit activities from compliance in the Compliance Activity Plan during the transition period.

Employer Audits:

With respect to Employer Audits, similar risk assignment criteria are used to establish a priority review framework to plan areas of focus for employer audits. The following chart indicates those employer business activities that generally fall within the employer audit scope:

Control Item	Control Test
Payroll Procedures	Review Payroll Transactions and compare district payroll register with data reported to CCCERA to ensure pay rates in compliance with posted salary information
Payroll Data & Conveyance	Review process for reporting payroll to CCCERA. i) Timeliness; ii) Validation (time keeping, vacation, sick leave, disability, overtime)
Earn Code Classifications	Inventory of earn code classification - i) allowable pensionable compensation; ii) compensation calculation - methodology
Internal Controls/EUC	Review District's Internal Controls WSPs - i) segregation of duties; ii) system access; iii) reporting levels
Contract between CCCERA & District	MOU & Clarifying Addendums - in compliance with BOS/BOR/CERL Requirements
Correspondence Between CCCERA & District	Does communication methods support SLA (Service Level Agreements?)
Personnel Procedures	Inventory of WSP (Written Supervisory Procedures) and match against regulatory & CCCERA policy requirements
Enrollment Procedures	Review District Employee new hire enrollment procedures and match against regulatory & CCCERA Policy Requirements i) Part-Time/Temporary Employees; ii) Retired Employees; iii) Independent Contractors
Employee Classification	Review District Employee Classification to match against reported group, function and eligibility
CCCERA Policy Compliance	Review Compliance with i) Financial Controls; ii) Administrative Controls; iii) Procedural Controls
CERL Compliance	Match governance and policies against regulatory requirements

It is anticipated that the Employer Audit program will transition from Compliance to the purview of the CCCERA Internal Audit function at a future date once the internal audit function has been developed and implemented with the guidance of CCCERA’s Audit Committee and Board of Retirement. The Compliance Department will facilitate the orientation of, and eventual transfer of, the Employer Audit program, to the Internal Auditor at that time. In the interim, the CCCERA Compliance Department will continue to conduct employer audits and include in the annual compliance activity plan.



Upon completion of the audit, CCCERA compliance staff will provide to the Board a written report of the audit results and the conclusions of the auditor and CCCERA staff. A copy of the report will be provided to the employer at least 10 days prior to any Board discussion or action.

Reporting

At the conclusion of fieldwork for each audit, the Compliance Officer will prepare a draft report of significant findings and observations including any significant risk exposures and control issues, fraud risks, or governance issues identified during the audit. The report should be accurate, objective, clear, concise, constructive, complete, and timely.

The “Audit Work-Paper Report” includes the audit objectives, the scope of audit work performed, an overview of the business or activity, an opinion on the adequacy of the internal controls, conclusions regarding significant findings and observations, and recommendations to management to address any issues found. The report will also acknowledge when satisfactory performance is determined.

Follow-Up

Follow-up work is performed after the completion of an audit. It entails the Compliance Officer reviewing recommendations with management and determining whether the weakness in procedures or processes identified have been adequately corrected in accordance with the management response and committed timelines.

All recommendations arising from the auditor are summarized in an audit recommendations file maintained by the Compliance Officer. The file is continuously updated with the implementation status of the recommendations. Any information obtained as part of the follow up process, is electronically retained in a Follow Up file. Quarterly, a formal review of the status of outstanding recommendations will be completed and presented to CCCERA Executive Management and the Audit Committee when there are recommendations outstanding that still need to be properly implemented.

2022 Compliance Activity Recap

2022 Compliance Activity Completed Projects:

<p>Projects</p>	<ul style="list-style-type: none">• Collaborative Support to Pension Administration System Project:<ul style="list-style-type: none">○ Mapping regulations, guidance, and procedures to PAS functional requirements;○ Workflow and procedure development;○ Policy and guidance updates. • CCCERA Operational Activity Reporting – consolidate into departmental compliance activity reports for management and executive use and decision-making; • CCCERA Member Guidance and Information Review – review of guidance and information made available on CCCERA website, membership guides, and participating employer guide.
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2022 Employer Audits:

Employer audits resumed with a focused payroll and pension contribution audit of a sanitation district beginning in September 2021 with audit work completed in 2022. All audit communications, conferences, and fieldwork were performed virtually due to both CCCERA and employers’ respective COVID health and safety measures that were in place.

The following employer audits were conducted:

Completed –Final Report to Board	
District	Central Contra Costa Sanitary District – Focused Payroll & Pension Contribution Audit

In-Progress	
County Department	Contra Costa County Public Works
County Department	Contra Costa County Human Resources
County Department	Contra Costa County Conservation and Development
County Department	Contra Costa County Veterans Service Office

Compliance Activity Planned for 2023

Sources of Areas Selected For Compliance Review

Areas selected for compliance review can come from a variety of sources. These include risk assessment, management and employee requests, surprise audits and allegations of fraud, waste, and abuse.

Risk must be one of the primary factors in selecting areas for compliance review. Risk for some aspects of CCCERA operations is higher than others for many reasons. This includes the type of activities, financial and operational impact to CCCERA and its members if something were to go wrong. Those areas of CCCERA and its participating Employers which are high risk should receive more attention than those of lower risk. It should be noted, however, that areas of lower risk should not be ignored; rather, they should be done with less frequency than the higher risk areas.

2023 Compliance Activity Projects

- Review of CCCERA Service Provider Contract Compliance;
- Review of dormant, deferred, and lost member tracking for Required Minimum Distribution (RMD) compliance;
- Policy Management Platform Project – map board regulations, policies, and CERL sections to functional compliance requirements and consolidate into policy management and reporting platform.

2023 Employer Audits:

It is anticipated that the following employer audits will be opened during 2023:

County Department	Contra Costa County District Attorney
County Department	Contra Costa County Child Support Services
County Department	Contra Costa County Animal Services
County Department	Contra Costa County Administration
County Department	Contra Costa County Treasurer - Tax Collector
County Department	Contra Costa County Counsel

**DLJ Real Estate Capital Partners
2022 Annual Limited Partners Meeting
Wednesday, January 25, 2023
Eventi Hotel - New York**

Preliminary Agenda

Registration	10:00am
RECP V & VI Presentation	
Introduction	10:30am – 10:40am
RECP V Financial and Portfolio Overview	10:40am – 11:00am
RECP V Review of Key Assets	11:00am – 12:30pm
- Boynton Yards	
- Thornton Buildings	
- 1007-1017 Ocean Front Walk	
- 40 Warren Street	
- 530 Jones Street/ 450 O'Farrell	
- 2499 Lincoln Boulevard	
Break	12:30pm – 12:45pm
RECP VI Financial and Portfolio Overview	12:45pm – 1:00pm
RECP VI Review of Key Assets	1:00pm – 1:45pm
- 15 McGrath Highway	
- 151 Kent Ave	
- 140 Metropolitan Ave	
Lunch	1:45pm – 2:45pm
Advisory Board Meeting	2:45pm – 3:45pm

**DLJ Real Estate Capital Partners
2022 Annual Limited Partners Meeting
Thursday, January 26, 2023
Eventi Hotel - New York**

Preliminary Agenda

Registration	10:00am
RECP III & IV Presentation	
Introduction	10:30am – 10:40am
RECP III Financial and Portfolio Overview	10:40am – 10:50am
RECP III Review of Key Assets	10:50am – 11:45am
- Eureka City Industrial Park	
- Eventi Hotel	
- Shenyang Industrial Park	
Break	11:45am – 12:00pm
RECP IV Financial and Portfolio Overview	12:00pm – 12:15pm
RECP IV Review of Key Assets	12:15pm – 1:45pm
- Tysons Corner	
- 6200 Hollywood Boulevard	
- Aruba Marriot	
- 9 Orchard	
- 160 Madison Ave	
- Smaller Assets (3-5 Essex/ Park Hotels)	
Lunch	1:45pm – 2:45pm
Advisory Board Meeting	2:45pm – 3:45pm

Meeting Date
01/11/2023
Agenda Item
#20b.



Pension Bridge ESG 2023

February 28 – March 1, 2023
The Beverly Hilton, Los Angeles

events.withintelligence.com/pensionbridgeesg



Agenda

Sessions

Pension Bridge ESG 2023

with.
Intelligence

Day One February 28, 2023

1:30 PM – 2:30 PM PST

Registration and Networking Lunch

2:30 PM – 2:40 PM PST

Welcome Remarks

2:40 PM – 3:20 PM PST

LP Perspectives: The Battle of the ESG Frameworks

Every ESG approach has its detractors. Academic often assert that excluding companies and sectors from an index can only lead to worse economic outcomes. Others claim that engaging with companies on ESG practices is more optics than impactful. Politicians loudly proclaim that making moral, 'woke' judgments about out-of-favor industries is not the job of stewards of public money.

Is there a way to both refute these arguments and unite the different approaches to ESG investing? In short: For practitioners interested in executing a successful ESG strategy, is there a valid, unifying theory of ESG investing in 2023?

- How have the theses asserted by each framework performed in real time?
- What emerging ESG frameworks are gaining interest among allocators?
- How are allocators responding to political pressure – either overt or “soft” – opposing ESG-style investing?

3:20 PM – 3:50 PM PST

Headline Sponsor Presentation

3:50 PM – 4:20 PM PST

Networking Break

4:20 PM – 5:00 PM PST

Climate Change impacts every Asset Class in every Geography. How can Investors Successfully Manage such a broad series of Risks while delivering Superior Returns?

Whether it's disruption from wildfires in California, droughts in Europe, or rising waters in Southeast Asia, climate change is impacting institutional portfolios everywhere. But with severe risk comes potential reward: What tactics and strategies can allocators and their asset management partners utilize to benefit – or at least not be unduly harmed – by a changing climate?

- What tools and partners can best help allocators assess the risk of climate across their portfolio? What climate-related information should asset managers be providing to allocators?
- Is there a political risk in addressing climate change too openly?
- What risk management and monitoring approaches can North American investors and boards learn from global peers?
- How successful have attempts at international standards been when it comes to climate change investing? What further progress is possible?
- Where are climate change benchmarks lacking – and what evolution needs to occur when it comes to measuring successful climate risk management? What KPIs and benchmarks are available for allocators to use to ensure climate friendly strategies are being addressed within a portfolio?
- How is climate change affecting and influencing investments in specific asset classes such as real estate?

Sessions

Pension Bridge ESG 2023



5:00 PM – 5:40 PM PST

ESG Under Pressure: How to Navigate being an ESG-Sensitive Fiduciary when ESG Is under Assault

In certain states, politicians have broken the 11th commandment of good pension governance: Thou shalt not interfere. Yet we live in the world as it exists, not what we want it to be – so how can ESG-sensitive investment teams and investment committees be responsible fiduciaries while steering clear of political crosshairs?

- What practical steps can allocators take to avoid becoming a political talking point?
- How asset managers have – and will – react to new ESG rules at the state level.
- Do we expect political pressure on ESG to wax and wane with election cycles – or will ESG approaches continually come under scrutiny?
- How might state versus federal rulemaking clash or align on the topic of ESG?
- Mitigating allocator and manager legal and reputational risk.
- How should industry participants address politician's concerns around value-based investing?

5:40 PM – 7:00 PM PST

Cocktail Reception

Day Two March 1, 2023

7:50 AM – 8:50 AM PST

Registration and Breakfast

8:50 AM – 9:00 AM PST

Welcome Remarks

9:00 AM – 9:30 AM PST

Keynote Presentation

9:30 AM – 10:00 AM PST

Headline Sponsor Presentation

10:00 AM – 10:40 AM PST

Big Ideas: Thematic Investing for the Next Three Decades

Bloomberg Intelligence estimates that by 2025, over 35% of the world's \$140 trillion in global AUM will be "ESG-related". Much of that will be thematic in nature, focused around the big, meaty trends that will drive the next half century. What are those trends, and how should allocators prepare the portfolios to benefit from them?

- Is thematic investing just "performance chasing with a narrative", as one commentator has asserted.
- Thematic ESG investing is most often tied to "green investing" – but what other themes are emerging as significant opportunities.
- How can ESG-focused thematic investing be implemented across both private and public markets?
- The role of investment consultants in influencing thematic investing.

Sessions

Pension Bridge ESG 2023

with.
Intelligence

10:40 AM – 11:10 AM PST

Morning Networking Break

11:10 AM – 11:50 AM PST

What can Market Participants – Allocators, Consultants, and Managers – do to further the aims of DEI (and make money too)?

With rare exception, asset management market participants speak glowingly of the aims of the diversity, equity, and inclusion movement. And yet here, as elsewhere, the movement's progress has been slow. What specific steps can be taken to accelerate this process, how is success measured, and what impact can this have on successful investment outcomes?

- What are the practical steps that allocators and consultants can take in seeking diverse managers?
- Recruiting and retaining talent at both allocator and asset manager organizations.
- What does DEI success in asset management look like?
- Linking DEI initiatives to portfolio alpha.
- How can managers and allocators create a culture that supports inclusivity?
- What steps should be taken to increase gender and minority representation?

11:50 AM – 12:30 PM PST

How Advanced ESG Analytics and Quantitative Approaches Can Deliver Alpha

ESG integration is a uniquely modern approach to investing – but what is not unique is the impact that modern analytics and computing power can have on ESG due diligence, benchmarking, and performance. What latest technical developments can arm institutional allocators with better information in their ESG efforts? What techniques don't work well when applied to ESG? And what's next in the never-ending race to apply even more advanced solutions to the problem of investment risk management?

- Technologies for measuring and monitoring ESG performance within a portfolio.
- What tools can investors use to monitor their managers' integration of ESG?
- What are effective ESG models to grow portfolio companies and bring positive environmental change?
- Creating a robust framework for monitoring, engagement, and reporting.
- How can managers measure and monitor carbon performance?



12:30 PM – 1:10 PM PST

Portfolio in Focus: Successfully Applying ESG Principles in Private Markets

Private markets have been a bright spot for a generation of institutional allocators – and according to most prognosticators, the march towards even more private market exposure looks likely to continue. Yet one hallmark of private markets is less transparency than investors have come to expect from public markets, and this presents unique challenges when it comes to assessing ESG considerations. How can investors, consultants, and managers alike bring increased transparency to private markets – and how can they use this transparency to better make allocation decisions going forward?

- What ESG risks are most prominent in real estate, infrastructure, private credit, and private equity?
- How can – and should – investors apply thematic investing in private markets?
- Implementing ESG-related disclosures across asset classes.
- Identifying – and avoiding – greenwashing.
- Analyzing underlying portfolio companies in private equity investments.

1:10 PM – 2:10 PM PST

Networking Lunch

2:10 PM – 2:50 PM PST

Portfolio in Focus: Green Energy Investment Is Surging. How Should Investors Prioritize the Opportunities?

A confluence of long-term (climate change) and short-term (war in Ukraine) factors have combined to accelerate investment in the already-fast growing green energy sector. And what was half a decade ago just a discussion about solar and wind now includes robust opportunities around storage, electrification, and carbon capture. So how should allocators and investors prioritize their energy (pun intended) when it comes to this scorching asset class?

- The achievability of net-zero and its impact on green energy returns.
- The role and risk of green bonds.
- Customized reporting and standard KPIs for efficient disclosures
- What sectors are leading the charge in green and renewable energy?
- How is infrastructure evolving and adapting to include green energy?
- What effects has green energy had on the supply chain and how does this impact investors?
- Educating, engaging, and enabling portfolio companies in carbon management.
- Attaching monetary value to naturally occurring benefits such as carbon capture, water quality, clean air, and biodiversity.

2:50 PM – 3:30 PM PST

Purpose Versus Profit: Is There a Way to Have Both with Impact Investing?

Impact investing, arguably alone among its strategic peers, has often been given a pass when it comes to discussions around returns. Is there a way to have it both ways, though? Can investors focused on the impact of their capital both consistently support causes while at the same time enjoying a strong risk-adjusted return?

- How are investors defining and demonstrating impact investing?
- Understanding impact performance
- What commitments are investors making across the impact landscape?
- Identifying impact-washing
- Best practices for measuring and managing impact investing

Sessions

Pension Bridge ESG 2023

with.
Intelligence

3:30 PM – 3:50 PM PST

Networking Break

3:50 PM – 4:30 PM PST

The ESG Implementation Roadmap

The organizational decision to implement an ESG approach is only the first step. Governance structures, decision-making processes, benchmarking data, disclosure requirements: the list of tasks that need to carefully be considered and decided upon can seem endless. How can investors most efficiently move from theory to practice when it comes to ESG?

- What steps should be included in the roadmap?
- How should institutional allocators prioritize the roadmap in a resource constrained environment?
- How can allocators verify that their theory of ESG matches the quality of its outcomes?
- What are best-in-class governance structures for ESG implementation?

4:30 PM - 5:10 PM PST

Cross-Border Masterclass: What ESG Implementation Hacks can American Allocators take from Peers outside of the US?

We know the root cause: The politics and policy of non-US jurisdictions frequently allow local allocators the freedom to push further ahead on ESG theory and practice. Given that reality, what pearls of wisdom and practice can American allocators borrow from their international peers to circumvent local constraints?

- What key implementation milestones have been reached on the foreign ESG journey?
- How much teeth do international standards actually have?
- How is ESG success measured internationally? And what has success (or lack thereof) looked like for foreign allocators?
- How has ESG implantation played out in foreign private markets?
- How has the intersection of markets and regulation played out overseas?
- Which ESG frameworks are implemented most commonly in which region – and why?

5:10 PM – 5:50 PM PST

LP Takeaways: 10 Things Every LP Should Know About ESG in 2023

To conclude the Pension Bridge ESG Summit, key allocators focus on the ten essential takeaways for anyone invested with an ESG mindset.

- How are local and national politics influencing current ESG implementation?
- The impact that climate change is having on portfolios today – and expectations around future impacts.
- Is asset management making meaningful progress with DEI initiatives?
- The impact of technology on ESG investments.
- What the rise of private markets means for ESG practitioners.
- Green energy within the larger energy sector: Where does it fit from an investment standpoint?
- Opportunities and risk with impact investing

5:50 PM PST

Cocktail Reception

General Assembly

Programs » General Assembly



General Information

The CALAPRS General Assembly is an educational conference for retirement system trustees, senior staff, and annual sponsors of CALAPRS. Typically held on a Saturday through Tuesday in March, the program includes educational sessions on relevant and timely topics, as well as networking opportunities for participants. The program agenda is developed by a planning committee commissioned by the CALAPRS Board of Directors.

Upcoming Events

General Assembly 2023

March 4-7, 2023

Monterey Marriot, Monterey, CA

[Register Now](#)

Hotel Reservations: The CALAPRS room block at the Monterey Marriott will be available until Feb. 7th or until sold out, whichever comes first. Room rate is \$234/night +tax. Make your hotel reservation here:

<https://book.passkey.com/go/CALAPRS2023>

General Assembly 2024

March 2-5, 2024

Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA

View the [CALAPRS In-Person Event Policy](#) here.

OUR 13TH ANNUAL CONFERENCE
March 23, 2023



The event will run from 8:00 am to 6:00 pm (PST).

Conference Registration Pricing Details

→ General Registration — \$895

→ NASP Member — \$790

Please contact Jennifer Gibbs at jgibbs@naspsocal.org if you have not received your NASP Member registration code.

→ Trustees and Staff — Complimentary

Trustee/staff please refer to your company's pension plan policy for conference attendance.

→ Sponsor Registration — Included with Sponsorship Donation

NOTE: Sponsorship includes registration for the event. **See levels for more information.**



Attendees Will Include

- Trustees: public and corporate pensions, foundations, endowments
- Consulting firms: private equity specialists, full retainer general pension consultants
- Investment staff: public and corporate pensions, foundations, endowments, and family offices
- Legal counsel: in-house counsel for public and corporate pensions, foundations, endowments and family offices
- Fund-of-funds managers
- Fund formation counsel
- Separate account managers specializing in private equity
- Outside counsel to institutional investors

Prior Attendees ▼

Conference Schedule

MARCH 23, 2023 (SCHEDULE AS OF 10/06/22)

- 7:30 AM ○ REGISTRATION & NETWORKING BREAKFAST ▲
- 8:00 AM ○ GENERAL SESSION SEATING BEGINS ▲
- 8:45 AM ○ WELCOME & OPENING REMARKS ▲
 Norice R. Rice, President — National Association of Securities Professionals, Southern California Chapter (NASP)
- 9:00 AM ○ GENERAL SESSION I ▲
Consultant Roundtable
- 9:45 AM ○ NETWORKING BREAK
- 1:30 PM ○ FIRESIDE CHAT ▲
- 2:00 PM ○ KEYNOTE SPEAKER ▲
- 2:30 PM ○ GENERAL SESSION IV ▲
Private Credit
- 3:15 PM ○ GENERAL SESSION V ▲
CIO Roundtable Discussion
- 4:00 PM ○ NETWORKING BREAK
- 4:15 PM ○ GENERAL SESSION VI ▲
Private Equity II
- 5:00 PM ○ GENERAL SESSION VII ▲
- 6:00 PM ○ CONFERENCE CLOSING RECEPTION
 Reception begins immediately after conference.

Meeting Date
01/11/2023
Agenda Item
#20e.



MARCH 29-31, 2023

**UCLA LUSKIN CONFERENCE CENTER
LOS ANGELES, CA**



Advanced Principles of Pension Governance
for Trustees

FOR THE CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS

Advanced Principles of Pension Governance

for Trustees

ADVANCED PRINCIPLES OF PENSION GOVERNANCE

The Advanced course is about building trustee skills and strengthening board governance. Pension trustees have many opportunities to learn about the disciplines required to run a pension system: institutional investing, actuarial science, benefits law, etc. But another highly important area of knowledge is the business of being a trustee and of contributing to a well-functioning board. The **CALAPRS Advanced Principles of Pension Governance** course exposes veteran trustees to the most effective pension management thinking to help them enhance their service to their retirement systems.

THE PROGRAM

Course attendees will hear from and discuss issues with top-level presenters in the areas of board/staff roles, governance, pension law, economic forecasting and actuarial science.

CURRICULUM | YOUR COURSE OF STUDY

Over the course of two days, attendees will be immersed in a powerful learning process—acquiring the skills they need to lead their organizations effectively.



The Program will cover:

- **Effective Board Decision Making**
- **Governance Risks and Opportunities to Add Value**
- **Economics Forecasting Methods and the annual forecast of the UCLA Anderson School**
- **Governance, Fiduciary Duty, Investments, and the “I” in the Pension Equation, Including ESG**
- **Wearing the Right Hat at the Right Time — *The Fiduciary Duties of Public Pension System Board Members***
- **Advanced Actuarial Principles**

PARTICIPANTS | WHO IS RIGHT FOR THE PROGRAM?

The program is designed for an experienced group of trustees. Trustees should have already acquired a basic understanding of board governance practices, actuarial and investment principles, and fiduciary responsibility. While not required, CALAPRS recommends that newer trustees consider first attending our introductory course: “Principles of Pension Governance for Trustees” which is specifically designed for new trustees. Experienced trustees with a good foundational knowledge do not necessarily need to attend the introductory course first.

EXPERIENCE UCLA'S TRADITION OF EXCELLENCE AT THE LUSKIN CONFERENCE CENTER

In the heart of UCLA's vibrant campus, the new UCLA Meyer and Renee Luskin Conference Center is set amid iconic campus buildings and the exhilarating backdrop of daily student life. The Luskin Conference Center is a place where the best academic minds, innovators, researchers, political leaders, and societal visionaries meet to exchange ideas that help shape the world.



The UCLA Luskin Conference Center is an ideal central meeting place where California's public pension trustees can gather for a transformational academic experience that transcends the acquisition of knowledge, skills, and tools—and fosters professional, intellectual, and personal development.

Participants will receive a Certificate of Completion for this program.

PROGRAM DATES
March 29-31, 2023

LEARNING COMMITMENT

Active involvement in all classroom sessions, case discussions, and other program activities is expected. Participants devote considerable time and intellect to the learning experience. Therefore, they must be free of outside responsibilities during the two days of the program.

THE FACULTY

The Advanced Principles Program is taught by a faculty of highly regarded experts and experienced professionals in the field of public pension management.

TUITION

Program tuition is \$3,250 for CALAPRS members and \$3,550 for non-members and includes all lodging, meals, and materials. Tuition must be paid in full by **March 15, 2023**.

ACCOMMODATIONS

Program tuition includes all meals and lodging on the nights of March 29 and 30 at the acclaimed UCLA Luskin Conference Center, located at 425 Westwood Plaza, Los Angeles, CA. To ensure full participation, all participants are required to stay on-site in the provided private, comfortable hotel rooms.

REGISTRATION

Applications must be received by February 28, 2023. Since space is limited, CALAPRS reserves the right to limit the number of trustees accepted from each retirement system, if need be.

HEALTH & SAFETY

CALAPRS is committed to protecting persons attending in-person association meetings and events, including members, staff, guests, vendors, and other support personnel. As such, CALAPRS has developed an In-Person Event Policy to which all attendees must adhere. By registering and attending a CALAPRS event, you also agree to release CALAPRS and its affiliates of liability related to your participation, as explained under Liability Waiver and Assumption of Risk in the Event Policy. Attendees should read and understand the Event Policy, before they register for any in-person event.

View the In-Person Event Policy Here: <https://www.calaprs.org/page/eventpolicy>

Advanced Principles of Pension Governance for Trustees

March 29 – 31, 2023 Los Angeles, CA

APPLICATION FOR ENROLLMENT

Applications must be received by February 28, 2023. Since space is limited, CALAPRS reserves the right to limit the number of trustees accepted from each retirement system, if need be. Accepted applicants will be notified via email by March 1, 2023.

Applicant Qualifications: *The Advanced Principles Program is designed for an experienced group of trustees. In evaluating readiness for this program, trustees should have already acquired a basic understanding of board governance practices, actuarial and investment principles, and fiduciary responsibility. CALAPRS recommends that newer trustees first attend the initial trustee training course at Pepperdine University entitled: "Principles of Pension Management for Trustees" that is specifically designed for new trustees. The course was previously held at Stanford University.*

Applicant Information

Trustee's Name (for certificate/name badge): _____

Retirement System: _____

Trustee Type: Elected Appointed Ex-Officio Date Became a Trustee: _____ Date Current Term Expires: _____

Trustee's Phone : _____ Trustee's Email: _____

Emergency Contact (name, phone): _____

Dietary Restrictions (if any): _____

Administrative Contact (name, email): _____

I have **e-mailed** this applicant's biography (≤150 words) to register@calaprs.org for printing in the attendee materials.

Applicant Signature

If admitted, I agree to attend the Advanced Principles program in full and acknowledge that missing one or more sessions may result in forfeiture of my Certificate of Completion, as determined by the Faculty.

Trustee Signature (required) _____ Date: _____

Administrator Approval

Administrator Name: _____ Email: _____

Administrator Signature (required): _____

Tuition Payment

\$3,250 CALAPRS Member \$3,550 Non-member

Program tuition must be paid in full by March 15, 2023. Tuition includes all meals, materials, and mandatory lodging for all participants for the nights of March 29 and 30 in the UCLA Luskin Conference Center. Mail or email form and payment to "CALAPRS" at 575 Market Street, Suite 400, San Francisco, CA 94105 or register@calaprs.org



If, due to a disability, you have any special needs, call 415-764-4860 to let us know. We will do our best to accommodate your needs.

March 29 – 31, 2023

PROGRAM SCHEDULE

LOCATION: UCLA Luskin Conference Center, 425 Westwood Plaza, Los Angeles, CA

WEDNESDAY, MARCH 29	
3:00 – 5:30 PM	Check-in at UCLA Luskin Center
5:30 – 6:00 PM	Welcome & Networking Reception Mark Hovey , Appointed Trustee, San Diego County Employees' Retirement Association / Retired CEO, San Diego City Employees' Retirement System
6:00 – 7:00 PM	Dinner
7:00 - 8:30 PM	Effective Board Decision Making Mark Hovey
THURSDAY, MARCH 30	
7:30 – 8:30 AM	Breakfast
8:30 – 10:30 AM	Governance Risks . . . and Opportunities to Add Value (Part 1) Valter Viola , Cortex Consultants <i>Turning great strategy into great performance is hard; that's why risk-conscious boards that focus on policy decisions can add value. Organizations typically have some "performance gaps," and pension plans are no different. We will explore and discuss the unique fiduciary, organizational, and other risks faced by pension plans and how to mitigate them through:</i> <ul style="list-style-type: none"> • effective strategic and business planning practices; and • optimizing board and staff roles, accountabilities, and delegations of authority.
10:30 AM	Break
11:00 - 12:00 PM	Governance Risks . . . and Opportunities to Add Value (Part 2)
12:00 PM	Lunch with Table Topics
1:00 - 2:45 PM	Economics Update and Forecast Dr. Jerry Nickelsburg , Professor, UCLA Anderson School of Management <i>As we have now entered the second year of the COVID19 pandemic, the need for good forecasts of the future of the national, state and local economies becomes more important. However, the uncertainty surrounding the post-COVID world makes such forecasting all the more difficult. Will people return to the city? What about offices? How soon will government revenues recover? Using "similar as economic inference" and lessons from the 2006-2008 housing debacle will help us understand how to tap into that uncertainty to develop better forecasts. The economic outlook for the US and California are an illustration of navigating heightened uncertainty in an organized way in order to make better decisions, and to have a road map to changing those decisions.</i>
2:45 – 3:00 PM	Break

3:00 – 4:15 PM	<p><i>Governance, Fiduciary Duty, Investments, and the “I” in the Pension Equation, Including ESG</i></p> <p>Carina Coleman, CIO, San Diego City Employees’ Retirement System <i>Your actuary teaches the pension equation as $C + I = B + E$. What is the role of “I”? Why do asset allocation decisions and equity returns dominate “minimizing the risk of loss and maximizing return? With the rapid emergence of ESG in the political economy, what is its role in pension portfolios? This session pursues answers to these questions and will also probe why we see consistent evidence that most public pension plan returns are below that of a simple 60% stock-40% bond fund.</i></p>
4:15 – 5:30 PM	<p><i>Wearing the Right Hat at the Right Time—The Fiduciary Duties of Public Pension System Board Members</i></p> <p>Chris Waddell, Olson Remcho <i>Virtually every retirement system in California has a mix of members that are: 1) elected by active and or retired members; 2) appointed by the plan sponsor; and 3) sit ex officio by virtue of holding another public office, which is often elective. It’s not uncommon for elected members to also be elected union officials. These “day jobs” come with their own responsibilities and associated stress as well as their own personal beliefs and values about what’s best for the plan sponsor, the public at large and/or for a specific subset of retirement system stakeholders. It can be hard to keep these concerns from affecting decisions made as a public pension board member. We will discuss the “two-hats” rule and how it can assist Board members with ensuring that their decisions are consistent with their fiduciary duties.</i></p>
6:00 – 6:30 PM	Cocktail Reception
6:30 PM	Dinner

FRIDAY, MARCH 31	
7:30 – 8:30 AM	Breakfast
8:30 -10:30 AM	<p><i>Advanced Actuarial Principles</i></p> <p>Paul Angelo, Senior VP & Actuary, Segal Todd Tauzer, VP & Actuary, Segal</p> <ul style="list-style-type: none"> • Focus on the two actuarial policy and decision areas for trustees: assumptions and funding policy • Consider recent trends in public plan discount rates and why that topic is still controversial • Review the three components of funding policy and then drill down on how to most effectively pay off the unfunded liability or manage any funding “surplus”
10:30 – 10:45 AM	Break
10:45 -12:00 PM	<i>Governance Risks . . . and Opportunities to Add Value (Part 3)</i>
12:00 PM	Lunch
12:30 – 1:30 PM	<p><i>Tying It All Together: Questions, Take-Aways, Program Summary / Evaluation</i></p> <p>Mark Hovey & Valter Viola</p>
1:30 PM	Course Concludes

2023 Public Funds Roundtable

Apr 24th - Apr 26th 2023

The Beverly Hilton

Los Angeles, CA

April 24, 2023

Allocator-Only Welcome Reception

05:00 PM - 06:00 PM Activity
America/Los_Angeles

April 25, 2023

Day 1 | Alternative Investor Institute - April 25th

08:00 AM - 07:00 PM Presentation
America/Los_Angeles

April 26, 2023

Day 2 | Institutional Investor Institute - April 26th

08:00 AM - 09:00 PM Presentation
America/Los_Angeles



Save the Date



2023 Annual Institutional Symposium

We are excited to announce next year's Annual Institutional Symposium, scheduled for:

May 2–4, 2023
Austin, TX

[Add to Calendar](#)



Mark your calendar to join us as we bring together a community of institutional professionals to discuss the latest research, challenges, and opportunities in our industry. The program will include sessions with Dimensional leaders as well as prominent academics and practitioners.

We are currently finalizing details for the 2023 symposium. Past speakers include Eugene Fama, Kenneth French, and Robert Merton. We will make sure to throw some local Austin flavors and live music into the agenda!

We hope you can join us in Austin!

Sincerely,
Dimensional Fund Advisors

US_Events@dimensional.com



ARTISAN PARTNERS

Meeting Date
01/11/2023
Agenda Item
#20h.

2023

Investment Forum

An Exclusive Event with Our
Autonomous Investment Teams



SAVE THE DATE

May 10–11, 2023

The St. Regis New York | Two E 55th St., New York, NY

[ADD TO CALENDAR](#)

We are delighted to announce the Artisan Partners Investment Forum will take place May 10–11, 2023. The Forum is an opportunity to hear from our investment teams and discuss opportunities and challenges in the ever-changing investment landscape.

Join us in an intellectual exchange with our portfolio managers.

Registration details will be provided in early 2023. As you plan your travels in 2023, we encourage you to keep this event in mind.

Speakers

Bryan Krug and Seth Yeager

Credit Team

Chris Smith

Antero Peak Group

**Maria Negrete-Gruson
and Meagan Nace**

Sustainable Emerging Markets Team

**Michael Cirami, Sarah Orvin
and Unoma Okolo**

EMsights Capital Group

Jim Hamel and Matt Kamm

Growth Team

Tiffany Hsiao and Yuanyuan Ji

Artisan China Post-Venture Strategy

Mark Yockey

Global Equity Team

Rezo Kanovich

Artisan Non-U.S. Small-Mid
Growth Strategy

David Samra

International Value Team

**Tom Reynolds, Dan Kane
and Craig Inman**

U.S. Value Team

Beini Zhou and Anand Vasagiri

International Value Team

Artisan International Explorer Strategy