



RETIREMENT BOARD MEETING
FIRST MONTHLY MEETING
9:00 a.m.

November 6, 2013

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

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

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the October 2, 2013 Board meeting.
4. Routine items for November 6, 2013.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept Asset Allocation Report
5. Consider and take possible action on request from PDOCC regarding call back pay.
6. Consider and take possible action on request from DSA regarding "Deputy Sherriff-Recruit-Fixed Term" position.
7. Consider and take possible action on request from CCCREA regarding a mailing to retirees and authorization for deductions from retiree benefit checks.

CLOSED SESSION

8. The Board will go into closed session under Gov. Code Section 54959 to consider recommendation from the Hearing Officer regarding the disability application of Kimberly Jones.
9. The Board will go into closed session under Govt. Code Section 54956.9(a) to confer with legal counsel regarding existing litigation :
 - a. *Contra Costa County Deputy Sheriffs Association, et al., v. CCCERA, et al.,* Contra Costa County Superior Court, Case No. N12-1870.
10. The Board will go into closed session under Govt. Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

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

11. Consider and take possible action on SACRS legislative proposal.
12. Consider and take possible action on proposed legislation to make CCCERA a separate District.
13. Legislative update from staff.
14. Consider and take possible action on follow up information received regarding retiring member with on call pay.
15. Consider and take possible action on Board meeting audio recordings.
16. Consider and take possible action on Aether Investments.
17. Consider authorizing the attendance of Board and/or staff:
 - a. Legislative Conference, NCPERS, January 26 – 28, 2-14, Washington, D.C.
 - b. Institutional Investors' Roundtable, KORIED, December 2 – 4, 2013, San Francisco, CA.
 - c. Risk & Liquidity, Institutional Investor, January 14 – 15, 2014, New York, NY.
 - d. Protecting Securities Portfolios, BLB&G, February 6, 2014, New York, NY.
18. 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
11/06/13
Agenda Item
#3

RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY BOARD MEETING
9:00 a.m.

October 2, 2013

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

Present: Debora Allen, Richard Cabral, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, Gabe Rodrigues, Jerry Telles and Rusty Watts

Absent: None

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; Karen Levy, General Counsel; Vickie Kaplan, Retirement Accounting Manager; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Marty Dirks	Milliman
Dorian Young	Milliman

1. **Pledge of Allegiance**

Hast led all in the *Pledge of Allegiance*.

2. **Recognition of Nannette Mendoza for 25 years of service**

Hast recognized and congratulated Nannette Mendoza for her 25 years of service.

3. **Accept comments from the public**

No members of the public offered comment.

4. **Approval of Minutes**

It was M/S/C to approve the minutes of the July 24, 2013 meeting with a change to Item 3, second paragraph, second sentence, to read "The report also includes the changes in the economic and non-economic assumptions, including changing the *interest discount* assumption from 7.75% to 7.25%." and by changing Item 10 to include the description of each of the 4 items approved. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts)

It was M/S/C to approve the minutes of the August 14, 2013 meeting. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts)

5. **Routine Items**

It was **M/S/C** to approve the routine items of the October 2, 2013 Board meeting. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts)

6. Presentation of Cash Flow report for the 6 months ended June 30, 2013

Kaplan reviewed the Cash Flow report for January through June 2013 noting the first half of the report shows inflows to CCCERA and the second half shows the outflows. She reported a new column has been added showing the percentage change from the prior year.

Kaplan reported the increase to Segal was mostly due to PEPRA costs. The experience study was also completed this year.

The Board requested footnotes for large increases/decreases in individual line items. They also requested a breakdown of attorney's fees (investment, non-investment, tax, salary, etc.).

It was **M/S/C** to accept the cash flow report for the 6 months ended June 30, 2013. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54956.9(a).

The Board moved into open session.

7. There was no reportable action related to Govt. Code Section 54956.9(a).

It was the consensus of the Board to move to Item #10.

10. Consider and take possible action on staff recommendation regarding Lord Abbett – Marty Dirks, Dorian Young

Dirks introduced Dorian Young who just joined Milliman. Young gave a brief overview of his background in the industry.

Dirks reported 3 personnel have left Lord Abbett recently. He stated the departures are not part of the investment management team but it is, nevertheless, a concern. He stated their performance has been quite good, the money management team hasn't changed, but there is always a concern when there are personnel changes.

After a discussion on the departing personnel and the Watch List in general, it was **M/S/C** to place Lord Abbett on the CCCERA Manager Watch List and conduct an on-site visit. (Yes: Allen, Cabral, Hast, Phillips, Rodrigues, Telles and Watts. No: Gordon and Mitchoff)

11. Consider and take possible action on staff recommendation regarding the GSAM Park Account

Leedom reviewed the background of the Goldman Sachs "Park portfolio" and the recommendation to move the remaining balance to the main Goldman Sachs account.

After a brief discussion, it was **M/S/C** to move the Park portfolio of legacy assets into the main Goldman Sachs account and the Park portfolio be terminated. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts)

12. Consider and take possible action on staff recommendation for an actuarial audit

Leedom gave an overview of the RFP process completed in 2008 which included an actuarial audit of CCCERA's Actuarial Valuation and Experience Study to be completed every six years.

It was M/S/C to authorize staff to work with Milliman to provide an actuarial audit in 2014 with the same scope as the Milliman 2008 actuarial audit in an amount not to exceed \$82,500. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts)

13. Consider and take possible action to change the date of the November 6, 2013 Board meeting

The Board discussed the availability of a quorum for the November 6, 2013 Board meeting and decided to keep the November 6, 2013 meeting date.

8. Educational presentation from Fiduciary Counsel on Fiduciary Duties

Leiderman gave an overview of his presentation materials and the CCCERA policies included in the agenda packet noting his presentation will be an interactive one.

He gave several hypothetical scenarios on the fundamental fiduciary responsibilities (Primary Loyalty Rule, Exclusive Benefit Rule and Prudent Expert Rule), the requirements of the CCCERA Code of Fiduciary Conduct and Ethics, conflicts of interests, disclosure of outside interests, the Brown Act, and the confidentiality of closed sessions.

Mitchoff was no longer present for subsequent discussion and voting.

9. Educational presentation on Brown Act and gift reporting requirements

This item was pulled from the Agenda.

14. Conference Seminar Attendance

- a. It was M/S/C to authorize the attendance of 1 Board member at the Annual Employee Benefits Conference, IFEBP, October 20-23, 2013, Las Vegas, NV. (Yes: Allen, Cabral, Gordon, Hast, Holcombe, Phillips, Rodrigues, Telles and Watts)

15. Miscellaneous

- (a) Staff Report –

Leedom reported she received requests from the San Ramon Valley Fire District and the Moraga-Orinda Fire District to provide their actuary with the actuarial information that was used to calculate the rates.

She attended the Administrators Institute and felt it was interesting.

Leedom noted the total compensation report is still not completed.

Leedom reported CALAPRS has changed their annual trustee training for new Board members to the first week in August.

- (b) Outside Professionals' Report -

None

- (c) Trustees' comments –

Holcombe reported on the CII Conference.

Phillips reported he, Mitchoff, Watts and Schneider attended the Public Retirement Journal seminar and felt it was interesting.

Cabral reported he also attended the CII Conference.

Gordon reported he was contacted by Paladin Investments stating they hadn't been at recent board meetings at Milliman's direction. Phillips noted he received the same email.

Allen reported she spent 4 days at Wharton in the advanced investment training and highly recommends the program. She reported she had dinner with Emerald while she was there, noting it was more of a personal nature.

Allen also reported she and Rodrigues attended the Milliman conference which was very interesting.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Cabral, Gordon, Hast, Holcombe, Phillips, Rodrigues, Telles and Watts)

Brian Hast, Chairman

Jerry Telles, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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Items requiring Board Action

- A. Certifications of Membership – see list and classification forms.
- B. Service and Disability Retirement Allowances:

Meeting Date
11/06/13
Agenda Item
#4

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Group</u>	<u>Selected</u>
Belvin, Marlyn	64189	08/01/13	SR	II & III	Unmod
Buck, Terry	38631	08/31/13	SR	SA	Unmod
Cline, Lance	D3406	08/05/13	SR	I	Unmod
Conry, Deanna	D9500	08/01/13	SR	II & III	Unmod
Ergo, Allen	56718	09/01/13	SR	III	Unmod
Laroya, Eugenia	65726	08/21/13	SR	II & III	Unmod
Lisenko-Messick, Anne	49835	07/01/13	SR	II & III	Unmod
Magana, Salvador	D9990	08/06/13	SR	I	Unmod
Martinez, Edwardo	40592	08/01/13	SR	II & III	Option 2
Parrott, James	54263	06/01/13	SR	II & III	Unmod
Reardon, Juan	48847	09/01/13	SR	II & III	Unmod
Silva-Leong, Betty	62563	08/31/13	SR	II & III	Unmod
Smith, Barbara	67663	08/03/13	SR	III	Unmod
Sutter, Stacey	46686	08/03/13	SR	I	Unmod
Tucker, Jaime	53344	08/01/13	SR	III	Unmod
Willett, Jr., Louis	46587	08/15/13	SR	SA	Unmod

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>
Besag, David	63004	08/19/13	SCD
Plake, Brian	54223	10/14/13	SCD

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer</u>
Andrews, Earl	09/24/13	Contra Costa County
Ashcraft, Miner	10/28/13	Contra Costa County
Broad, Alan	09/19/13	Contra Costa County
Bruce, Clyde	10/20/13	Contra Costa County
Burke, Eleanor	10/08/13	Contra Costa County
Butler, Blanche	09/27/13	Contra Costa County
Denny, Richard	10/10/13	Beneficiary
Edralin, Gregorio	10/19/13	Contra Costa County
Fly, Marilyn	09/18/13	Contra Costa County

KEY:

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

Option
* = County Advance
Selected w/option

Type
NSP = Non-Specified
SCD = Service Disability
SR = Service Retirement
NSD = Non-Service Disability

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Grunlund, Janet	08/14/13	Beneficiary
Helma, Allen	09/23/13	Contra Costa County
Hernandez, Manuel	09/20/13	Contra Costa County
Jefferson, Johnny	10/12/13	Contra Costa County
Kuidis, Victoria	08/30/13	Beneficiary
Lowrie, Delores	10/22/13	Contra Costa County
McCall, Loretta	10/02/13	Contra Costa County
Mellers, Robert	09/04/13	Beneficiary
Minnie, O'Tey	01/06/13	Contra Costa County
Monroe, Ellen	10/19/13	Beneficiary
Morgan, Bettye	10/09/13	Contra Costa County
Nelson, William	10/05/13	Contra Costa County
Perez, William H.	06/22/13	Contra Costa County Sanitary District
Quintero, David	10/23/13	Contra Costa County Sanitary District
Robb, Sharon	09/23/13	Contra Costa County
Salgado, Michelle	08/30/13	Contra Costa County
Sawyer, Jeanne	09/30/13	Beneficiary
Schooley, Robert	04/19/13	Beneficiary
Squires, Shirley	04/15/13	Beneficiary
Steinberg, Eric	08/29/13	Contra Costa County
Tashjian, Helen	05/21/13	Contra Costa County
Terry, Arleah	02/06/12	Beneficiary
Vejar, Mavis	10/18/13	Contra Costa County
Vlach, Agnes	02/02/13	Beneficiary
Waters, Lawrence	09/06/13	Contra Costa County
Williamson, Mildred	10/03/13	Contra Costa County
Winqvist, Ann	03/26/13	Beneficiary
Woodward, Janice	10/22/13	Contra Costa County

KEY:

Group

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

Option

* = County Advance
Selected w/option

Type

NSP = Non-Specified
SCD = Service Disability
SR = Service Retirement
NSD = Non-Service Disability

ASSET ALLOCATION

Current Assets (Market Value)

\$6,289,939,000

Reporting Month End: September 30, 2013

Prepared By: Chih-Chi Chu

Meeting Date
11/06/13
Agenda Item
#4

Robeco
Delaware Investment Adv.
Emerald Advisors
Intech (Core)
PIMCO Stock +
Ceredex

Total Domestic Equity

SSgM

William Blair

Total International Equity

JPMorgan Global Opportunities

First Eagle

Artisan Global Opportunities

Intech (Global Low Volatility)

Total Global Equity

Total Equity

AFL-CIO Housing Investment Trust

PIMCO

GSAM "Park" Portfolio

Goldman Sachs Asset Management

Lord Abbett

Torchlight Debt Opportunity Fund II

Torchlight Debt Opportunity Fund III

Torchlight Debt Opportunity Fund IV

Total Domestic Fixed Income

Lazard Asset Management

Total Global Fixed Income

Allianz Global Investors (fka Nicholas Applegate)

Total High Yield Fixed Income

Wellington Real Total Return

PIMCO All Asset

Commonfund Natural Resources IX

Total Real Asset

Total Real Estate

Total Alternative Investments

County Treasurer

State Street Bank

Total Cash & Equivalents

Oaktree 2009

Total Market Opportunities

TOTAL ASSETS

A	B	C	D	C-B	D-A	Range
% of Target	Target Assets	Market Value	Actual Assets	Over (Under)	Over (Under)	
4.5%	283,047,255	279,524,000	4.44%	(3,523,255)	(0.06%)	
4.5%	283,047,255	295,061,000	4.69%	12,013,745	0.19%	
3.0%	188,698,170	207,990,000	3.31%	19,291,830	0.31%	
4.3%	270,467,377	267,529,000	4.25%	(2,938,377)	(0.05%)	
4.4%	276,757,316	259,643,000	4.13%	(17,114,316)	(0.27%)	
3.0%	188,698,170	194,900,000	3.10%	6,201,830	0.10%	
23.7%	1,490,715,543	1,504,647,000	23.92%	13,931,457	0.22%	
5.3%	333,366,767	330,998,000	5.26%	(2,368,767)	(0.04%)	
5.3%	333,366,767	342,101,000	5.44%	8,734,233	0.14%	
10.6%	666,733,534	673,099,000	10.70%	6,365,466	0.10%	
4.0%	251,597,560	264,547,000	4.21%	12,949,440	0.21%	
4.0%	251,597,560	257,149,000	4.09%	5,551,440	0.09%	
4.0%	251,597,560	242,062,000	3.85%	(9,535,560)	(0.15%)	
0.3%	18,869,817	20,792,000	0.33%	1,922,183	0.03%	
12.3%	773,662,497	784,550,000	12.47%	10,887,503	0.17%	
46.6%	2,931,111,574	2,962,296,000	47.10%	31,184,426	0.50%	40% TO 55%
3.2%	201,278,048	200,444,000	3.19%	(834,048)	(0.01%)	
5.0%	314,496,950	312,895,000	4.97%	(1,601,950)	(0.03%)	
0.0%	0	8,503,000	0.14%	8,503,000	0.14%	
3.7%	232,727,743	237,240,000	3.77%	4,512,257	0.07%	
4.2%	264,177,438	263,221,000	4.18%	(956,438)	(0.02%)	
1.0%	62,899,390	75,243,000	1.20%	12,343,610	0.20%	
1.4%	88,059,146	54,983,000	0.87%	(33,076,146)	(0.53%)	
1.1%	69,189,329	36,636,000	0.58%	(32,553,329)	(0.52%)	
19.6%	1,232,828,044	1,189,165,000	18.91%	(43,663,044)	(0.69%)	
4.0%	251,597,560	254,890,000	4.05%	3,292,440	0.05%	
23.6%	1,484,425,604	1,444,055,000	22.96%	(40,370,604)	(0.64%)	20% TO 30%
5.0%	314,496,950	310,142,000	4.93%	(4,354,950)	(0.07%)	
5.0%	314,496,950	310,142,000	4.93%	(4,354,950)	(0.07%)	2% TO 9%
2.4%	150,958,536	199,849,000	3.18%	48,890,464	0.78%	
1.8%	113,218,902	113,733,000	1.81%	514,098	0.01%	
0.8%	50,319,512	2,250,000	0.04%	(48,069,512)	(0.76%)	
5.0%	314,496,950	315,832,000	5.02%	1,335,050	0.02%	0% TO 10%
12.5%	786,242,375	785,169,000	12.48%	(1,073,375)	(0.02%)	10% TO 16%
6.0%	377,396,340	396,106,000	6.30%	18,709,660	0.30%	5% TO 12%
		41,490,000	0.00%			
			0.66%			
0.5%	31,449,695	41,490,000	0.66%	10,040,305	0.16%	0% TO 1%
0.8%	50,319,512	34,849,000	0.55%	(15,470,512)	(0.25%)	
0.8%	50,319,512	34,849,000	0.55%	(15,470,512)	(0.25%)	0% TO 5%
100.0%	6,289,939,000	6,289,939,000	100%	0	0%	

UNDER REVIEW:

Long Wharf - Performance, Organization, Board Action 05/23/12

Invesco IREF - Performance, Board Action 02/24/10

GMO - Terminated, Board Action 05/22/13

Nogales Investors - Performance, Board Action 05/28/08

INTECH (both Core and Global Low Vol.) - Organization, Board Action 12/12/12

WHV - Terminated, Board Action 5/22/13

**Real Estate & Alternative Investments
As of September 30, 2013**

REAL ESTATE INVESTMENTS

	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. II	04/00/99	7/14/2009	40,000,000	4,076,000	0.06%	
DLJ Real Estate Capital Partners, L.P. III	06/01/05	1/1/2014	75,000,000	43,260,000	0.69%	18,958,000
DLJ Real Estate Capital Partners, L.P. IV	12/26/07	1/1/2016	100,000,000	77,703,000	1.24%	19,476,000
DLJ Real Estate Capital Partners, L.P. V	09/30/13	9/30/2020	75,000,000			75,000,000
Hearthstone Partners I	06/15/95	12/31/2003	3,750,000	53,000	0.00%	
Hearthstone Partners II	06/17/98	12/31/2009	6,250,000	(2,000)	0.00%	
Invesco IREF I	10/22/03	4/30/2011	50,000,000	13,596,000	0.22%	
Invesco IREF II	05/30/07	12/31/2015	85,000,000	39,242,000	0.62%	
Invesco IREF III	08/01/13	8/1/2021	35,000,000	16,191,000	0.26%	19,732,000
Long Wharf FREG II	02/26/04	2/26/2012	50,000,000	8,072,000	0.13%	
Long Wharf FREG III	03/31/07	3/31/2015	75,000,000	51,706,000	0.82%	
Long Wharf FREG IV	07/16/13	7/31/2021	25,000,000	5,442,000	0.09%	19,558,000
Oaktree Real Estate Opportunities Fund V	12/15/11	12/31/2016	50,000,000	55,850,000	0.89%	
Oaktree Real Estate Opportunities Fund VI	09/30/13	9/30/2020	80,000,000	37,600,000		42,400,000
Siguler Guff Distressed Real Estate Opportunities Fund	12/31/11	12/31/2016	75,000,000	58,147,000	0.92%	22,518,000
Siguler Guff Distressed Real Estate Opportunities Fund I	08/31/13	8/31/2020	70,000,000	7,700,000		62,300,000
Paulson Real Estate Fund II	11/10/13	11/10/2020	25,000,000			25,000,000
Angelo Gordon Realty Fund VIII	12/31/11	12/31/2018	80,000,000	40,961,000	0.65%	38,545,000
LaSalle Income & Growth Fund VI	01/31/12	1/31/2019	75,000,000	23,188,000	0.37%	51,812,000
Adelante Capital Management (REIT)			0	203,004,000	3.23%	
INVESCO International REIT			0	91,380,000	1.45%	
Willows Office: \$10,774,100 ***			0	8,000,000	0.13%	
*** Purchase price \$10,600,000 plus acquisition cost and fees \$174,100.			1,180,000,000	785,169,000	11.76%	395,299,000
Outstanding Commitments			395,299,000			
Total			1,180,468,000			

PRIVATE DEBT INVESTMENTS

	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
ING Clarion Commercial Mortgage Fund II	09/28/06	9/30/2014	128,000,000	75,243,000	1.20%	
ING Clarion Commercial Mortgage Fund III	09/30/08	9/30/2016	75,000,000	54,983,000	0.87%	
Torchlight Commercial Mortgage Fund IV	08/01/12	8/30/2020	60,000,000	36,636,000	0.58%	33,047,000
Outstanding Commitments			33,047,000			
Total			199,909,000			

ALTERNATIVE INVESTMENTS

	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE	180,000,000	91,525,000	1.46%	41,632,000
Adams Street Secondary II	12/31/08	12/31/2012	30,000,000	30,606,000	0.49%	13,552,000
Adams Street Secondary V	10/31/12	10/31/2016	40,000,000	3,216,000	0.05%	36,052,000
Pathway	11/09/98	11/9/2013	125,000,000	74,535,000	1.18%	18,249,000
Pathway 2008	07/31/09	12/31/2016	30,000,000	14,254,000	0.00%	16,664,000
Pathway 6	08/31/11	12/31/2018	40,000,000	4,989,000	0.00%	35,232,000
Pathway 7	07/10/13	7/31/2020	70,000,000	1,935,000	0.00%	69,065,000
EIF USPF I	11/26/03	6/30/2011	30,000,000	1,807,000	0.03%	0
EIF USPF II	07/13/05	6/30/2015	50,000,000	39,920,000	0.63%	0
EIF USPF III	05/30/07	3/31/2017	65,000,000	52,257,000	0.83%	0
EIF USPF IV	08/31/10	9/1/2020	50,000,000	9,211,000	0.15%	37,741,000
Nogales Investment	02/15/04	2/15/2014	15,000,000	2,760,000	0.04%	1,651,000
Bay Area Equity Fund	06/14/04	12/31/2012	10,000,000	11,144,000	0.18%	0
Bay Area Equity Fund II	2/29/09	12/31/2017	10,000,000	5,561,000	0.09%	3,598,000
Paladin III	11/30/07	12/31/2017	25,000,000	16,994,000	0.27%	4,841,000
Carpenter Community BancFund	01/31/08	1/31/2016	30,000,000	35,392,000	0.56%	6,032,000
Outstanding Commitments			284,309,000			
Total			680,415,000			

OPPORTUNISTIC INVESTMENTS

	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Oaktree Private Investment Fund 2009	02/28/10	1/31/2017	40,000,000	34,849,000	0.55%	5,163,000
Outstanding Commitments			5,163,000			
Total			40,012,000			

REAL ASSET INVESTMENTS

	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Commonfund Capital Natural Resources IX	06/30/13	06/30/20	50,000,000	2,250,000	0.04%	47,750,000
Aether			75,000,000		0.00%	75,000,000
Outstanding Commitments			122,750,000			
Total			125,000,000			

Market value column is the latest ending quarter plus any additional capital calls after the ending quarter.

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.



<p><i>Meeting Date</i> 11/06/13 <i>Agenda Item</i> #5</p>

MEMORANDUM

Date: November 6, 2013
To: CCCERA Board of Retirement
From: Kurt Schneider, Deputy Retirement Chief Executive Officer
Subject: Physicians Call Back Pay (Pay Code D16)

Earlier this year it was discovered that "call back pay", which is generally considered overtime and excluded from compensation earnable was being reported by the County as pensionable for some job classifications, and the County had been collecting contributions on these pay items. After analysis, staff notified the County that contributions should not be taken on these pay items, and members who received these pay items were notified that these pay items would not be included in the calculations of their retirement allowance. Members receiving this pay item were also notified of the same.

Members of the Physicians and Dentists Organization of Contra Costa ("PDOCC") requested further analysis of "Physician Call Back Pay," County Pay Code D16. CCCERA staff, including legal counsel, met with and reviewed information provided by the doctors to ascertain whether pay item D16 was for "scheduled" work on the weekend. Enclosed please find CCCERA's written determination dated August 23, 2013.

The physicians asked to address the Board concerning this issue, and have submitted the enclosed three letters from PDOCC representatives. Among other issues addressed in the letters, PDOCC has raised a concern regarding whether CCCERA may exclude call back pay at all in light of the "Stay Order" in the AB 197 lawsuit. Staff is working to analyze the issues that were raised in these letters.

Recommendation: Refer the matter to legal counsel for further analysis.



August 23, 2013

Dr. David MacDonald (Via e-mail)

Re: Physician Call-Back Pay (County Pay Item D16)

Dear David:

Thank you for working with CCCERA staff on the Physician Call-Back Pay issue. Over the course of the past few months, we have had several meetings with you to gather information and gain a better understating of Physician Call-Back Pay.

This letter is to follow-up on the meeting held on August 8, 2013 and documentation provided to CCCERA subsequently by Dr. David Goldstein, Chief Medical Officer of the Contra Costa Regional Medical Center and Health Centers. We appreciate all the information and documentation you and Dr. Goldstein have provided. As agreed, we have reviewed documentation pertaining to one member (with the member's consent) as a sample.

As we have discussed, in late 1997 when the CCCERA Retirement Board first considered including some call-back pay as "compensation earnable" for retirement purposes, the Board adopted a policy that included call-back pay for physicians only if it was "pay for scheduled work on a weekend". Since 1998, however, the County reported all call-back pay as pensionable. In June 2013, CCCERA informed the auditor-controller's office and active CCCERA members who have received call-back pay that call-back pay will no longer be included as compensation for retirement purposes and should not be reported as pensionable to CCCERA.

The purpose of the meeting in August 2013 was to provide information regarding whether and how Physician Call-Back Pay (County pay code D16) is scheduled to be worked. If scheduled on a weekend, the Physicians argued, the call-back pay should be included for retirement purposes. Dr. Goldstein presented timesheets and on-call schedules for a sample member during a sample time period to show what work was scheduled on a weekend. Additional timesheets and schedules were provided to CCCERA in the days and weeks following the meeting.

CCCERA staff has reviewed the documentation provided and found that, with some minor exceptions, the on-call time on the timesheets for weekends and holidays corresponds to the on-call schedules for the sample member during the sample time period. The call-back pay, on the other hand, does not correspond to any time on the schedule (other than it was, for the most part, during time that the member was scheduled to be on-call). Since we cannot confirm that any of the call-back pay was scheduled to be worked on a weekend, we cannot include any compensation reported under pay code D16 as compensation for retirement purposes under the current compensation policy.

Dr. David MacDonald
August 23, 2013
Page 2

As we discussed, the argument that call-worked (i.e., call back) is an extension of being on call and should be included on that basis is something the Retirement Board considered in 1997 and reaffirmed in 1999. Time for being on-call was to be included, while time for being called back (even if it results from being on-call) is *overtime* and pay for such time should be excluded.

As mentioned during our meeting, since call back pay is a form of payment for *overtime* work, regular overtime rules apply. Under statutes and Board policy, overtime is generally excluded from compensation for retirement purposes (Govt. Code § 31461.6). The exception is that pay for mandatory overtime that the employer requires all employees in the same job classification to work is included in compensation for retirement purposes.¹ As we discussed, the County is well aware of this overtime exclusion and the exception. For the purposes of this inquiry, however, CCCERA staff has limited its inquiry to whether or not any of the call-back pay is “pay for scheduled work on a weekend” as directed by the standard adopted by the Board in 1997.

If you would like the Retirement Board to reconsider its position, please let me know, so we can put the matter on a future Board agenda.

Sincerely,



Marilyn Leedom
Retirement Chief Executive Officer

Cc: Dr. David Goldstein

¹ Government Code Section 31461.6 defines “compensation earnable” follows: “‘Compensation earnable’ shall not include overtime premium pay other than premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under [the Fair Labor Standards Act].” Government Code Section 31461 defines “compensation earnable” as: “the average compensation . . . for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay.” We have referred you to the *Stevenson* case, *Stevenson v. Board of Retirement of OCERS*, 186 Cal. App. 4th 498 (2010)), in which the court upheld the retirement board’s determination that overtime pay was not “compensation earnable” because it was not required of and worked by all members of the job classification.

October 24, 2013

Board of Retirement
Contra Costa County Employees' Retirement Association
1335 Willow Way, Suite 221
Concord, CA 94520

Re: Physician Call-Back Pay

Dear Members of the Board:

We write on behalf of the Physicians and Dentists Organization of Contra Costa ("PDOCC") regarding CCCERA's recent changes to how it treats "physician call-back pay" in pension calculations. In particular, we ask that the Board reconsider CCCERA staff's decision to now exclude all forms of physician call-back pay, recorded under County pay code D16, from pension benefits. This action does not comport with the CCCERA's historic treatment of call-back pay, disregards the nature of call-back work for CCCERA members represented by PDOCC, and contradicts prior Board policy regarding call-back pay.

By way of background, in its implementation of *Ventura County Deputy Sheriffs' Assn. v. Board of Retirement of Ventura County Employees' Retirement Assn.* (1997) 16 Cal.4th 483, the Board in 1997 determined that what was then County pay code 19 for "Call Back/Weekend" would be included as retirement compensation. As it was described in the policy adopted by the Board on December 5, 1997, this was "[p]ay to med. Personnel if called in on weekend or after hours due to patient illness" and the policy further stated that it would "[i]nclude those that are scheduled" but "[e]xclude those not scheduled." (See Attachment A.) Subsequent documents identifying County pay code 19 as includible pay for purposes of implementing the *Ventura* decision—e.g., the *Paulson* settlement agreement—note that "[w]e understand that this pay item has been used to report time both scheduled and unscheduled. In [*sic*] this pay item should be used to report pay for scheduled work on a weekend." (Attachment B.)

However, for reasons that remain unexplained to PDOCC, it appears that CCCERA has collected contributions on all call-back pay since implementing its policy in 1997 and has included call-back pay as compensation in retirement calculations. This has been the case for years now and numerous physicians and other employees have retired with call-back pay included in their pension calculations.

Although CCCERA has for more than 15 years collected contributions on call-back pay and has included call-back pay in pension calculations, on June 19, 2013, CCCERA announced that it

would cease doing so. Additionally, CCCERA made its decision retroactive to April 2013, stating that retirement calculations finalized in April 2013 already excluded these payments. Given the extensive period of time that CCCERA has collected contributions on call-back pay and included it in pension calculations, this sudden shift came as a surprise to many CCCERA members, and it was made without any warning or notice to them. This change significantly affected the retirement benefits of several employees—including PDOCC members—who were contemplating or planned on retiring and who have opted not to retire at this time because of CCCERA's apparent change in policy.

Upon hearing about the retirement system's new treatment of call-back pay, PDOCC contacted CCCERA to understand why this change had been made and to explain why PDOCC believed physician call back should continue to be included as pensionable. After several meetings with CCCERA staff to discuss the treatment of physician call-back pay, CCCERA staff informed PDOCC that it would not include any physician call-back pay as compensation for retirement purposes. Staff informed PDOCC that "[s]ince we cannot confirm that any of the call-back pay was scheduled to be worked on a weekend, we cannot include any compensation reported under pay code D16 as compensation for retirement purposes under the current compensation policy." (Attachment C.)

PDOCC submits that there are several problems with CCCERA staff's determination regarding physician call-back pay.

First, CCCERA has for many years now been collecting contributions and making pension calculations based on the inclusion of physician call-back pay. Given CCCERA's longstanding practice, PDOCC members have come to understand that this was consistent with CCCERA policy and to rely on the inclusion of physician call-back pay in their future pension calculations. At no point were PDOCC or PDOCC members informed by CCCERA or the County that physician call-back was not pensionable or that scheduled and unscheduled call back needed to be recorded separately in order for call back to be pensionable. For CCCERA to change direction now and exclude call-back pay would be inequitable and unfair to longstanding CCCERA members who understood from the retirement association's own actions that it would be included. Moreover, since this present change affects so-called "legacy" members (as opposed to new "PEPRA" members), it would be contrary to the Board's decision to stay all changes to its treatment of retirement compensation, including call-back pay, while the A.B. 197 litigation is pending.

Second, for physicians, there is little difference between on-call work and call-back work—the primary distinction being whether the physician is physically at the facility or not. Because on-call duty and call-back work (also referred to by physicians as "call worked") are inextricably intertwined, there is good reason to include them both as pensionable compensation.

As a required part of their duties, physicians in the Family Medicine, Surgery, Internal Medicine, and Critical Care departments must perform both on-call and call-back work. Each physician is scheduled to be on call, which requires them to provide consultation and management of patient care issues by phone and to be available to come in to the hospital or clinics in person. Physicians on call, then, are actively working while on call and not simply waiting to be called in to

perform work. When they do come in to the facility while on call, this is an extension of the patient management they are already performing remotely, and at all times the compensation they receive is for necessary services rendered, consistent with CCCERA's policy for determining which pay items are pensionable compensation. Because this work is normally expected to be worked, occurs within a scheduled period of time, and simply reflects a difference in whether the physician is performing the work in person or remotely, it should not be excluded, just as on-call pay is not excluded.

Third, CCCERA staff's decision contradicts CCCERA's policy regarding scheduled weekend physician call back. (See Attachment A.) CCCERA's current policy is that scheduled physician call-back work is includible compensation. But CCCERA's decision excludes all physician call back, even scheduled weekend call back, making it overbroad and a violation of CCCERA's own policies.

When a physician is scheduled to be on call during a weekend or holiday, the physician is required to come in to the hospital to manage inpatient services, and this is an inherent part of the weekend on-call duty. Physicians with weekend on call work must come in to the facility, because they are the only physicians in charge of patient care during that time. Accordingly, they perform rounds and other care management that is normally performed by on duty physicians during the regular workweek. Thus, unlike being on call during the regular workweek, physicians on call during the weekend must be physically present for some portion of the on-call time.

Weekend call-back work is scheduled, because the call worked is a required component of weekend on call, which is scheduled as discussed above. Every time a physician has weekend on call duty, he or she comes in to the facility in the morning to do rounds and other work, recording this time as physician call worked, and only afterwards is the physician free to attend to other things. The only instance in which weekend call worked would not be scheduled is if the physician were called in unexpectedly either before or after having finished his or her duties at the facility for the day. However, this has historically been a small percentage of weekend call worked.

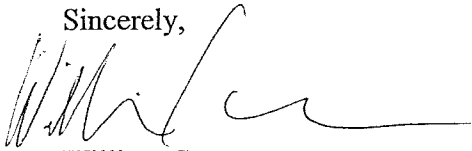
Physician on call and call back at Contra Costa County has been conducted in this manner for decades, including well before the adoption of CCCERA's 1997 policy. In other words, this is precisely the system in place when CCCERA adopted its policy in 1997, and this is the work that was envisioned to be included when CCCERA decided that scheduled weekend work for physicians must be included in pension calculations.

There is no reason this scheduled weekend call back should be excluded given CCCERA's policy. The justification offered in CCCERA's August 23 letter is that staff "cannot confirm that any of the call-back pay was scheduled to be worked on a weekend," however this is not the case. Although all physician call-back pay has been reported together, it is still possible to compare a retiring physicians' call worked with his or her schedule and time sheets to determine what portion of it was worked on a weekend or holiday and thus performed as required by the on-call duty. To the extent some of this time is the result of unscheduled call back work also performed on the weekend, that will constitute only a small portion of this time and it may be possible to estimate or agree to some average percentage of time that would be attributable to unscheduled weekend call.

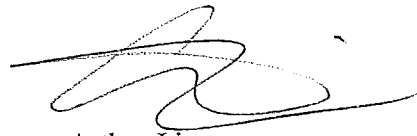
Finally, there has been no indication what CCCERA intends to do with the contributions it has been collecting from employees all these years but will not honor as includible for retirement purposes. It would be entirely unfair for CCCERA to now refuse to include call-back pay as pensionable but nevertheless keep employee contributions made to fund this benefit.

Thus, we hope that you will reconsider CCCERA staff's decision on this matter and include physician call-back pay for retirement purposes. Thank you for your consideration, and we look forward to discussing the matter more fully with you at the Board's November 4, 2013 meeting.

Sincerely,



William Corman
BOGATIN, CORMAN & GOLD



Arthur Liou
LEONARD CARDER, LLP

CONTRA COSTA COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Page 1

December 5, 1997

The Board of Retirement met in ^{Special} regular session at 9:00 a.m. on Friday, December 5, 1997 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, R. William Cullen, Ed Fleming, F. Robert Koenig, Louis Kroll, Mohammed Souhayer for Alfred P. Lomeli, Sharon Naramore, Jerome E. Hatfield, and Helen Shea

Staff: Pat Wiegert, Retirement Administrator; Charly Barron, Assistant Retirement Administrator; Kathy Somsen, Retirement Benefits Manager; Rick Koehler, Retirement Accounting Manager; Toni Warren, Retirement Office Services Manager; Ed Lane, Deputy County Counsel

Guests:	Representing:
Paul Angelo	William M. Mercer
Bonnie Allen	CCC Sanitary District
Vic Westman	County Counsel's Office
Stan A. Williams	SELF
Bob Rey	Local #1230
Mary Dressel	Lewis & Summers Public Relations
Mary Lou Williams	Retiree's Association
Allen Little	Contra Costa Fire
Kathy Foster	Staff
Sheila Wendler	Staff
Alan Elnick	PDOCC
Debbie Ratcliff	CCC Sanitary District

Ventura Decision - Potential Cost

Angelo reviewed his memo which provided revised cost estimates based on the Board's action at its November 25 meeting. He noted that the cost to apply the decision retroactively was based on the assumption that it would apply three years retroactively to all current retirees. In response to a question as to whether the county's 50% subvention of employee contributions was included in his estimates, Angelo stated the subvention was included, and that its removal would not materially change the numbers. He also cautioned that the estimated cost of including lump sum payments at termination was probably understated because this change in the treatment of accrued time will likely influence future decisions to take or to accumulate vacation time.

Ventura Decision - Criteria for Inclusion of a Pay Item

It was M/S to adopt the policy with amendments to refer to the Board's concern for continued actuarial soundness and to include Holiday Pay as an example of types of cash payments. During discussion a question arose as to the proposed effective date of October 1, 1997 versus August 14, 1997, the date the Ventura decision was handed down.

ATTACHMENT A

CONTRA COSTA COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Page 2

December 5, 1997

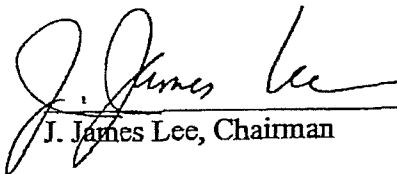
It was noted that the Walden suit was entered between those two dates: September 15, 1997. Selecting an October 1 effective date would leave the group of people who retired between September 15 and October 1 with little legal recourse than to sue as a separate class. After the group agreed that the class in the Walden case could be amended to include this two-week period, the motion carried.

In response to further discussion on the intent behind Principle # 4 as drafted, it was M/S/C to amend Principle #4 to further clarify that only the portion of a lump sum payment at termination which is attributable to the last year (or last three years in the case of Tier II members) is includible as compensation for retirement purposes.

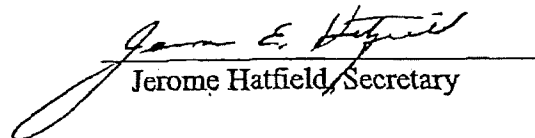
Fleming was not present for subsequent discussion and voting.

Wiegert note that she understood pay items called "FLSA Overtime" and "Overtime Adj. Curr Yr." were not strictly overtime as we would use that term, but rather they denoted time worked which was in excess of the FLSA definition of overtime. Based on this, she recommended that these two pay items be included in compensation for retirement purposes. It was M/S/C to include the pay item "FLSA Overtime" in compensation. It was M/S/C to include the pay item "Overtime Adj. Curr. Yr" in compensation.

There being no further business to come before the Board, the meeting was adjourned.



J. James Lee, Chairman



Jerome Hatfield, Secretary

**COUNTY DIFFERENTIALS AND PAY ITEMS
NOT INCLUDED IN RETIREMENT "COMPENSATION"
1997**

CD TITLE and EXPLANATION

- 10
- NO 01 Taxable Auto
Additional mileage that Assessors receive (2 cents/mile), in excess of the Fed. maximum. Also includes \$3/day charged to employees using a county car to commute.
- YES 13 14 Lump Sum payment - Include that which applies to the includable
Nurses Weekend Bonus
Pay to nurses who work a weekend shift ~~that otherwise wasn't scheduled.~~
- YES 15 Holiday Pay
Pay for hours not otherwise scheduled to work. (1996)
Search Warrant Pay (1997)
- YES 16 Nurses Longevity
Same as Management Pay
- YES 18 Mental Health
MS Lead Differential
Paid to mental health lead positions under terms of the Local 1 contract.
- YES 19 Call Back/Weekend
Pay to med. personnel if called in on weekend or after hours due to patient illness. *Includes those that are scheduled. Excludes those not scheduled.*
- NO 21 FLSA Overtime
Additional pay eligible under FLSA but considered overtime by employer.
- NO 22 Overtime Adj. Prior Yr.
Payroll adjusting entry.
- NO 23 Overtime Adj. Curr. Yr.
Payroll adjusting entry.
- NO 25 Gross Pay Adj.
Used for multiple purposes. Negative offset for SDI buybacks, late time reporting, late WC clearances. All require negative offset to previously taxed wages that are to be changed to nontaxable.
- NO 26 AWOP (negative number)
- YES 27 #2 Base Pay
Used when an employee works a portion of a month at different pay rate. Working out of class or mid-month promotions.
- YES 30 Training Differential
Flat monthly amount paid to Sheriff staff for periods they train staff.
- YES 32 On Call Pay
Pay for being in "on call" status during normal times off. *Include scheduled "on call" status Exclude*
- YES 34 ER Bonus Pay
Emergency room differential

CD TITLE and EXPLANATION

- NO 35 Workers Comp Pay
Paid by WC on account of illness and in lieu of salary. Not taxed.
- YES 37 Word Processing Differential \ _____ Pay for work on keyboards/VDT's
YES 38 VDT Differential /
- NO 40 Reserve Pay
The regular pay of hourly firefighters working as Reserves. Hourly firefighters are not covered by CCCERA.
- YES 41 OES Differential
Pay for assignment to Office of Emergency Services.
- YES 42 Grade All Differential
Pay for work on a particular piece of equipment.
- YES 43 Investigator Pay
~~District Attorney~~ investigators Sheriff's
- YES 44 Charge Nurse Differential
Assignment to charge nurse duties
- YES 45 Building Inspector Differential
self explanatory
- YES 47 Acting Pay
Pay for work in a temporary assignment - to San Ramon EP only
- YES 49 Double Shift Premium
self explanatory
- YES 52 Shift Pay \ _____ Pay for working ^{any} extra shift after 5:00pm
YES 53 Shift Pay Adjustment /
- YES 54 Hazard Duty Pay \ _____ Pay for exposure to hazards on the job.
YES 55 Hazard Pay Adjustment /
- YES 56 Board and Commission Pay
Paid to Board of Supervisors while "sitting" in capacity of a commission. Also to Ret. Bd, Sheriff, Planning Dept & Transportation Dept
- YES 57 Bilingual Pay
Bonus for being bilingual in specified positions.
- YES 58 Truck Allowance
Received by 7 Animal Services and Health Services employees for using a truck while commuting to/from work.
- NO 59 Management Disability Pay
This is in lieu of salary paid to managers under special disability insurance program.
- NO 60 Court Reporter Pay
Per diem paid to hourly court reporters not in CCCERA.

CD TITLE and EXPLANATION

- ES 62 Sale of Vacation
Value of vacation time sold back to county annually.
- ? 63 Vac/PTO Payoff
Lump sum of accumulated, unused vacation, paid upon termination.
- YES 64 Uniform Allowance, Non-Safety
Pay in recognition that uniforms must be worn for the job: plumbers, painters, etc.
- YES 65 Structural Engineer Cert.
Pay for achieving/maintaining this certification.
- YES 67 Officer in Charge
self explanatory
- 69 Canine Allowance
Pay for daily care of assigned dog.
- YES (70) Misc. Differential
Includes performance bonus
- NO 71 Pay in Lieu
Extra amount received by employees who don't receive regular County benefits and aren't covered by CCCERA.
- YES/NO (72) Sickleave Payoff
Paid ~~only~~ to hourly employees, not covered by CCCERA. Also paid on termination to CCCERA members under certain conditions.
- YES 74 ~~Court Appearance Pay~~
~~Treated and paid as overtime. (1996)~~
Advanced Life Support (1997)
- YES 79 Special Bonus
Used to pay bonuses for special assignment.
- YES 83 Evening Clinic Bonus
Similar to shift differential.
- YES 85 Graveyard Pay
Similar to shift differential.
- NO 86 SDI Buyback
Offsetting payments in the state disability ins. pgm. Not wage items.
- YES 87 Rad/Angio Pay
A form of hazardous duty pay.
- YES 90 Phys. Weekend Rounds
A form of shift differential for physicians.
- YES 94 RN Hospital Differential
Registered nurses.
- YES 95 Incident Response Team
Pay for serving on the INC team.
- YES 96 Lead Worker Bonus
self explanatory

MEMO

Date: January 14, 1998
To: Roger Edwards
From: Pat Wiegert *PW*
Subject: County DOE's includible in Compensation under the "Ventura County Decision"

Attached is what we understand to be the complete list of the County's pay items, their DOE code, and an indication of whether or not they are to be reported as "compensation" for retirement purposes pursuant to the Retirement Board's actions on November 25, December 5, and December 9

What's now reported under DOE code 32 (On call Pay) will need to be separated into those pay items that are includible and those which aren't. As I understand it, DOE 32 now includes pay for those times an employee is scheduled to be in "on call" status and pay for time once an "on call" employee is actually called in to work. The first instance is includible compensation, the second is a form of overtime and therefore not includible. Because both types of pay reported under DOE code 32 in the past, the payroll system will need to distinguish between the two in future.

DOE 70 (Miscellaneous) presents a real problem because this, too, could be used to report just about anything. We would prefer that there not be a "Miscellaneous" category at all. This would eliminate the mystery of "What is it?" and avoid the potential for this DOE to be the dumping ground for anything new or unique. If you feel the continued need for a Miscellaneous pay item, we ask that this be included in compensation rather than excluded.

See "Special Notes" on the attached for other pay items of concern,

I understand that Craig was able to handle the problems identified at our recent meeting which had to do with not enough "accumulators" and an old, less than user friendly, payroll system. I understand further that testing of the modifications is being conducted with the hope that it'll all be ready by the February 10 payroll.

I applaud you and Craig for the extraordinary effort you're putting forth on this issue. None of us wanted to be in the position of having to modify the old payroll system when the new PeopleSoft system is just around the corner. Your work is much appreciated!

If you have questions on the attached, give me a call.

attachment



CONTRA COSTA COUNTY
EMPLOYEES RETIREMENT ASSOCIATION
1355 Willow Way, Suite 221, Concord, CA 94520-5728
Telephone: (510) 646-5741. Fax: (510) 646-5747

ATTACHMENT B

**IMPLEMENTING THE "VENTURA DECISION"
 INCLUDIBLE COUNTY PAY ITEMS
 DECEMBER 9, 1997**

Included	Code	Pay Item	Explanation
no	01	Taxable Auto	Additional mileage that Assessors receive in excess of the Fed. Maximum. Also includes \$3/day charged to employees using a county car to commute.
yes	03	Dept Head Auto	Pay for business use of personal auto.
yes	04	Riteoway Pay	Form of hazardous duty pay for work in traffic situations.
yes	05	Longevity Pay	Bonus based upon length of County service.
yes	06	Career Incentive	Similar to Longevity Pay
yes	07	Career Incentive CTG	Similar to Longevity Pay
yes	08	Management Incentive	Similar to Longevity Pay
yes	09	Assessors Education	Bonus for achieving professional certification for certain employees.
yes	10	Holiday Pay	Pay for work on a scheduled holiday.
yes	11	Agric.Differential	For possession of Commisioner License
yes	12	Wght/Meas Incentive	For possession of Weights and Measures License
yes *	13	Lump Sum Payment	
yes	14	Nurses Weekend Bonus	Pay to nurses who work a weekend shift
yes	15	Holiday Pay (1996)	Pay for hours not otherwise scheduled to work.
yes	15	Search Warrant Pay (1997)	Animal Services employees for special assignments
yes	16	Nurses Longvity	Same as Management Pay
yes	17	Watch Commander	Safety category, form of shift differential
yes	18	Mental Hlth Lead Diff.	Paid to mental health lead positions under terms of The Local 1 contract.
yes *	19	Call Back/Weekend	Pay to med. Personnel if called in on weekend or After hours due to patient ilnes.
yes	20	Scheduled FLSA	Overtime that's normally expected to be worked
no	21	FLSA Overtime	

no	22	Overtime Adj. Prior Yr.	Payroll adjusting entry
no	23	Overtime Adj. Curr. Yr.	Payroll adjusting entry
no *	25	Gross Pay Adj.	Used for multiple purposes. Negative offset for SDI Buybacks, late time reporting, late WC clearances. All require negative offset to previously taxed wages that are to be changed to nontaxable. At times has been used for regular or differential pay missed in prior periods.
no	26	AWOP	Reported as a negative number.
yes	27	#2 Base Pay	Used when an employee works a portion of a month at different pay rate. Working out of class or mid-month promotions.
yes	30	Training Diff.	Flat monthly amount paid to Sheriff staff for periods they train staff.
yes	31	BLS Cert-Fire	Basic Life Support Training bonus
yes *	32	On Call Pay	Pay for being in "on call" status.
No *	new	On-Call Overtime	Pay for work when actually called in while in "on call" status.
yes	33	EMT Diff-Fire	Emergency Medical Technician bonus
yes	34	ER Bonus	Emergency room differential
no	35	Workers Comp Pay	Paid by WC on account of illness and in lieu of salary. Not taxed
yes	36	Retirement Allotment	
yes	37	Word Processing	Pay for work on keyboard/VDT's
yes	38	VDT diferential	Pay for work on keyboard/VDT's.
yes	39	Prof Acct Differential	CPA/CIA/CMA certification
no	40	Reserve Pay	The regular pay of hourly firefighters working as Reserves. Hourly firefighters are not covered by CCCERA.
yes	41	OES Differential	Pay for assignment to Office of Emergency Services.
yes	42	Grade All Differential	Pay for work on a particular piece of equipment.
yes	43	Investigator Pay	Paid to Sheriff's investigators.
yes	44	Charge Nurse Diff	Assignment to charge nurse duties.
yes	45	Building Inspector Diff.	Self-explanatory

yes	47	Acting Pay	Pay for work in a temporary assignment. Currently paid to San Ramon firefighters only.
Yes	48	Performance Stipend	
yes	49	Double Shift Premium	self explanatory
yes	52	Shift Pay	Pay for working any shift after 5:00 p.m.
yes	53	Shift Pay Adj.	Adjustment to Shift Pay previously recorded.
yes	54	Hazard Duty Pay	Pay for exposure to hazards on the job.
yes	55	Hazard Pay Adjustment	Adjustment to Hazard Duty Pay
yes	56	Board and Commission	Paid to Board of Supervisors while "sitting" in the capacity of a commission. Also paid to Ret. Bd. Sheriff, Planning Dept. and Transportation Dept.
yes	57	Bilingual Pay	Bonus for being bilingual in specified positions
yes	58	Truck Allowance	Received by 7 Animal Services and Health Services employees for using a truck while commuting to and from work.
no	59	Mgmt. Disability Pay	This is in lieu of salary paid to managers under a special disability insurance program
no	60	Court Reporter Pay	Per diem paid to hourly court reporters not in the Retirement System
yes	62	Sale of Vacation	Value of vacation time sold back to county annually
yes *	63	Vac/PTO Payoff	Lump sum of accumulated, unused vacation, paid upon termination, that was earned in the final comp period.
no *	new	Vac/PTO Payoff	Lump sum of accumulated, unused vacation, paid upon termination, that was NOT earned in the final compensation period.
yes	64	Uniform Allowance	Pay in recognition that uniforms must be worn for the Job. Paid to non-safety employees: animal services, Plumbers, painters, etc.
yes	65	Structural Engineer	Pay for achieving/maintaining this certification.
yes	66	Haz Mat	Pay for working with hazardous materials
yes	67	Officer in Charge	Self explanatory
yes	68	Standby Diff.	Similar to On Call pay
yes	70	Miscellaneous	To the extent that this pay code continues, it will be includible.

no	71	Pay in Lieu	Extra amount received by employees who don't receive regular County benefits and aren't covered by CCCERA
yes *	72	Sickleave Payoff	Paid to hourly employees, not covered by CCCERA. Paid to CCCERA members who terminate without retiring.
yes	73	Physical Fitness	For safety members
yes	74	Crt. Appearance Pay (1996)	Self explanatory
yes	74	Advncd. Life Support(1997)	Pay for achieving/maintaining this certification.
no	76	Hospital Contract Pay	
no	77	Contract Pay	
yes	78	Uniform-Safety	Pay in recognition that uniforms must be worn for the job: safety members
yes	79	Special Bonus	Used to pay bonuses for special assignment.
yes	83	Evening Clinic Bonus	Similar to shift differential.
Yes	84	Holiday overtime adj.	Adjustment to Holiday Pay
yes	85	Graveyard Pay	Similar to shift differential.
no	86	SDI Buyback	Offsetting payments in the state disability insurance program. Not a wage item.
yes	87	Rad/Angio Pay	A form of hazardous duty pay.
yes	90	Phys. Weekend Rounds	A form of shift differential for physicians.
yes	94	RN Hospital Diff.	Registered nurses.
yes	95	Incident Response Team	Pay for serving on this team.
yes	96	Lead Worker Bonus	self explanatory.

* SPECIAL NOTES:

13 We understand that this pay item is used to reflect a variety of lump sum payments not otherwise given their own code. This pay item should be used in the future for only those lump sum pay items which are includible as compensation under the Board's policy.

19 We understand that this pay item has been used to report time both scheduled and unscheduled. In this pay item should be used to report pay for scheduled work on a weekend.

32 The payroll system will have to distinguish between the pay for being in "on call" status (which is includible) versus the additional pay received if an employee is actually called in to work (which is not includible and will need a new pay item code.).

- 63 The payroll system will have to distinguish between that portion of a lump sum payoff which is includible under the Board's policy and that portion which is not includible.
- 72 For those employees who are covered by CCCERA, we will expect that only the portion of a lump sum sick leave payoff which could have been earned in the final compensation period will be reported here.

1/14/98



August 23, 2013

Dr. David MacDonald (Via e-mail)

Re: Physician Call-Back Pay (County Pay Item D16)

Dear David:

Thank you for working with CCCERA staff on the Physician Call-Back Pay issue. Over the course of the past few months, we have had several meetings with you to gather information and gain a better understating of Physician Call-Back Pay.

This letter is to follow-up on the meeting held on August 8, 2013 and documentation provided to CCCERA subsequently by Dr. David Goldstein, Chief Medical Officer of the Contra Costa Regional Medical Center and Health Centers. We appreciate all the information and documentation you and Dr. Goldstein have provided. As agreed, we have reviewed documentation pertaining to one member (with the member's consent) as a sample.

As we have discussed, in late 1997 when the CCCERA Retirement Board first considered including some call-back pay as "compensation earnable" for retirement purposes, the Board adopted a policy that included call-back pay for physicians only if it was "pay for scheduled work on a weekend". Since 1998, however, the County reported all call-back pay as pensionable. In June 2013, CCCERA informed the auditor-controller's office and active CCCERA members who have received call-back pay that call-back pay will no longer be included as compensation for retirement purposes and should not be reported as pensionable to CCCERA.

The purpose of the meeting in August 2013 was to provide information regarding whether and how Physician Call-Back Pay (County pay code D16) is scheduled to be worked. If scheduled on a weekend, the Physicians argued, the call-back pay should be included for retirement purposes. Dr. Goldstein presented timesheets and on-call schedules for a sample member during a sample time period to show what work was scheduled on a weekend. Additional timesheets and schedules were provided to CCCERA in the days and weeks following the meeting.

CCCERA staff has reviewed the documentation provided and found that, with some minor exceptions, the on-call time on the timesheets for weekends and holidays corresponds to the on-call schedules for the sample member during the sample time period. The call-back pay, on the other hand, does not correspond to any time on the schedule (other than it was, for the most part, during time that the member was scheduled to be on-call). Since we cannot confirm that any of the call-back pay was scheduled to be worked on a weekend, we cannot include any compensation reported under pay code D16 as compensation for retirement purposes under the current compensation policy.

ATTACHMENT C

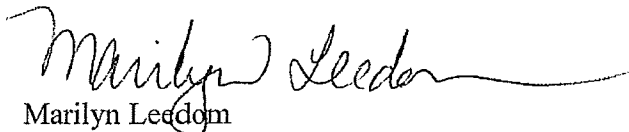
Dr. David MacDonald
August 23, 2013
Page 2

As we discussed, the argument that call-worked (i.e., call back) is an extension of being on call and should be included on that basis is something the Retirement Board considered in 1997 and reaffirmed in 1999. Time for being on-call was to be included, while time for being called back (even if it results from being on-call) is *overtime* and pay for such time should be excluded.

As mentioned during our meeting, since call back pay is a form of payment for *overtime* work, regular overtime rules apply. Under statutes and Board policy, overtime is generally excluded from compensation for retirement purposes (Govt. Code § 31461.6). The exception is that pay for mandatory overtime that the employer requires all employees in the same job classification to work is included in compensation for retirement purposes.¹ As we discussed, the County is well aware of this overtime exclusion and the exception. For the purposes of this inquiry, however, CCCERA staff has limited its inquiry to whether or not any of the call-back pay is “pay for scheduled work on a weekend” as directed by the standard adopted by the Board in 1997.

If you would like the Retirement Board to reconsider its position, please let me know, so we can put the matter on a future Board agenda.

Sincerely,



Marilyn Leedom
Retirement Chief Executive Officer

Cc: Dr. David Goldstein

¹ Government Code Section 31461.6 defines “compensation earnable” follows: “‘Compensation earnable’ shall not include overtime premium pay other than premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under [the Fair Labor Standards Act].” Government Code Section 31461 defines “compensation earnable” as: “the average compensation . . . for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay.” We have referred you to the *Stevenson* case, *Stevenson v. Board of Retirement of OCERS*, 186 Cal. App. 4th 498 (2010)), in which the court upheld the retirement board’s determination that overtime pay was not “compensation earnable” because it was not required of and worked by all members of the job classification.

PHYSICIANS' & DENTISTS' ORGANIZATION OF CONTRA COSTA (PDOCC)

P.O. Box 1803
Martinez, CA 94553
(925) 988-3892

Officers

David J. MacDonald, MD
President
Family Practice / Surgery
Pager: (925) 346-4368
Cell: (510) 409-4458
fpdmacd@yahoo.com

Scott Loeliger, MD
Vice President
OB-Gyn
Pager: (925) 346-4922

Teresa Madrigal, MD
Secretary-Treasurer
Family Practice
Pager (925) 346-4596

Keith White, MD
Pediatrics

Taiyun Roe, MD
Family Practice

Gerard Bland, MD
Emergency Medicine

Chiyo Shidara, DDS
Dentistry

Jon Froyd, MD
Resident

Jan Diamond, MD
Family Practice

October 23, 2013

PDOCC Letter to Retirement Board
David MacDonald, MD
President, PDOCC

Dear Retirement Board Members,

Qualifying the call worked (call back) performed by our members as compensation earnable (i.e., pensionable) is just, fair and reasonable.

I would like to address two main issues regarding physician call worked.

First: The nature of our work and how this work qualifies as compensation earnable.

For the inpatient services of Family Medicine/Surgery, Internal Medicine and Critical Care, members must share in the call duty. We are assigned call for patient care on a regular and ongoing basis. Our call responsibilities are to provide consultation and active management of patient care issues for our respective services. This management usually occurs over the phone. At times we must come into the hospital and/or clinics to manage the patient in person. Phone call and call worked are both active endeavors and call worked is an extension of call from afar.

In addition, call worked on the weekends and holidays is also assigned work which occurs on a regular and ongoing basis. Individuals who are on call during weekends and holidays must come into the hospital to manage their respective inpatient services. This includes rounding on patients, supervising residents and weekend rounders, and providing consults to the emergency department, inpatient wards and clinics. It is mandatory that those on call during the weekend and holidays be present in the hospital to manage the inpatient services.

Whether or not the work is done via phone or at the hospital, it is still work performed during a scheduled period of time. Therefore, medical on call duty and call worked (call back) should be treated equally as being pensionable income. One is the extension of the other and both occur during a scheduled and defined period of time.

Second: Did CCCERA perform due diligence regarding the implementation and monitoring of its policy change?

PHYSICIANS' & DENTISTS' ORGANIZATION OF CONTRA COSTA (PDOCC)

CCCERA states that call back pay was determined to be “not pensionable” in 1997 and reaffirmed this in 1999. The only information we have on this are two CCCERA memos from those time periods discussing the matter with some detail. Are there CCCERA board minutes that reflect a discussion and vote on this policy change?

CCCERA states that it instructed the County in 1998 to no longer report call back pay as pensionable. However, since 1998, the County has continued to report this pay item as pensionable and ongoing pension contributions for that pay item have been made by the employees and the County. CCCERA has not produced documentation of its instructions to the County to stop reporting call back pay as being pensionable. Dr. Steve Tremain, who was the senior medical officer at the time (HSD senior management team), states he received no instructions from CCCERA or the County to notify the physicians of the CCCERA policy change or instruct the physicians on how to document their hours on their timesheets to reflect that change.

In addition, if CCCERA did instruct the County to no longer report call back as pensionable income, what steps did CCCERA take to monitor the situation with the County in order to assure that the County's reporting was in compliance with its new policy?

Regarding communication with its members affected by the policy change, does CCCERA have a fiduciary duty to inform its members of pension policy changes that would affect them individually? What steps did CCCERA take to communicate this change effectively and what evidence does CCCERA have that it did so? Dr. Stephen Daniels, president of PDOCC at the time, was not informed of the new policy. Thus, he did not communicate this issue with the PDOCC membership. Dr. Sharon Hiner (now retired but a very active, informed and key member of the Internal Medicine Department at the time) states she was never informed or aware of the policy change.

In the absence of the policy change information, many of our physician members have made career decisions to stay at the County with their understanding of the pension arrangement at the time. As the County continued to deduct pension contributions for this pay item from their paychecks, our physicians had no reason to think otherwise. By default, there has been an ongoing agreement between the County, CCCERA and the employed physicians that this work type has been compensation earnable. CCCERA's application of their policy change retroactively is a violation of that agreement.

PDOCC members' call worked, as described above, qualifies as being compensation earnable. Regardless, CCCERA did not perform due diligence regarding the implementation or monitoring of its policy change of making call back no longer pensionable. CCCERA has a fiduciary duty to inform and look after its membership. Regarding this matter, CCCERA did not live up to its responsibility. CCCERA's retroactive application of its change in policy is not fair to its legacy members. It is a breach of contract.

David MacDonald, MD
President, PDOCC

October 23, 2013

Statement of Dr. Felicia Tornabene, Hospitalist Medical Director for the Contra Costa Regional Medical Center:

I am the Hospitalist Medical Director for the Contra Costa Regional Medical Center. In that capacity, my responsibilities are to oversee the adult inpatient services at the County Medical Center. I have been in this position for 5 months, and before that I was a member of the inpatient Internal Medicine department at CCRMC for 7 years. I am intimately familiar with the work of physicians at the Medical Center, including the use of on-call duty and call-back work (what we call "call worked").

There are attending providers on call for the Inpatient Divisions of Family Medicine and Internal Medicine as well as Critical Care every night of the year. These on-call responsibilities are shared equally between all department members and are a required part of departmental membership. The call duties include frequent phone consultations from the in-hospital physicians as part of active management of the patients in the hospital and Emergency Department.

In addition, the attending physicians are required to work in the hospital on weekend days (and holidays) as part of the call responsibilities. On-call duties are regularly scheduled and required - including call worked on weekends.

When physicians have been hired into the inpatient divisions, being on call and working on weekends and holidays has always been a required part of the position. It has been this way for as long as I have worked at the County. Saturday and Sunday work is not optional for any member of these departments. Historically, this has been billed as on-call and call-worked—physicians are on call for 24 hours and, as part of their weekend on call duty, they must come in to the hospital to perform rounds. In addition to managing the inpatient services, the physicians conduct weekend cardiac treadmill tests, oversee resident physicians, consult for other inpatient services, including surgical, internal medicine and Emergency Department consultations. This is a mandatory duty that is a requirement of working in the hospital, because no physicians are available to perform these duties on weekends or holidays other than the physicians on call. Once this call work is complete, physicians are then on call for the remainder of their scheduled time. To be clear, though, the weekend call worked is scheduled, because it is scheduled as an inherent part of the weekend on call work.

The inpatient services leaders have reviewed my statement and are in agreement with the content.

Sincerely,
Felicia Tornabene, MD
Medical Director, Hospitalist Services

In agreement:
Courtney Beach, MD
Division Head, Inpatient Family Medicine Surgical Service

Sergio Urcuyo, MD
Division Head, Inpatient Internal Medicine Service

Stuart Forman, MD
Department Chair, Critical Care Medicine Service

MEMORANDUM

Date: November 6, 2013

To: Board of Retirement
Marilyn Leedom, Retirement Chief Executive Officer

From: Karen Levy, General Counsel

Subject: Whether To Continue to Exclude the Classification of "Deputy Sheriff – Recruit – Fixed Term" From CCCERA Membership

Recommendation

Consider and take possible action regarding whether to continue to exclude "Deputy Sheriff-Recruit – Fixed Term" from CCCERA membership.

Summary

Since 2004, the classification of "Deputy Sheriff-Recruit – Fixed Term" has been excluded from CCCERA membership. Other similar short-term positions, such as "Firefighter-Recruit," "Firefighter-Paramedic Recruit," and "Deputy Public Defender – Fixed Term" are also excluded from CCCERA membership. The reason for excluding these positions is that Retirement Board Regulations exclude temporary service positions from membership. The Regulations also exclude project employees unless the employer certifies that the project duration will exceed one year. The County Employees Retirement Law of 1937 ("CERL") vests with the Retirement Board the authority to exclude from membership employees whose tenure is temporary. The position of "Deputy Sheriff-Recruit – Fixed Term" is a seven-month maximum position, which is probationary and does not necessarily lead to permanent employment as a "Deputy Sheriff." Recruits attend the academy, and those recruits who successfully complete the academy and become "Deputy Sheriffs" become members of CCCERA and have the option of purchasing their time employed as Recruits as additional service credit which then counts in their retirement calculations. Recruits who do not successfully complete the academy within the seven-month maximum term of this classification are terminated. Deputy Sheriff Association representatives are requesting that the Board determine that the "Deputy Sheriff-Recruit – Fixed Term" classification is not temporary, and that it be included in CCCERA membership. This issue has



been raised in order to qualify recruits who began the academy prior to January 1, 2013 but became "Deputy Sheriff" after January 1, 2013 as pre-PEPRA members, so that they may be subject to the more generous pre-PEPRA retirement tiers.

Discussion

We offer the following information which we hope will be useful for the Board in considering this issue:

I. CERL and CCCERA Board of Retirement Regulations Regarding Exclusions From Membership

The County Employees Retirement Law of 1937 ("CERL") provides as follows:

In its regulations, the board may include the following provisions:

...

(e) For the exemption or exclusion from membership as a peace officer member or as a safety member or from membership altogether, in the discretion of the board, of persons whose tenure is temporary, seasonal, intermittent, or for part time only, or persons whose compensation is fixed at a rate by the day or hour.

(Government Code § 31527 (emphasis added.))

The CCCERA Board of Retirement Regulations set forth the criteria upon which CCCERA membership is to be determined, as follows:

Exclusion from Membership – By Type of Employment

A. All officers and employees of the County or districts shall be members of the association as provided in Article 4 under Sections 31550-31567 of the County Employees' Retirement Law of 1937 (Gov. Code Secs. 31450, et seq. "CERL"), unless excluded from membership by this Section.

B. The following employees shall be excluded from membership:



(i) Temporary, seasonal or independent contract employees who are employed or re-employed for temporary service or at certain specified periods each year.

(ii) Intermittent or permanent-intermittent employees who are appointed to serve less than 80% of the full number of working hours required of regular employees or who actually serve less than 80% of such full number of working hours in one year as certified by their appointing authority.

(iii) Part-time employees whose service for the County or district is less than fifty (50) percent of the full number or working hours required of fulltime employees at that employer.

(iv) Project employees, unless the appointing authority certifies that the project is expected to be of one year or more in duration on a greater than part-time basis.

(v) Provisional employees, unless they otherwise meet the requirements for reciprocal benefits with other retirement systems under Article 15 of CERL.

C. In making its determination regarding an employee's inclusion in or exclusion from membership, the Board will not rely solely upon the term given to the type of employment. Rather, the Board will rely upon such additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full-time, permanent employment.

II. Deputy Sheriff-Recruit – Fixed Term

The County job description for "Deputy Sheriff-Recruit – Fixed Term" describes the duties of this position as follows:

Under close supervision, to attend a California Peace Officer Standards and Training (P.O.S.T.) approved Basic Academy and to successfully complete the course of study necessary to gain peace officer status in the State of California.

(See Attachment 1.)

The Description further sets forth this position's typical tasks as follows:

- Attends a California Basic Academy which includes those courses necessary to gain P.O.S.T. approved peace officer status



- May attend an orientation on operations within the Sheriff's Department

Finally, the Job Description provides:

Incumbents must successfully complete the P.O.S.T. Basic Academy in order to successfully complete probation as a Deputy Sheriff-Recruit and qualify for status as a Deputy Sheriff.

Incumbency in this class is limited to a period not to exceed SEVEN months . . .

The Recruit class is an entry-level, non-sworn class which has no police powers. Recruits do not have a valid P. O. S. T. certificate from a Basic Academy.

The County has explained in a letter dated September 19, 2013, that: "As soon as persons in this classification complete their training, they move directly into the sworn Deputy Sheriff classification." The County subsequently advised CCCERA that if the recruits do not pass the academy within seven months, they do not pass probation and are terminated. The County does support the inclusion of recruits in membership.

III. Application of Board Regulations Regarding Membership to the "Deputy Sheriff Recruit- Fixed Term"

Whether a position is included or excluded from CCCERA membership is determined by the CERL and Board Regulations, not by Memoranda of Understanding between the County and its employee organizations. Under the CERL and the CCCERA Board Regulations, employees who are "temporary" or provide "temporary service" are excluded from CCCERA membership. (Board Regulations, Section III.1. "Exclusion from Membership – By Type of Employment.") Those employees who are hired for a specific project are included in membership only if the County certifies in writing that the project duration exceeds one year.

The Board Regulations provide that: "In making inclusion or exclusion from membership determinations, the Board must not solely rely on the term given to the type or employment, but must also rely on additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full time, permanent employment."

The "Deputy Sheriff – Recruit – Fixed Term" is a probationary position for a fixed duration not to exceed seven month. During that term, the recruit attends the academy and does

not perform peace officer tasks for the County. If the recruit successfully completes the academy, they move directly to a "Deputy Sheriff" classification and become a sworn peace officer. If the recruit does not successfully complete the academy, their employment is terminated. If they came from another County department into the "Recruit" classification and did not pass the POST Academy, they are returned to their previous job with the County.

We look to other "fixed" or finite term positions for guidance. The following positions have been brought to our attention:

1. "Firefighter- Paramedic Recruit" – this classification is limited to a fixed term of 6 months, during which the employee attends the Fire Academy to become qualified for appointment to the classification of "Firefighter-Paramedic." This classification is excluded from CCCERA membership. (See Attachment 2.)
2. "Firefighter Recruit" - this classification is limited to a fixed term of 6 months, during which the employee attends the Fire Academy to become qualified for appointment to the classification of "Firefighter." This classification is excluded from CCCERA membership. (See Attachment 3.)
3. "Deputy District Attorney – Fixed Term" – this classification is for a licensed attorney whose duties are to prosecute criminal cases for the Office of the District Attorney. The employment in this class is limited to thirty-six consecutive months from the date of appointment. This classification is included in CCCERA membership.
4. "Exempt Medical Staff Resident Physician I" – the county advised CCCERA that the duration of this classification is limited to one year. This classification is included in CCCERA membership.
5. Deputy Public Defender – Special Assignment – Exempt – this classification is for a licensed attorney whose duties are to defend criminal cases for the Office of the Public Defender. The employment in this class is limited to a fixed term of three months. CCCERA was informed that incumbents in this position are often re-appointed every three months and could serve for a total up to three years. This classification is excluded from CCCERA membership as temporary.
6. Project employees are included in membership on if the appointing authority certifies that the project is expected to be of one year or more in duration.

These examples illustrate that a three or six month fixed term qualifies as temporary service and is excluded from CCCERA membership, whereas a fixed term of three years is not considered temporary and is included in CCCERA membership. The seven month fixed term duration of the Deputy Sheriff Recruit appears to be in line with the other temporary fixed term positions that are excluded from CCCERA membership.



County MOUs, Job Descriptions, Regulations and terminology used are very informative as to the nature of the employment, its duration, etc. However, a position does not necessarily have to be defined by the county as "temporary" in order to be considered "temporary" for the purpose of CCCERA membership determinations. The CCCERA Regulations instruct not to solely rely on the term given to the type or employment, but to consider "additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full time, permanent employment." Consistent with the treatment of other "fixed" or finite term positions, it appears that the seven-month maximum duration of the "Deputy Sheriff-Recruit – Fixed Term" position, which is probationary and does not necessarily lead to permanent employment as a "Deputy Sheriff," is in line with other excluded temporary service positions pursuant to the Board Regulations.

IV. Conclusion

The "Deputy-Sheriff Recruit – Fixed Term" appears to be properly excluded from CCCERA membership because it is a seven-month maximum "fixed term" position, which is probationary and does not necessarily lead to permanent employment as a "Deputy Sheriff." Should the Board find to the contrary, i.e., that the classification should be included in membership, we do recommend that the other short term positions be reviewed and treated consistently in future membership determinations, including: "Firefighter-Recruit," "Firefighter-Paramedic Recruit," and "Deputy Public Defender – Fixed Term."

Attachment 1



DEPUTY SHERIFF- RECRUIT - FIXED TERM

Class Code:
6X7A

Bargaining Unit: DSA - Deputy Sheriff's Non-Sworn Rank & File Unit

COUNTY OF CONTRA COSTA
Established Date: Sep 1, 1980
Revision Date: Jun 1, 1987

SALARY RANGE

\$19.91 Hourly
\$1,592.93 Biweekly
\$3,451.34 Monthly
\$41,416.08 Annually

DEFINITION:

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Class specifications are not intended to reflect all duties performed within the job.

Under close supervision, to attend a California Peace Officer Standards and Training (P.O.S.T.) approved Basic Academy and to successfully complete the course of study necessary to gain peace officer status in the State of California.

DISTINGUISHING CHARACTERISTICS:

Deputy Sheriff-Recruit is distinguished as an entry-level class in the County law enforcement series. Incumbents must successfully complete the P.O.S.T. Basic Academy in order to successfully complete probation as a Deputy Sheriff-Recruit and qualify for status as a Deputy Sheriff.

Incumbency in this class is limited to a period not to exceed SEVEN months and to those individual who have not completed a California P.O.S.T. certified Basic Peace Officer Academy within the last three (3) years.

MINIMUM QUALIFICATIONS:

License Required: Possession of a valid California Motor Vehicle Operator's License.

Education: Possession of a high school diploma, G.E.D. Equivalency or a high school proficiency certificate.

Citizenship: United States citizen or a permanent resident alien who is eligible for and has applied for citizenship a minimum of one year ago.

Age Requirement: Must be 20.5 years of age at the time of appointment.

Physical Requirement: Ability to meet such health standards as may be prescribed by the County Medical Consultant.

Visual Acuity: 20/100 uncorrected each eye; corrected to 20/30 each eye.

Hearing: Must not have suffered a hearing loss of over 25 decibels in the 500, 1000 or 2000 frequency ranges.

Background: A thorough background investigation, which will include a report writing exercise, a polygraph examination and psychological testing, shall be conducted according to the specifications of the State of California Commission on Peace Officer Standards and Training; and shall not have been convicted of a felony in this state or any other state or in any federal jurisdiction, or of any offense in any other state or in any federal jurisdiction, which would have been a felony if committed in this state.

KNOWLEDGES, SKILLS AND ABILITIES:

Ability to:

- Read and understand course material offered while attending the P.O.S.T. Basic Academy
- Retain course materials
- Perform physical activities required at the Basic Academy

TYPICAL TASKS:

- Attends a California Basic Academy which includes those courses necessary to gain P.O.S.T. approved peace officer status
- May attend an orientation on operations within the Sheriff's Department

SPEC HISTORY:

Established: September 1980

Revised: January 2007

Revised: March 2013

RLS RAINS LUCIA STERN, PC

Jim Bickert
Labor Relations Representative
JBickert@RLSlawyers.com

October 24, 2013

VIA ELECTRONIC MAIL AND HAND DELIVERY

Marilyn Leedom
Chief Executive Officer
Contra Costa County Employees Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Contra Costa County Deputy Sheriff Recruits

Dear Marilyn:

The purpose of this correspondence is to seek an audience with the retirement board to discuss the issue of Deputy Sheriff Recruits once again being allowed membership in CCCERA. I am requesting this issue to be placed on the agenda for the November 6, 2013 board meeting.

The Contra Costa Deputy Sheriffs Association ("DSA") entered into a side letter agreement with Contra Costa County (County), effective September 1, 2004, the purpose of which was to exclude members of Deputy Sheriff Recruit classification from membership in CCCERA. Deputy Sheriff Recruits are those members of the Sheriff's Office that have been hired to be Deputy Sheriffs, but must first attend a California P.O.S.T. (Peace Officer Standards and Training) mandated training academy. Prior to this side letter between the DSA and the County, Deputy Sheriff Recruits had been members of CCCERA.

Fast forward to earlier this year (2013) when it came to the attention of the DSA that Deputy Sheriff Recruits were not members of CCCERA. The current DSA leadership was unaware of how or why this situation came to be, but knew that Deputy Sheriff Recruits had once been members of CCCERA. As it turned out, neither the current administration of the Sheriff's Office nor CCCERA knew how this situation came to be.

DSA President Ken Westermann and I met with you and CCCERA legal counsel Karen Levy in March 2013 to talk about pensionable compensation. It was during that meeting that we also brought up the issue of Deputy Sheriff Recruits once again being members of CCCERA. We were told that the issue lay with the County, not with CCCERA. We were told that if the County agreed that these employees were to be members of CCCERA, then CCCERA would allow them. At no point were we told that Deputy Sheriff Recruits were not qualified to be members of CCCERA.

2300 Contra Costa Boulevard | Suite 500 | Pleasant Hill, CA | 94523 | T 925.609.1699 | F 925.609.1690
Pleasant Hill | Sacramento | San Francisco | San Jose | Santa Rosa

www.RLSlawyers.com

Marilyn Leedom

Re: Contra Costa County Deputy Sheriff Recruits

October 24, 2013

Page 2

Following that meeting, Westermann and I approached the County to seek resolution as to why the Deputy Sheriff Recruits were once members of CCCERA, but were no longer. It was a few weeks after that the County was able to find the aforementioned side letter. By County policy, if a side letter entered into during the term of a current MOU is not included or does not become a part of the subsequent MOU, then the side letter expires. Such was the case with this side letter. We were able to convince the County that the side letter was null and void (no small task). Hence, Deputy Sheriff Recruits should have once again been made members of CCCERA upon being hired by the Sheriff's Office.

With the DSA and the County in agreement, the County submitted a letter and documentation to you dated September 19, 2013, explaining the reasons why the Deputy Sheriff Recruit classification should now be members of CCCERA, beginning with those Recruits hired on or after December 6, 2011.

The DSA became aware on October 22, 2013, via the County, that CCCERA had denied the County's request to allow Deputy Sheriff Recruits membership in CCCERA. The reason given was:

"...it appears that the Deputy Sheriff Recruit position is a temporary position and is properly excluded from membership under Board Regulations because it is a seven month "fixed term" position, which is probationary and does not necessarily lead to permanent employment as a Deputy Sheriff. Under the CERL and the CCCERA Board Regulations, employees who are "temporary" are excluded from CCCERA membership. I've attached a copy of the Board Regulations for your review. The exclusion of temporary employees is covered under Section III.1. A Memoranda of Understanding between the County and its employee organization does not change this analysis."

As you can imagine, we felt like Dorothy in the Wizard of Oz. Dorothy is directed by the Wizard to bring him the broomstick of the Wicked Witch of the West and then he will grant her wishes. When Dorothy accomplishes that feat, the Wizard attempts to renege on the deal.

It appears the foundation for the above opinion is based upon the supposition that the Deputy Sheriff Recruit classification qualifies as "temporary" within the County's definition of job classifications. I find it only slightly amusing that the person(s) responsible for this opinion have totally ignored the explanation from the employer that the Deputy Sheriff Recruit classification is NOT deemed a temporary position! One can certainly see the hubris in such a decision and question the motivation.

The County Human Resources Department has attached the words "Fixed Term" to the title of Deputy Sheriff Recruit. It is reasonable, at face value, to assume that "fixed term" means "temporary" for someone disinterested in seeking the distinction between the two terms. There are,

Marilyn Leedom

Re: Contra Costa County Deputy Sheriff Recruits

October 24, 2013

Page 3

in fact, objective distinctions at play. The County defines “temporary employment” as follows: *any employment which will require the services of a person for a limited period of time paid on an hourly basis.* Deputy Sheriff Recruits do not fit that definition. Interestingly, in the definition of terms in the County Personnel Management Regulations, there is no definition for “Fixed Term”. It seems a term of convenience as opposed to an official classification. It should be noted that there are other “fixed term” classifications that are currently members of CCCERA, notably Deputy District Attorney-Fixed Term and Exempt Medical Staff Resident Physician-Fixed Term.

The fact is that the Deputy Sheriff Recruit classification operates as a “permanent full-time position”, which the County defines as *any position which requires the full time services of an employee.* The position works a full time, 40 hour work week. The position is salaried, not hourly. The position is benefitted. The position is represented by a labor association. It is important to note that persons hired into this classification must pass a written test, oral interview, polygraph examination, psychological examination, medical examination, and full background investigation. These employees are being hired by the County to be Deputy Sheriffs. They are not seasonal help brought in to fill a gap. Upon successful completion of the academy, they **will** promote to Deputy Sheriff. This is the first step in the law enforcement series. There is no objective or subjective expectation on the part of the County or the Sheriff’s Office or the employees themselves that their service to the County is in any way temporary. This is the beginning of their career with the County. They are no more “temporary” than any full time employee hired by the County that must pass an initial probation or proving ground. The fact that the Recruit proving ground is significantly harder than that of your general employees should in no way be held against them by their retirement association!

It is important to note that the Benefits section of the Deputy Sheriff Recruit job description publicly posted by the County states:

RETIREMENT – Permanent employees (working half-time or more) are eligible for membership in the Contra Costa County Employee’s Retirement Association (CCCERA).

The above opinion offered to the County as to why the Recruit classification should be excluded states: *the exclusion of temporary employees is covered under Section III.1.A* (of the CCCERA Board Regulations). This citing of the Board Regulations neglects to mention that just a couple of paragraphs down, Section III.1.C states:

In making its determination regarding an employee’s inclusion in or exclusion from membership, the Board will not rely solely upon the term given to the type of employment. Rather, the Board will rely upon such additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full-time, permanent employment.

Marilyn Leedom

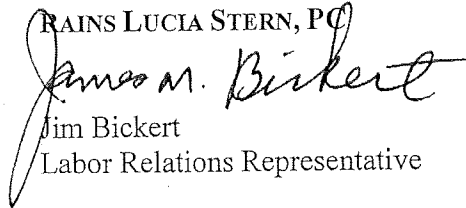
Re: Contra Costa County Deputy Sheriff Recruits

October 24, 2013

Page 4

I trust that the CCCERA Board, upon understanding the circumstances specific to the class of Deputy Sheriff Recruit, will find that classification is appropriately qualified to **once again** be members of the Contra Costa County Employees Retirement Association.

Respectfully,

RAINS LUCIA STERN, PC

Jim Bickert
Labor Relations Representative

JB:bg

cc: David Livingston, Sheriff
David Twa, County Administrator
Ken Westermann, President Deputy Sheriffs Association

NFO

Class Title: DEPUTY SHERIFF-RECRUIT - FIXED TERM

Bargaining Unit: DSA - Deputy Sheriff's Non-Sworn Rank & File Unit

Class Code: 6X7A

Salary: \$19.91 Hourly
\$1,592.93 Biweekly
\$3,451.34 Monthly
\$41,416.08 Annually

[Print Job Information](#)

[View Job Posting](#)

[Email me when more jobs like this are available](#)

Definition	Benefits
EMPLOYEE BENEFITS	
This is a summary of benefits for this classification	
For a complete listing of all benefits for this classification, please see the Memorandum of Understanding between Contra Costa County and Deputy Sheriffs' Association Rank & File Unit.	
<p>SALARY - The starting salary is the first rate shown on the announcement. Advancement to the higher steps of the salary level is in accordance with Salary Resolutions of the Board of Supervisors. WORKING CONDITIONS - The normal work week of County employees is forty (40) hours between 12:01 a.m. Monday to 12:00 midnight Sunday, usually five (5) eight (8) hour days. Time and one-half is paid for overtime for eligible employees and certain job classifications receive a 5% differential, above their base salary rate, per hour for shift work.</p>	
EARNED TIME OFF	
<u>Holidays Observed</u>	
<ul style="list-style-type: none"> • January 1 – New Year's Day • 3rd Monday in January – Dr. MLK Day • February 12 - Lincoln's Birthday • 3rd Monday in February – Presidents' Day • Last Monday in May – Memorial Day • July 4 – Independence Day • 1st Monday in September – Labor Day • September 9 - Admissions Day • 2nd Monday in October - Columbus Day • November 11 – Veterans' Day • 4th Thursday in November – Thanksgiving Day • 4th Friday in November – day after Thanksgiving • December 25 – Christmas Day • 3 Personal Floating Holidays (<i>accrued at a rate of 2 hours per month</i>) 	
Personnel represented by the DSA who are in the following assignments on Columbus Day (2nd	

Monday in October), Admission Day (September 9) or Lincoln's Day (February 12), will not celebrate a holiday on those days, but will accrue personal holiday credits:

- Investigation Division (except Orinda contract officers)
- Criminalistics Division
- Administration Division
- Coroner's Division
- Detention Division (Bureau of Administrative Services only)
- Technical Services Division (Civil Unit)

Vacation

**For employees hired prior to January 1, 1983.

Length of Service	Monthly Accruals	Yearly Vacation Allowance	Maximum Allowance
Under 11 years	10 hours	3 weeks	240 hrs (6 weeks)
11 years	10-2/3 hours	3 weeks+1 day	256 hrs (6 weeks+2 days)
12 years	11-1/3 hours	3 weeks+2 days	272 hrs (6 weeks+4 days)
13 years	12 hours	3 weeks+3 days	288 hrs (7 weeks+1 day)
14 years	12-2/3 hours	3 weeks+4 days	304 hrs (7 weeks+3 days)
15 thru 19 years	13-1/3 hours	4 weeks	320 hrs (8 weeks)
20 thru 24 years	16-2/3 hours	5 weeks	400 hrs (10 weeks)
25 thru 29 years	20 hours	6 weeks	480 hrs (12 weeks)
30 years and up	23-1/3 hours	7 weeks	560 hrs (14 weeks)

**For employees hired on or after January 1, 1983.

Length of Service	Monthly Accruals	Yearly Vacation Allowance	Maximum Allowance
Under 5 years	6-2/3 hours	2 weeks	160 hrs (4 weeks)
5 thru 10 years	10 hours	3 weeks	240 hrs (6 weeks)
11 years	10-2/3 hours	3 weeks+1 day	256 hrs (6 weeks+2 days)
12 years	11-1/3 hours	3 weeks+2 days	272 hrs (6 weeks+4 days)
13 years	12 hours	3 weeks+3 days	288 hrs (7 weeks+1 day)
14 years	12-2/3 hours	3 weeks+4 days	304 hrs (7 weeks+3 days)
15 thru 19 years	13-1/3 hours	4 weeks	320 hrs (8 weeks)
20 thru 24 years	16-2/3 hours	5 weeks	400 hrs (10 weeks)
25 thru 29 years	20 hours	6 weeks	480 hrs (12 weeks)

30 years and up	23-1/3 hours	7 weeks	560 hrs (14 weeks)
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**For employees regularly assigned and working in the Detention Division.

Length of Service	Monthly Accruals	Yearly Vacation Allowance	Maximum Allowance
Under 1 year	6-2/3 hours	2 weeks	160 hrs (4 weeks)
1 year	7-1/3 hours	2 weeks+1 day	176 hrs (4 weeks+2 days)
2 years	8 hours	2 weeks+2 days	192 hrs (4 weeks+4 days)
3 years	8-2/3 hours	2 weeks+3 days	208 hrs (5 weeks+1 day)
4 years	9-1/3 hours	2 weeks+4 days	224 hrs (5 weeks+3 days)
5 thru 10 years	10 hours	3 weeks	240 hrs (6 weeks)
11 years	10-2/3 hours	3 weeks+1 day	256 hrs (6 weeks+2 days)
12 years	11-1/3 hours	3 weeks+2 days	272 hrs (6 weeks+4 days)
13 years	12 hours	3 weeks+3 days	288 hrs (7 weeks+1 day)
14 years	12-2/3 hours	3 weeks+4 days	304 hrs (7 weeks+3 days)
15 thru 19 years	13-1/3 hours	4 weeks	320 hrs (8 weeks)
20 thru 24 years	16-2/3 hours	5 weeks	400 hrs (10 weeks)
25 thru 29 years	20 hours	6 weeks	480 hrs (12 weeks)
30 years and up	23-1/3 hours	7 weeks	560 hrs (14 weeks)

Sick Leave

Twelve (12) working days sick leave are accumulated each year (*accrued at a rate of 8 hours per month*); unused Sick Leave credits are accumulated indefinitely.

As of the date of retirement, an employee's accumulated sick leave is converted to retirement on the basis of one day of retirement service credit for each day of accumulated sick leave credit.

AGENCY SHOP REQUIREMENTS – This classification is in the Deputy Sheriffs' Sworn Unit of the Deputy Sheriffs' Association. As such, employees in this classification are required to join the union or pay an equivalent service fee. **HEALTH & DENTAL INSURANCE**

Health Plans

The County will provide group health benefits through the California Public Employees' Retirement System (CalPERS) for all permanent full-time employees, and permanent part-time employees regularly scheduled to work at least twenty (20) hours per week. The CalPERS program, as regulated by the Public Employees' Medical and Hospital Care Act (PEMHCA), will control all issues, including but not limited to eligibility, benefit levels

and premium costs. Because the Contra Costa Health Plan (CCHP) has met the minimum standards required under PEMHCA and is approved as an alternative CalPERS plan option, DSA members may elect to enroll in CCHP under the CalPERS plan rules and regulations.

Dental Plans

Permanent employees are also eligible to enroll in one of the following dental plans:

Delta Dental	<input type="checkbox"/>	A self-funded indemnity plan administered by Delta Dental.
PMI DeltaCare	<input type="checkbox"/>	A prepaid dental plan.

****Important Enrollment Information** - Health and Dental Plans have a 60-day enrollment period from date of hire.

****Open Enrollment** - Open enrollment periods allow you to make changes to your health and dental coverage and to add or delete dependents without a qualifying event.

LIFE INSURANCE – County-paid Life Insurance of \$10,000 is offered through ING ReliaStar Life Insurance Company to all permanent employees (working half-time or more) who are enrolled in a health and/or dental plan option. Voluntary Supplemental Life Insurance is also available to purchase through ING ReliaStar. Employees may elect from \$20,000 up to \$500,000 of coverage. Contact the Contra Costa County Employee Benefits Services Unit for more information.

CCC Employee Benefits Services Unit 651 Pine Street, 5th Floor Martinez, CA 94553-1292 Phone: (925) 335-1746

RETIREMENT – Permanent employees (working half-time or more) are eligible for membership in the Contra Costa County Employees' Retirement Association (CCCERA). The County retirement program includes the benefits under the County Employees Retirement Law of 1937 and Social Security, and offers the retirement formula of 2.7% @ 57. The staff of the Retirement Office is available to answer your questions Monday through Friday, 8:00 a.m. to Noon, and 12:30 p.m. to 5:00 p.m. After hours, you can call and leave a voicemail message.

CCC Employees' Retirement Association 1355 Willow Way, Suite 221 Concord, CA 94520 Phone: (925) 521-3960 Fax: (925) 646-5747
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DEFERRED COMPENSATION – Contra Costa County offers a voluntary Deferred Compensation Plan administered by the Hartford Life Insurance Company. Under Section 457 of the Internal Revenue Code, employees are able to set aside pre-taxed monies up to 100% of includable compensation up to \$16,500 if under age 50, or up to \$22,000 for ages 50 and over for calendar year 2009. Neither the contributed amount nor any investment earnings gained on your investments are subject to Federal income taxes until they are withdrawn. Participation in the program is voluntary. Participants select a designated monthly amount to deduct from their paychecks and then select investment option from the portfolio provided by Hartford. The Deferred Compensation Plan is a supplemental retirement plan option in addition to the County retirement plan. Consequently, while you may stop your deductions at any time, you may not have access to the monies until you have separated from County service. To receive additional information about the Deferred Compensation Plan, please contact the Contra Costa County Employee Benefits Services Unit at (925) 335-1746 or Hartford directly at (888) 435-9670 ext. 100. **CREDIT UNION** – For more than 50 years, Contra Costa County Federal Credit Union has

been providing systematic savings and loans at low interest to Contra Costa County employees. For more information, please contact the Contra Costa County Federal Credit Union at (888) 387-8632. **DRUG/SMOKE FREE WORKPLACE** - Contra Costa County is a smoke-free workplace. It is also an objective of Contra Costa County to achieve a drug-free County workplace. Any applicant for County employment will be expected to behave in accordance with this objective because the use of illegal drugs is inconsistent with the laws of the State, the rules governing County employment and the special trust placed in its employees.

PART I

DEFINITION OF TERMS

These terms used in these regulations shall have the meaning indicated below unless the context indicates otherwise.

101. "APPOINTING AUTHORITY" means the Department Head unless otherwise provided by statute or ordinance.

102. "CLASS" means a position or a group of positions sufficiently similar with respect to the duties and responsibilities, that similar selection procedures and qualifications may apply and that the same descriptive title may be used to designate each position allocated to the group.

103. "CLASS TITLE" means the designation given to a class, to each position allocated to the class, and to the employee allocated to the class.

104. "COUNTY" means the County of Contra Costa.

105. "DIRECTOR OF HUMAN RESOURCES" means the person designated by the County Administrator to serve as the Assistant County Administrator-Director of Human Resources.

106. "ELIGIBLE" means any person whose name is on an employment, reemployment, or layoff list for a given class.

107. "EMPLOYEE" means a person who is an incumbent of a position or who is on leave of absence according to these rules and whose position is held pending return.

108. "EMPLOYMENT LIST" means a list of names of persons who have been found qualified for employment in a specific class.

109. "LAYOFF LIST" means a list of persons who have occupied positions allocated to a class in the merit system, and who have been involuntarily separated by layoff, displacement, or demoted by displacement, or have voluntarily demoted in lieu of layoff or displacement, or have voluntarily transferred in lieu of layoff or displacement.

(Amended 12/02/97, Res. No. 97/651)

110. "MERIT BOARD" means the Merit Board of Contra Costa County.

111. "PERMANENT-INTERMITTENT POSITION" means any position which requires the services of an employee for irregular periods of time, as needed, paid on an hourly basis.

112. "PERMANENT PART-TIME POSITION" means any position which requires the services of an employee on a regularly scheduled basis less than full time.

113. "PERMANENT FULL-TIME POSITION" means any position which requires the full-time services of an employee.

114. "PERMANENT STATUS" means appointment to a position which must be confirmed by successful completion of the probationary period specified for the class.

115. "POSITION" means the duties and responsibilities calling for the regular full-time, part-time or intermittent employment of a person.

116. "PROMOTION" means the change of a permanent employee to another position in a class allocated to a salary range for which the top step is higher than the top step of the class which the employee formerly occupied except as otherwise provided for in these rules or in ordinances or resolutions governing deep classifications.

117. "REALLOCATION" means the act of reassigning an individual position from one class to another class at the same range of the salary schedule, or to a class which is allocated to another range that is within five (5) percent of the top step except as otherwise provided for in these rules or in ordinances.

118. "RECLASSIFICATION" means the act of reassignment or change in allocation of a position by raising it to a higher class or reducing it to a lower class on the basis of significant changes in the nature, difficulty, or responsibility of duties performed in the position.

119. "REDUCTION" is the demotion of an employee to another position in a class having a lower salary allocation at the top step than the class previously occupied by the employee or to a lower compensation level within the employee's salary range.

120. "REEMPLOYMENT LIST" means a list of persons who have occupied positions allocated to a class who have voluntarily separated and are qualified for consideration for reappointment under these rules.

121. "RESIGNATION" means the voluntary termination of permanent employment with the County.

122. "TEMPORARY EMPLOYMENT" means any employment which will require the services of a person for a limited period of time paid on an hourly basis.

123. "TRANSFER" means the change of an employee to another position in the same class in a different department, or to another position in a class which is allocated to a salary schedule the top step of which is within five (5) percent of the top step of the class previously occupied in the same or different department or as otherwise defined in deep class ordinances or resolutions.

Marilyn Leedom

From: Marilyn Leedom
Sent: Monday, October 21, 2013 2:57 PM
To: 'Lisa Driscoll'
Cc: Karen Levy; Kurt Schneider
Subject: Deputy Sheriff Recruit - Fixed Term
Attachments: 21 - CCCERA Board Regulations - Revised 09.08.10 Complete.pdf

Lisa –

Absent specific direction from the Board, it appears that the Deputy Sheriff Recruit position is a temporary position and is properly excluded from membership under Board Regulations because it is a seven month “fixed term” position, which is probationary and does not necessarily lead to permanent employment as a Deputy Sheriff.

Under the CERL and the CCCERA Board Regulations, employees who are “temporary” are excluded from CCCERA membership. I’ve attached a copy of the Board Regulations for your review. The exclusion of temporary employees is covered under Section III.1.

A Memoranda of Understanding between the County and its employee organization does not change this analysis.

If you need further information, or have questions, please let me know.

Marilyn Leedom
Retirement Chief Executive Officer
CCCERA
925-521-3960

This message contains confidential information and is intended only for the individual named. If you are not the intended recipient, you should not disseminate, distribute, alter or copy this e-mail. Please notify the sender immediately by e-mail if you have mistakenly received this e-mail then delete this e-mail from your system. Any views or opinions presented are solely those of the author and do not necessarily represent those of the Contra Costa County Employees' Retirement Association.

County Administrator

County Administration Building
651 Pine Street, 10th Floor
Martinez, California 94553-4068
V-925-335-1085
F-925-335-1098

David Twa
County Administrator

Contra Costa County



Board of Supervisors

JOHN M. GIOLA
1st District

CANDACE ANDERSEN
2nd District

MARY PIEPHO
3rd District

KAREN MITCHOFF
4th District

FEDERAL D. GLOVER
5th District

September 19, 2013

Marilyn Leedom, Retirement Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Determination On CCCERA Membership For Classification Deputy Sheriff -Recruit-Fixed Term

Dear Ms. Leedom:

Please advise whether or not the classification Deputy Sheriff-Recruit-Fixed Term (6X7A) will be included in CCCERA general membership commencing January 1, 2012. In our view, the employees entering this classification should be included as of that date.

Persons in this classification do not have temporary employment with the County. (See Definition of "Temporary Employment" in the July 1, 2008-June 30, 2013 MOU between the County and the Deputy Sheriffs Association and the attached job description.) They are not hired into hourly positions for a limited period of time. As the attached job description reflects, recruits are in a non-sworn entry-level classification in the County's law enforcement series. As soon as persons in this classification complete their training, they move directly into the sworn Deputy Sheriff classification. Recruits serve an indefinite period of time in salaried, allocated permanent positions, first as Deputy Sheriff-Recruit Fixed Term and subsequently as Deputy Sheriffs.

Including the non-sworn classification Deputy Sheriff-Recruit-Fixed Term in CCCERA general membership also would be consistent with CCCERA's treatment of other non-sworn fixed term and training positions for purposes of retirement benefits. For example, the classifications Deputy District Attorney- Fixed Term (2KWD) and Exempt Medical Staff Resident Physician I (VP71) are both included in CCCERA general membership. It is appropriate to treat Deputy Sheriff- Recruit-Fixed Term the same way.

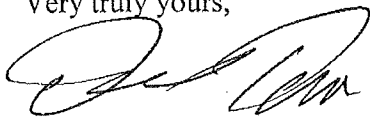
Placing the Deputy Sheriff-Recruit- Fixed Term classification in CCCERA general membership as of January 1, 2012, would not result in a prohibited retroactive enhancement of pension benefits for the affected employees. Rather, it would correct an error concerning the retirement benefits for Deputy Sheriff Recruits hired on or after December 6, 2011. On August 19, 2004, the County and the Deputy

Marilyn Leedom
September 19, 2013
Page Two (2)

Sheriffs Association agreed to the attached sideletter "Deputy Sheriff Recruit Change to Retirement Benefit." Subsequently, Recruits did not enter CCCERA general membership. In October 2008, the County adopted the attached "Side Letter Policy" which provides that if a sideletter is to be carried forward into subsequent years, it must be incorporated into the next MOU. At the time this policy was adopted, the County and the Deputy Sheriffs Association were in negotiations following expiration of the 2005-2008 MOU on June 30, 2008. The negotiations were protracted and did not conclude until adoption of the most recent MOU on December 6, 2011. When the most recent MOU was adopted, the above-referenced sideletter was not incorporated. Further, DSA MOU section 50 "Scope of Agreement and Severability of Provisions" specifies that the MOU constitutes the sole and entire agreement of the parties. Accordingly, as of December 6, 2011, the August 19, 2004 sideletter was no longer effective. All persons hired on or after December 6, 2011, into the classification Deputy Sheriff-Recruit-Fixed Term should have been included in CCCERA general membership. This should also apply to future Recruit classes.

We appreciate your review of this matter and look forward to receiving your determination.

Very truly yours,

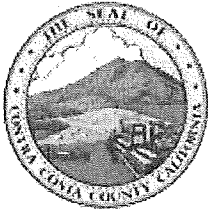


David Twa, County Administrator

cc: Ted Cwiek, Human Resources Director
James Bickert

Attachments:

Deputy Sheriff-Recruit-Fixed Term job description
Sideletter dated August 19, 2004
Side Letter Policy dated October 2008



DEPUTY SHERIFF- RECRUIT - FIXED TERM

Class Code:
6X7A

Bargaining Unit: DSA - Deputy Sheriff's
Non-Sworn Rank & File Unit

COUNTY OF CONTRA COSTA
Established Date: Sep 1, 1980
Revision Date: Jun 1, 1987

SALARY RANGE

\$19.91 Hourly
\$1,592.93 Biweekly
\$3,451.34 Monthly
\$41,416.08 Annually

DEFINITION:

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Class specifications are not intended to reflect all duties performed within the job.

Under close supervision, to attend a California Peace Officer Standards and Training (P.O.S.T.) approved Basic Academy and to successfully complete the course of study necessary to gain peace officer status in the State of California.

DISTINGUISHING CHARACTERISTICS:

Deputy Sheriff-Recruit is distinguished as an entry-level class in the County law enforcement series. Incumbents must successfully complete the P.O.S.T. Basic Academy in order to successfully complete probation as a Deputy Sheriff-Recruit and qualify for status as a Deputy Sheriff.

Incumbency in this class is limited to a period not to exceed SEVEN months and to those individual who have not completed a California P.O.S.T. certified Basic Peace Officer Academy within the last three (3) years.

MINIMUM QUALIFICATIONS:

License Required: Possession of a valid California Motor Vehicle Operator's License.

Education: Possession of a high school diploma, G.E.D. Equivalency or a high school proficiency certificate.

Citizenship: United States citizen or a permanent resident alien who is eligible for and has applied for citizenship a minimum of one year ago.

Age Requirement: Must be 20.5 years of age at the time of appointment.

Physical Requirement: Ability to meet such health standards as may be prescribed by the County Medical Consultant.

Visual Acuity: 20/100 uncorrected each eye; corrected to 20/30 each eye.

Hearing: Must not have suffered a hearing loss of over 25 decibels in the 500, 1000 or 2000 frequency ranges.

Background: A thorough background investigation, which will include a report writing exercise, a polygraph examination and psychological testing, shall be conducted according to the specifications of the State of California Commission on Peace Officer Standards and Training; and shall not have been convicted of a felony in this state or any other state or in any federal jurisdiction, or of any offense in any other state or in any federal jurisdiction, which would have been a felony if committed in this state.

KNOWLEDGES, SKILLS AND ABILITIES:

Ability to:

- Read and understand course material offered while attending the P.O.S.T. Basic Academy
- Retain course materials
- Perform physical activities required at the Basic Academy

TYPICAL TASKS:

- Attends a California Basic Academy which includes those courses necessary to gain P.O.S.T. approved peace officer status
- May attend an orientation on operations within the Sheriff's Department

SPEC HISTORY:

Established: September 1980

Revised: January 2007

Revised: March 2013

Contra
Costa
County



Human Resources Department

Administration Building
651 Pine Street
Martinez, CA 94553-1292

DATE: September 28, 2004
TO: Bob Campbell, Chief Accountant
FROM: Lisa Stephenson, Management Analyst
SUBJECT: Side Letter Agreement – Deputy Sheriff Change to Retirement Benefit

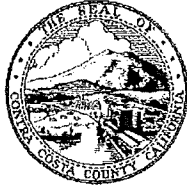
Pursuant to the attached side letter agreement between the Deputy Sheriffs' Association (DSA) and Contra Costa County, effective September 1, 2004, employees hired into the classification of Deputy Sheriff-Recruit (6X7A) will no longer be eligible to participate in the Contra Costa County Retirement System. Accordingly, please ensure that effective September 1, 2004, payroll deductions for retirement benefits cease for employees in the classification of Deputy Sheriff-Recruit (6X7A).

Thank you for your help in this matter.

cc: Kathy Ito, Labor Relations Manager
Ron Jarrell, Undersheriff
Stacey Sutter, Sheriffs Chief of Management Services

04 SEP 29 AM 11:45
DIRECTOR DEPT
HUMAN RESOURCES DIVISION

Contra
Costa
County



Human Resources
Department

Administration Bldg.
651 Pine Street
Martinez, California 94553-1292

August 19, 2004

Mr. Gary Sly, President
Deputy Sheriffs' Association
1780 Muir Road
Martinez, CA 94553

RE: Side Letter Agreement – Deputy Sheriff Recruit Change to Retirement Benefit

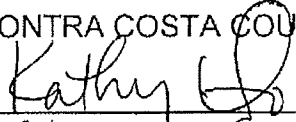
Dear Mr. Sly:

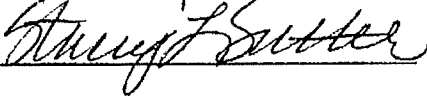
The following represents the understandings reached between Contra Costa County and the Deputy Sheriffs' Association regarding retirement benefits for employees in the classification of Deputy Sheriff - Recruit (6X7A).

1. Effective September 1, 2004, employees hired into the Deputy Sheriff - Recruit (6X7A) classification, will no longer be eligible to participate in the Contra Costa County Retirement System. Accordingly, effective September 1, 2004, payroll deductions for retirement benefits will not be taken for employees in the classification of Deputy Sheriff – Recruit (6X7A).
2. Upon successful promotion to the classification of Deputy Sheriff (6XWA), employees will enter the Contra Costa County Retirement system. For retirement purposes, employees will be eligible to purchase service for time worked in the classification of Deputy Sheriff – Recruit (6X7A) subject to the rules and regulations set forth by the Contra Costa County Employees' Retirement Association.
3. This side letter does not alter any other benefits that may be received by employees in the classification of Deputy Sheriff – Recruit (6X7A) and is intended to only address retirement benefits.

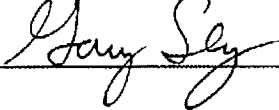
If the foregoing conforms to your understanding, please indicate concurrence by affording your signature in the space provided below.

CONTRA COSTA COUNTY





DEPUTY SHERIFFS' ASSOCIATION



Sincerely,



Lisa Stephenson
Management Analyst

cc: Kathy Ito, Labor Relations Manager
Warren Rupf, Sheriff
Ron Jarrell, Undersheriff
Stacey Sutter, Sheriffs Chief of Management Services

County of Contra Costa
OFFICE OF THE COUNTY ADMINISTRATOR
MEMORANDUM

DATE: October 20, 2008

TO: Department Heads
Departmental Personnel Officers

FROM: David Twa, County Administrator 

SUBJECT: Side Letter Policy

Attached is the County policy regarding development and approval of side letter agreements with our labor representatives. This policy outlines the process to be followed when a side letter to an approved Memorandum of Understanding is necessary.

Each Memorandum of Understanding (MOU) between the County and a labor union represents the parties' understanding concerning matters subject to meet and confer requirements. Though the parties to an MOU may mutually agree to modify the terms of an existing MOU, such modifications should not be commonplace. Side letter agreements entered during the term of an existing MOU should be limited to circumstances where urgent matters need to be addressed, clerical errors need to be corrected, language needs clarification, or existing practices need to be memorialized.

All side letters require the approval of the Board of Supervisors. Informal agreements made between the department and the employee organization will not be recognized.

Please refer to the attached policy, which is effective immediately.

Attachment

*cc: Board of Supervisors
County Administrator's Office Staff
Human Resources Department Staff
All Employee Organizations*

CONTRA COSTA COUNTY

County Administrator's Office

Subject: Side Letter Policy
Effective: October 20, 2008

Purpose of Side Letters

The purpose of a side letter is to address urgent administrative or operational issues during the period that a Memorandum of Understanding (MOU) is in effect.

MOU's with any labor representative (Union) are agreements between the Union and the County and are subject to formal approval by the Board of Supervisors. Side letters are addenda to such MOUs and are, therefore, not effective until the Board of Supervisors has approved them.

Side letters are used for the following purposes:

- To correct clerical errors or clarify language during the period that an MOU is in effect.
- To memorialize agreements made during the meet and confer process regarding the interpretation of an MOU.
- To document existing practices excluded from an MOU.

Side letters are not to be used to address changes in compensation.

Approval to Meet and Confer on a Side Letter Issue

A department must notify Human Resources (HR)-Labor Relations, immediately when an issue arises that requires meeting and conferring with a Union bargaining unit.

HR-Labor Relations, in consultation with the County Administrator's Office, will ascertain whether the potential impact of the meet and confer issue is countywide or limited to one or more departments.

If the issue will have a countywide or multidepartment impact, HR-Labor Relations will lead the meet and confer process and may, at its discretion, include representatives from impacted departments.

If the issue will impact only one department, the department may conduct the meet and confer process independently only after consultation with and approval by HR-Labor

Relations. Any proposed settlement must be reviewed and approved by HR-Labor Relations prior to finalizing a tentative side letter for Board of Supervisors' approval.

Side Letter Approval Process

1. All side letters must be reviewed by County Counsel prior to any tentative agreement by any departmental or HR representative.
2. Labor representatives, Human Resources, and any department involved in a meet and confer process must sign off on all side letters indicating a tentative agreement.
3. The Human Resources Director will request inclusion of the side letter agreement on a Board of Supervisors Closed Session agenda, when and if appropriate.
4. The tentative side letter agreement will be forwarded to the County Administrator's Office along with a Board Order requesting placement on the next available Board of Supervisors meeting agenda.
5. Any side letter approved by the Board of Supervisors will become effective the day following Board approval unless otherwise stipulated within the side letter.
6. All approved side letters will expire on the same date as the amended MOU and will be automatically extended if the MOU is extended.
7. If the side letter agreement is to be carried forward into subsequent years, it must be incorporated into the next MOU.
8. A side letter will not be recognized or implemented without appropriate signatures and final approval by the Board of Supervisors.
9. Copies of side letters will be maintained by the Human Resources Department.

MEMORANDUM

Date: November 6, 2013

To: Board of Retirement
Marilyn Leedom, Retirement Chief Executive Officer

From: Karen Levy, General Counsel

Subject: Request From the Contra Costa County Retired Employees Association ("CCCREA") To (1) Sponsor A Mailing to All Retirees; and (2) Authorize Deductions For Insurance Through Pacific Group Agencies, Inc., For Retiree Group Members

Recommendations

- (1) Consider and take possible action to direct CCCERA staff to assist the CCCREA retiree group in the mailing of materials from Pacific Group Agencies, Inc., to all current CCCERA retirees at the expense of the retiree group and at no expense to CCCERA
- (2) Consider and take possible action to direct CCCERA staff to proceed with implementing insurance premium deductions for those retirees who provide CCCERA a written authorization for the deductions and a release acknowledging their understanding that the Pacific Group Agencies, Inc., products are offered and endorsed by the retiree group to its members, and not by CCCERA. Require that the retiree group reimburse CCCERA for all set up and ongoing programming, mailing, and administrative costs arising from the deduction arrangement

Discussion

The Contra Costa County Retired Employees Association has requested that CCCERA:

1. Sponsor the mailing of materials from Pacific Group Agencies, Inc. to all current CCCERA retirees; and
2. Authorize deductions from retiree checks for insurance products obtained through Pacific Group Agencies, Inc. for retiree group members.

The request is enclosed as Attachment 1.

We address each request separately as follows:

I. Request to Sponsor the Mailing of Insurance Products Marketing Materials From Pacific Group Agencies, Inc.

The addresses of retirees in the CCCERA system are confidential. From time to time, CCCERA is asked to assist retiree groups representing CCCERA retirees with mailing communications from the retiree groups to CCCERA retirees. Approximately 3,000 out of approximately 9,000 CCCERA retirees are members of retiree groups. The CCCERA Board of Retirement has adopted a policy setting forth the guidelines under which such requests are to be handled. A copy of the Policy is enclosed as Attachment 2. The Policy balances the Board's duty to maintain the confidentiality of retiree addresses and preserving fund assets, with the need of retiree groups to communicate to retirees beyond those within their membership. The policy strictly provides that no fund assets are to be used for this purpose, and that any and all CCCERA expenses, including staff time, is to be paid for by the group making the request.

The Policy also prohibits the mailing of material which solicits the purchase of a product or service. However, the law, as recently amended, does allow the distribution of "communications regarding membership in and retiree benefit programs available through the organization to all or a portion of those retired members." (Government Code § 31592.6, as amended by SB 1382, eff. January 1, 2013.) (Emphasis added.) The law further provides that: "The content of those communications shall be wholly the responsibility of the recognized retiree organization, and the board shall not have any liability for the content of those communications." Lastly, the law provides: "The board may charge a reasonable fee for those mailings, which may not exceed the actual costs to the system, including staff time for preparation of the mailings." The full statutory provision is enclosed as Attachment 3.

The retiree group explains in its request that it selected Pacific Group Agencies, Inc., as the provider for supplemental dental, vision, pet, car and home insurance for retiree group members. The promotional materials that are sought to be distributed to all retirees state that the retiree group "has endorsed the offering and administration of these benefits through Pacific Group Agencies," but that the retiree group "itself does not provide or administer any of these benefits" nor does the retiree group "receive any financial compensation for their sale." The sample mailer provided to CCCERA is enclosed as Attachment 4.

The first inquiry in ensuring that this request fits within the plan provision is whether the arrangement between Pacific Group and the retiree group qualifies the insurance products as retiree benefit programs "available through" the retiree group to retired members. We think this is satisfied because the retiree group will only allow these benefits to be provided to those



retirees who are dues-paying members of the retiree group, and has endorsed the insurance products offered through Pacific Group Agencies, Inc.

The second inquiry is whether this mailing runs afoul with the Board policy prohibiting the mailing of solicitation materials. The purpose of this policy provision is to ensure that the Board is not facilitating the harassment of retirees with possibly unwanted marketing materials promoting the sale of products or services with which the retirement system has absolutely nothing to do. The CERL provides, however, that the content of the communications to be distributed at the request of the retiree group "shall be wholly the responsibility of the recognized retiree organization, and the board shall not have any liability for the content of those communications." (Government Code § 31592.6.) Again, these insurance products have been endorsed by the retiree group and would be offered only to retiree group members. So long as the communication is about retiree group membership or "retiree benefit programs available through" the retiree group, assistance with mailing appears to be appropriate, despite the fact that the materials are clearly marketing and/or solicitation for the Pacific Group Agencies, Inc. insurance products.

The third inquiry is whether this communication creates the appearance of the retirement system's endorsement of the insurance products and services offered by Pacific Group Agencies, Inc. To ensure against such appearance, we recommend requiring that neither the materials nor the envelope in which the materials are sent contain CCCERA's name in any way, and that the envelopes have the retiree group's return address (not CCCERA's).

Lastly, CCCERA should charge the retiree group a fee reflecting the actual costs to the system, including staff time for preparation of the mailings.

In light of the foregoing, the Board should first consider whether this is a retiree benefit program available through the retiree group to retired members. If this answer is "yes," in accordance with CERL Section 31592.6, the Board may direct CCCERA staff to assist with the distribution of the materials at the expense of the retiree group provided that the mailings do not give rise to the appearance that the retirement system endorsed the product.

II. Request that the Board Authorize Deductions From Retiree Checks For Insurance Products Obtained Through Pacific Group Agencies, Inc. For Retiree Group Members

As to the retiree group's request for deductions of insurance premiums, the CERL provides as follows:

(a) The board may comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the treasurer or other entity authorized by the board to deduct a specified amount from the retirement allowance or benefit payable to any retired member or beneficiary of a retired member for any of the following purposes:

- (1) Paying premiums on any policy or certificate of group life insurance or group disability insurance issued by an admitted insurer.
- (2) Paying premiums for a prepaid group medical or hospital service plan.
- (3) Paying premiums for a vision care program or dental plan, approved by the board, for the benefit of the retired member or his or her dependents.
- (4) Paying premiums on national service life insurance or United States government converted insurance.
- (5) Payment for the purchase of shares in or the payment of money to any regularly chartered credit union.
- (6) Payment to a charitable organization or a federally chartered veterans' organization that is approved by the board.
- (7) Payments to a recognized retiree organization.
- (8) Payment for the purchase of United States savings bonds.
- (9) The payment of personal income taxes to the government of the United States or the State of California.
- (10) Payment for any retiree benefit programs available through the recognized retiree organization. The board may require that this payment be to a single party designated by the recognized retiree organization, either to itself or to a third-party administrator.

(b) Each month the order shall be drawn in favor of the insurer, institution, credit union, organization, or government named in the written authorization for an amount equal to the deductions authorized in subdivision (a) and made during the month.

(c) The board may charge a reasonable fee for the making of the deductions and payments.

(Government Code § 31452.5, as amended by SB 1382, eff. January 1, 2013.) (Emphasis added.) The provision is enclosed as Attachment 5.

Pursuant to authority granted under Section 31452.5, CCCERA currently permits a number of deductions from the monthly retirement allowance received by CCCERA retirees and beneficiaries. The largest deduction category is for premiums related to County and Special District-sponsored health and dental care insurance plans made available to County and Special District retirees and beneficiaries. CCCERA also permits deductions for the payment of membership dues in three retiree groups in Contra Costa County, active member labor unions, and other miscellaneous groups. Lastly, CCCERA permits deductions for direct-deposits into the Contra Costa Credit Union and other Credit Unions located within county boundaries.

None of the current deductions are remitted directly to a private third party provider not affiliated in some way with the county or the other participating CCCERA employers. If approved by the Board, this would be the only deduction remitted to a third party insurance provider (Pacific) not offered through a CCCERA employer.

Should the Board wish to allow the deduction, we recommend requiring that:

1. The retiree group will reimburse CCCERA for all set up and ongoing programming, mailing, and administrative costs arising from the deduction arrangement
2. In order to protect CCCERA from potential liability in connection with the deduction program and the Retire Group's offering of insurance products to CCCERA retirees through Pacific Group Agencies, Inc., CCCERA should require that retiree deduction authorizations include the following:
 - (i) An acknowledgement by the retiree or beneficiary that they understand that the Pacific Group Agencies, Inc., products are offered, endorsed and sponsored by the retiree group to its members, and not by CCCERA
 - (ii) CCCERA is not responsible for any insurance products and services nor coverage issues associated with the Pacific program
 - (iii) CCCERA's role is limited to implementing the deductions and remitting the same to Pacific Group Agencies, Inc.
 - (iv) CCCERA is released from and held harmless against any and all claims or alleged liability arising out of or related to:
 - a. The deduction of premiums and remittance of premium to Pacific; or
 - b. The Pacific Group Agencies, Inc. insurance products.

Attachment 1



CONTRA COSTA COUNTY
RETIRED EMPLOYEES ASSOCIATION
P.O. Box 2973 • Martinez, CA 94553-8868
Representing the Past, Present & Future

October 1, 2013

Marilyn Leedom, CEO
Contra Costa County Board of Retirement
1355 Willow Way Suite 221
Concord, CA. 94520

Subject: Supplemental Retiree Benefits

Dear Marilyn,

During the past year, the Contra Costa County Retired Employees Association's (CCCREA) Board of Directors have been searching for ways to enhance and enrich the retirement benefits for all county retirees. Polls have been taken to ascertain what benefits the retirees would like to have, that they now lack. The answer has consistently been to have access to dental and vision insurance coverage.

Some retirees were fortunate enough to be able to continue their dental insurance during retirement, however only those with Kaiser Health Insurance, and some PPO policies, have limited vision care. So in an attempt to fill this health coverage void, a great deal of research has gone into vetting companies that will provide this type of group coverage.

Although there are many companies that offer these types of coverage, one stands out as being the most likely to understand the issues of public employee retirees. That company, Pacific Group Agencies, Inc., located in Santa Clarita, CA, has had the most experience working with other county associations in the 37 Act system. This company currently maintains contracts with numerous 37 Act counties, including Los Angeles, San Diego, Marin, San Mateo, Tulare, Kern, Fresno, and Orange.

I have had personal contact with the Boards of Directors of many of those counties regarding this subject. All agreed they felt the supplemental insurance policies offered by Pacific Group Agencies, Inc. are fairly priced, and those members that have had to make claims for their particular coverage were very satisfied with the service they received.

Another service offered by Pacific Group Agencies, Inc. is pet insurance coverage. While you might think of this as inconsequential, I have been amazed at the number of retirees that have pets, and the number that are extremely interested in having access to this type of insurance. The cost of veterinary services today can be out of the reach of many retirees, and could cause them to

Finally, with the addition of other coverage such as home, auto, travel, and ID Theft, this program could give retirees an opportunity to have the necessary insurance coverage to give them greater peace of mind, and to protect their limited retirement nest egg.

For the above reasons, the CCCREA Board of Directors is requesting that this issue be placed on a future CCCERA agenda and presented to the Retirement Board Trustees for a vote, to allow CCCREA to sponsor a mailing to all current county retirees to offer them the above described supplemental insurance benefits. We would also ask that the office staff be allowed to work with Pacific Group Agency, Inc. personnel to set up a program so the premiums for any supplement insurance can be deducted from the retirees benefit check on a monthly basis.

Please allow me to thank you in advance for your attention to this request, and please don't hesitate to contact me, should you have any questions.

Respectfully,

Michael Sloan

Michael Sloan, President
CCC Retired Employees Association
(925) 634-5259

Cc: Kurt Schneider

Attachment 2

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

POLICY ON MAILINGS TO RETIREES Adopted 2/9/93; Amended 8/11/10; 12/12/2012

Statement of Policy

The addresses of the system's retirees are confidential. Staff and Board members are not authorized to release this information for any purpose other than to conduct the business of the system.

Occasionally the Retirement Board is asked to help contact system retirees, either by releasing addresses for mailing purposes or by mailing material directly from the retirement office.

This policy is intended to set forth the criteria by which such requests will be evaluated and, if approved, the procedure which will be followed.

Criteria

No material which solicits purchase of a product or service will be approved. (no political candidates)

Requests from retiree organizations must relate to membership in and retiree benefit programs available through the retiree organization to all or a portion of those retired members. (Govt. Code § 31592.6.)

The content of the communications are wholly the responsibility of the retiree organization and the Board does not have any liability for the content or accuracy of the communications. (Id.)

Procedure

1. All requests will be reviewed by the Retirement Chief Executive Officer or designee to be consistent with the policy and applicable law.
2. The material must not imply CCCERA's endorsement or affirmation of the accuracy of the information.
3. Material should be pre-stuffed in sealed envelopes, ready for applying labels. In general, no material will be stuffed with monthly pension checks.
4. The requestor's stationary and envelopes will be used.
5. The retirement office will generate labels and coordinate the mailing from that point forward. No material with address already affixed will be released to the requestor.
6. The requestor will be billed for any and all paper, mail room, label generation, staff time, including postage and handling charges incurred by the system.

Attachment 3

California Government Code Section 31592.6.

In order for a recognized retiree organization to fulfill its obligations to the retired members of the system and to communicate with them, upon the organization's request the board shall cooperate with and assist the organization in distributing communications regarding membership in and retiree benefit programs available through the organization to all or a portion of those retired members. The content of those communications shall be wholly the responsibility of the recognized retiree organization, and the board shall not have any liability for the content of those communications. Cooperation and assistance in distribution may consist of combined or separate mailings. The board may charge a reasonable fee for those mailings, which may not exceed the actual costs to the system, including staff time for preparation of the mailings.

(Added by Stats. 2012, Ch. 178, Sec. 5. Effective January 1, 2013.)

Attachment 4



SUPPLEMENTAL BENEFITS

ENROLLMENT KIT

Dental

Vision

Legal Shield

Identity Theft

Pet Care

**Personal Accident &
Secure Travel**

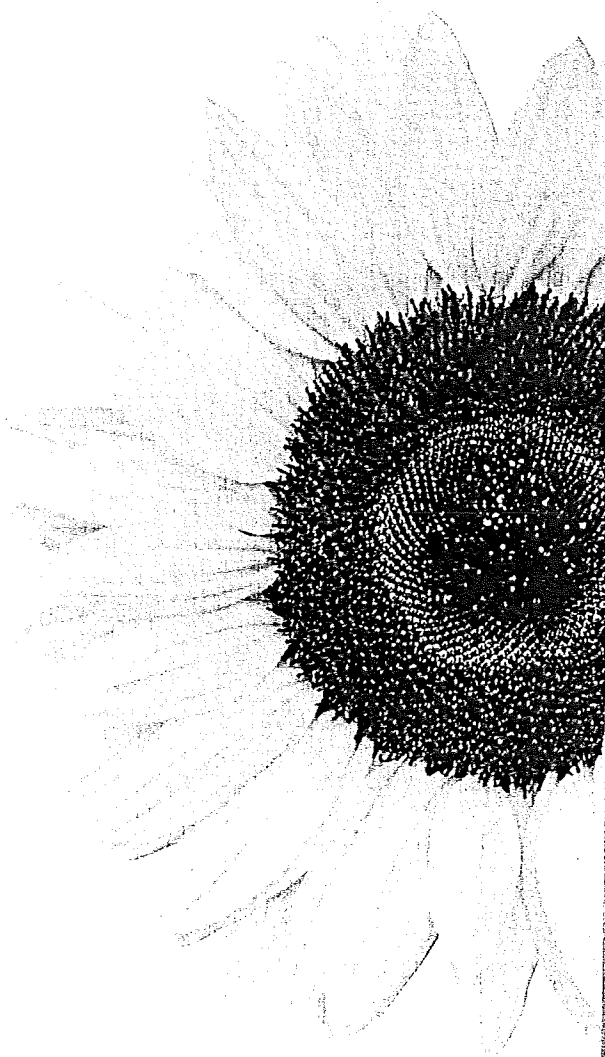
Travel

Car

Home Insurance

**Guaranteed Issue
Whole Life Insurance**

Hearing Aid



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Open Enrollment ends December 6, 2013.

**If this deadline passed, please contact us to discuss options at:
(800) 511-9065.**



SUPPLEMENTAL BENEFITS

Available Exclusively for Members of
San Mateo Retired Personnel Association

Dear Retired San Mateo County Employee:

The San Mateo County Retired Personnel Association (SCORPA) is an independent non-profit organization of retirees, established for the purpose of protecting our retirement benefits, promoting the welfare of our members, and providing a means for continuing friendships formed through the years. SCORPA has worked diligently with Pacific Group Agencies to provide quality group benefits to retirees at beneficial costs. This booklet details the benefits that are available *exclusively to SCORPA members.*

IF YOU ARE A SCORPA member, please review this booklet to see the benefits available exclusively to you.

IF YOU ARE NOT A SCORPA member, now is the time to join your fellow retirees to protect current benefits and take advantage of the supplemental benefits available through your association. To enroll in SCORPA, please complete Step 4 of the enclosed enrollment form. If also electing to enroll in supplemental benefits, please also complete Steps 1-3. A postage paid return envelope is enclosed for your convenience.

SCORPA members will receive our newsletters that help keep you informed on relevant issues, access to our membership meetings, and invitations to join our activities.

Open enrollment for the supplemental benefits ends December 6, 2013. If you have questions about the plans, please contact Pacific Group Agencies, Benefit Plans Administrator, directly at (800) 511-9065 or SCORPA@pgagencies.com. **Do not call SamCERA.**

These benefits are endorsed by SCORPA and completely separate from retiree health coverage offered through the County of San Mateo.

Sincerely,

SCORPA Board of Directors

Ameritas PPO Dental

Americans Spend Over \$100 Billion on Dental Care Each Year.

Good oral health and visiting a dentist regularly is extremely important in maintaining your overall health and wellbeing. Dentists not only check your teeth, but they can spot oral manifestation of serious medical illnesses such as heart disease, diabetes, respiratory infection, and oral cancer. Yet, despite the significant health benefits of having routine dental care, almost 40% of seniors fail to visit a dentist at least once during the year. The #1 reason is due to the cost.

- This full service Ameritas dental plan provides a **\$1,500 calendar year benefit** and covers 360+ procedures from routine to the major, including preventative care, crowns, dentures, and implants.
- Ameritas rewards members for maintaining their dental health. Visit a dentist at least once during the year and **Ameritas will increase your in-network benefit** for Basic Services 5% each year, up to 85% total!
- With the unique Ameritas Dental Rewards® benefit, members who use less than \$750 of their annual benefit will automatically have up to an additional \$400 per year banked by Ameritas for the member's future use.
- This PPO plan allow you to see any dentist, but if your dentist belongs to the Ameritas network, there are significant cost savings benefits including:

- ✓ Ameritas network dentist rates are greatly discounted - typically saving you an *additional* 25% - 35% off the regular "street" rates.
- ✓ Higher network benefits when seeing a network dentist.

Ameritas has over 268,000 providers nationwide. It is the largest nationwide dental network! You could save hundreds of dollars a year by visiting an in-network dentist.

Search for Network providers in your area at:
www.AmeritasGroup.com

Description	Network Provider	Non-Network Provider
Calendar Year Benefit	\$1,500	
Dental Rewards*	\$400 Per Year Up To \$1,000	\$250 Per Year Up To \$1,000
PREVENTATIVE SERVICES Cleanings (1 per 6 months), Routine & Comprehensive Oral Evaluations, Bitewing X-Rays, & Fluoride.	100%	80%
BASIC SERVICES Fillings, Simple Extractions, Periodontal Maintenance, Panoramic X-Rays, Denture Repair & Reline, Recement, Biopsy, Sealants, & Emergency Pain Relief.	75% - 1 st Year 80% - 2 nd Year 85% - 3 rd Year Benefits Increase Annually	75%
MAJOR SERVICES Crowns, Implants, Periodontics, Endodontics, Root Canals, Bridges, Dentures, Complex Extractions, Anesthesia, Bone Augmentation, Inlay Restorations, Onlay Restorations, Crown Repair, Bridge Repair, & Space Maintainers.	50%	50%
Calendar Year Deductible <i>Waived for Preventative</i>	\$50 / Person	\$75 / Person

*Benefits are paid at the Ameritas contracted rate.

**12-month waiting period unless currently covered under another insurance plan.

Ameritas Dental PPO Monthly Premium	
Retiree Only	\$59.95
Retiree + Spouse / Domestic Partner or Child	\$119.90
Retiree + Family	\$169.95

Cigna Dental HMO

The #1 reason seniors avoid going to the dentist is cost. With the comprehensive Cigna HMO plan, a wide range of coverage is provided at extremely affordable rates. Coverages from the routine cleaning, all the way to crowns, dentures, and implants are covered. There is no waiting period for any covered service and there are no annual benefit maximums.

- This full service Cigna HMO dental plan covers 380+ procedures, from routine to the major, including preventative care, crowns, dentures, and implants. Whether your teeth are in excellent health or require work, this plan will have you covered.
- No cost surprises. Every covered procedure has a set co-pay, so you will know exactly how much everything will cost before having any work done.
- No set annual benefit maximum. Whether you only require a routine cleaning or you need multiple crowns and an implant, you will never run up against a calendar maximum dollar benefit like PPO plans have.
- All services are available from your first day of coverage. There is no waiting period for any covered service. Whether it's just a cleaning or an implant, all covered services are available beginning your first day covered by the plan.
- The nationwide Cigna network is comprised of highly qualified dentists that are pre-screened and thoroughly evaluated prior to their acceptance as a Cigna dentist. Selecting a dentist who meets your needs and expectations is a decision that is too important to make without careful consideration and Cigna has prescreened all their network dentists for you.

A list of County area HMO providers is listed on the pages after the following Procedure Type / Member Co-Pay page. If you live outside the County, you can search your area for providers at:

<http://cigna.benefitnation.net/cigna/docdir.aspx>

The following page is a list of procedure types and the member co-pay under the Cigna HMO plan.

Procedure Type	Member Co-Pay
Oral Evaluations	\$0
X-Rays	\$0
Prophylaxis (Cleaning)	\$0
Resin Filling	\$0
Root Canal (Anterior)	\$30
Extraction of Erupted Tooth	\$0
Porcelain Inlay	\$50
Porcelain Onlay	\$50
Periodontal Maintenance	\$15
Scaling and Root Planning	\$15
Porcelain Crown	\$50
Denture	\$100
Denture Repair	\$10
Biopsy	\$0
Anesthesia	\$0
Post & Core	\$25
Surgical Placement of Transosteal Implant	\$850
Gingivectomy	\$35
Removal of Lesion or Cyst	\$0
Abutment	\$355
Desensitizing Medication	\$15

Note: Procedure Type has been condensed and modified into "plain English". Multiple procedures may be grouped under a single procedure type and your specific dental procedure may have a different co-pay than the one listed above. You will receive a Patient Charge Schedule prior to your coverage becoming effective and it will list the co-pays for all 380+ procedures.

Cigna Dental Monthly Premium	
Retiree Only	\$27
Retiree + Spouse / Domestic Partner or Child	\$52
Retiree + Family	\$98

Cigna Dental HMO Directory

San Mateo County Area

For other areas, please visit

<http://cigna.benefitnation.net/cigna/docdir.aspx>

ALAMEDA

Bright Now!

Facility ID: 506791
2140 S. Shore Ctr
(510) 214-0253

BURLINGAME

Mekhneys, Masha

Facility ID: 251074
1860 El Camino Real #315
(650) 692-0555

Wellness Center

Facility ID: 386123
2017 Central Ave
(510) 522-0878

BELMONT

Belmont Plaza Dental

Facility ID: 149914
390 El Camino Real #D
(650) 631-2893

BERKELEY

Liu, Barry†

Facility ID: 138390
914 The Alameda
(510) 526-0147

Refresh Dental

Facility ID: 142259
3031 Telegraph Ave #136A
(510) 845-2240

Western Dental

Facility ID: 215696
115 Berkeley Sq
(510) 540-8484

DUBLIN

Pannu Dental

Facility ID: 459163
7137 Dublin Blvd #A
(925) 828-6739

Restore Smiles†

Facility ID: 445787
6990 Village Pky #210
(925) 556-9074

FREMONT

Aspen Dental

Facility ID: 272368
39489 Fremont Blvd
(510) 770-0393

Advanced Smile Design

Facility ID: 269287
39560 Stevenson Pl #117
(510) 797-8100

Brookvale Family Dental

Facility ID: 251501
39236 Argonaut Way
(510) 739-0701

Fremont Dental Excellence

Facility ID: 412487
1895 Mowry Ave #120
(510) 494-8181

Gentle Dental

Facility ID: 180537
39340 Fremont Blvd
(510) 651-7700

Pannu Dental

Facility ID: 256785
38062 Martha Ave
(510) 792-9292

Setty Dental

Facility ID: 444786
37259 Fremont Blvd
(510) 790-0700

Smilecare

Facility ID: 213872
36416 Fremont Blvd
(510) 739-3889

Smilecare

Facility ID: 207644
36416 Fremont Blvd #
(510) 739-3889

Western Dental

Facility ID: 420317
3055 Mowry Ave
(510) 494-9000

HAYWARD

Ansari, Mohsen

Facility ID: 267500
660 W. Winton Ave
(510) 783-0501

Bright Now!

Facility ID: 515929
20483 Hesperian Blvd
(866) 898-1355

Dental Solutions

Facility ID: 141010
19682 Hesperian Blvd #101
(510) 782-9942

Gan Dental Care†

Facility ID: 118590
31133 Mission Blvd
(510) 471-1500

Gentle Dental

Facility ID: 161657
24239 Hesperian Blvd
(510) 786-2587

Inouye, Craig

Facility ID: 100623
1191 W. Tennyson Rd #5
(510) 264-9060

Smilecare

Facility ID: 160400
22421 Hesperian Blvd
(510) 782-4161

Uppal Dental Care

Facility ID: 386667
1191 W. Tennyson Rd #4
(510) 786-1780

Western Dental

Facility ID: 200102
123 W. Jackson St
(510) 887-5700

MENLO PARK

Sarkosh, Joseph
Facility ID: 279029
888 Oak Grove Ave #6
(650) 327-8081

MILLBRAE

Caturay, Pedro
Facility ID: 189948
1301 Broadway #7
(650) 589-3667

MOUNTAIN VIEW

Apple Dental
Facility ID: 229877
1040 Grant Rd #103
(650) 336-1313

Camino Family Dentistry

Facility ID: 422261
451 W. El Camino Real #B
(650) 938-9002

NEWARK**All Smile Dental**

Facility ID: 456084
37070 Newark Blvd #E
(510) 790-8268

Newark Dental

Facility ID: 431178
6189 Jarvis Ave
(510) 742-0220

Tan, Elizabeth

Facility ID: 117026
5270 Newpark Plz
(510) 791-8118

OAKLAND**Bright Now!**

Facility ID: 288833
8105 Edgewater Dr #250
(510) 568-6272

Bullard, Ronald

Facility ID: 142307
300 Frank H Ogawa Plz #100
(510) 444-4215

Cheung, Andrew

Facility ID: 138515
3300 Webster St #M168
(510) 763-3331

East Bay Family Dentistry

Facility ID: 148146
3040 E. 9th St #D
(510) 534-0706

Elegant Smiles

Facility ID: 276369
3301 E. 12th St #165
(510) 533-5500

Family Dentists

Facility ID: 100591
1510 Franklin St
(510) 893-1923

Franklin Dental

Facility ID: 308150
1624 Franklin St #1220
(510) 893-4041

Gentle Dental

Facility ID: 225926
1624 Franklin St #615
(510) 451-7881

Han, Timothy

Facility ID: 208128
320 13th St #301
(510) 839-2045

Oakland City Dental †

Facility ID: 434517
3300 Webster St #803
(510) 444-0971

Oakland Dental

Facility ID: 417686
1700 Broadway Fl 1st
(510) 444-6300

Oakland Smiles†

Facility ID: 469030
8105 Edgewater Dr #124
(510) 924-7310

Rotunda Dental

Facility ID: 506670
300 Frank H Ogawa Plz #100
(510) 893-0808

Western Dental

Facility ID: 194784
1530 Broadway
(510) 251-1000

PLEASANTON**Gentle Dental †**

Facility ID: 463737
5540 Springdale Ave #B
(925) 225-1011

REDWOOD CITY**Birch Dental**

Facility ID: 138387
155 Birch St #5
(650) 366-0552

United Dental

Facility ID: 437668
647 Veterans Blvd
(650) 367-4300

Western Dental

Facility ID: 459155
975 Veterans Blvd
(650) 365-8900

SAN FRANCISCO**Ansari, Mohsen**

Facility ID: 419928
450 Sutter St #1225
(415) 283-4720

Bertichevsky, Mikhail

Facility ID: 118470
4444 Geary Blvd #303
(415) 386-5590

Center of Cosmetic Dentistry

Facility ID: 284205
1550 Lombard St
(415) 921-5555

Gentle Dental

Facility ID: 225995
2494 Mission St
(415) 821-1200

Gentle Dental †

Facility ID: 162846
2364 Geary Blvd
(415) 921-6722

J T Dental

Facility ID: 157071
2415 Noriega St
(415) 682-2415

Kafayi, Kayvan
Facility ID: 281047
450 Sutter St #1433
(415) 398-2360

Nicolas, Joseph
Facility ID: 194366
801 Portola Dr #204
(415) 566-9700

Noriega Dental
Facility ID: 148879
3749 Noriega St
(415) 661-8851

Ragadio, Antonio
Facility ID: 100586
1100 Geneva Ave
(415) 587-1200

San Bruno Ave Dental
Facility ID: 157070
2817 San Bruno Ave
(415) 656-2868

Tan, Mercedes†
Facility ID: 140166
4318 Geary Blvd #201
(415) 751-8200

Van Ness Dental
Facility ID: 146028
2243 Van Ness Ave #101
(415) 441-2098

Western Dental
Facility ID: 193677
2813 Mission St
(415) 285-7500

Western Dental
Facility ID: 459210
1282 Market St
(415) 552-1200

Young, Ronald
Facility ID: 121583
1637 Lombard St
(415) 928-3777

Zhao, Edward
Facility ID: 230355
450 Sutter St #1640
(415) 956-7744

SAN LEANDRO

Smilecare
Facility ID: 159829
15301 Washington Ave
(510) 351-6820

Western Dental
Facility ID: 459212 & 410968
14895 E. 14th St #100
(510) 618-1230

SAN MATEO

Deccan Dental
Facility ID: 460954
320 N. San Mateo Dr #2
(650) 477-6920

Peninsula Dental
Facility ID: 212146
401 N. San Mateo Dr #A
(650) 344-7626

Western Dental
Facility ID: 510828
4100 S. El Camino Real
(650) 235-1460

SAN RAMON

Pur Dentistry
Facility ID: 512316
111 Deerwood Rd #130
(925) 362-3505

Smilecare
Facility ID: 215108
9130 Alcosta Blvd #A
(925) 803-9700

SANTA CLARA

Western Dental
Facility ID: 511701
2825 El Camino Real
(408) 343-4170

SOUTH SAN FRANCISCO

Avenido, Cecilia
Facility ID: 482100
2400 Westborough Blvd #200
(650) 989-8502

Pure Smile Dental
Facility ID: 505161
1133 El Camino Real #5
(650) 244-9928

SUNNYVALE

Ansari, Faiz†
Facility ID: 489735
939 W. El Camino Real #118
(408) 730-2475

Costa, Lora
Facility ID: 418132
1286 Kifer Rd #110
(408) 774-1200

Gentle Dental
Facility ID: 215515
1639 Hollenbeck Ave
(408) 732-6931

UNION CITY

Noble Dental
Facility ID: 479551
34603 Alvarado Niles Rd
(510) 493-2130

Reyes, EP
Facility ID: 180579
32138 Alvarado Blvd
(510) 487-6265

Shine Dental
Facility ID: 427364
34665 Alvarado Niles Rd
(510) 441-7645

† - Dentist is no longer accepting patients enrolled under this plan. If you are a current patient, contact your dentist to see if they can accept you under this plan.

Note: Not all dentists at a facility may accept this plan. If you wish to see a specific dentist at a facility, please call to confirm that your specific dentist is a Cigna HMO dentist.

VSP Vision Plan

Having an annual eye exam is crucial to helping you maintain your overall health and wellness. Eye exams are not only used to detect eye diseases such as cataracts and glaucoma, but they can also detect signs of serious health conditions, like hypertension, cardiovascular disease, diabetes and high cholesterol, that can easily go unnoticed by you. Whether you have naturally good vision or have had corrective surgery, an annual eye exam is still vital to your overall care.

VSP allows you to see any provider, but using a VSP Choice network provider will provide you the highest benefits and lowest costs. The nationwide VSP network has over **50,000 points of access**, all of which provide both eye exams and eyewear.

Search for local VSP Choice Network providers at:
www.VSP.com

Description	Network Provider	Non-Network Provider
Examinations	100% Covered	\$45
Single Vision Lens	100% Covered	\$30
Bifocal Lens	100% Covered	\$50
Trifocal Lens	100% Covered	\$65
Lenticular Lens	100% Covered	\$100
Contact Lens <i>Medically Necessary</i>	100% Covered	\$210
Contact Lens <i>Elective</i>	\$120	\$105
Frames	\$120	\$70
Deductible: Exam / Material	\$10 / \$25	
Frequency: Exam / Lens / Frame	12 / 12 / 24	
VSP Vision Monthly Premium		
Retiree Only		\$9.50
Retiree + Spouse / Domestic Partner or Child		\$19.00
Retiree + Family		\$28.00

Personal Accident & Secure Travel

This coverage incorporates traditional Personal Accidental Death & Dismemberment benefits with a unique Secure Travel rider. The Secure Travel rider kicks in and provides special travel protection benefits when you are traveling 100 miles or more from home.

Personal Accident Protection is available up to \$500,000 for the member. Spouse / Domestic Partner and dependent child coverage is also available.

Additional benefits may include:

- ✓ Up to \$25,000 for Home Alteration & Vehicle Modification.
- ✓ Up to \$10,000 for rehabilitation expenses.
- ✓ Up to \$37,500 for wearing a seatbelt and having a properly functioning airbag.

Secure Travel Protection provides these following special benefits:

- ✓ Medical Evacuation
- ✓ Legal Assistance
- ✓ Lost or Stolen Item Assistance
- ✓ Prescription Refill Assistance
- ✓ Medical & Dental Referrals
- ✓ Pre-Trip Planning
- ✓ Translation Services
- ✓ Emergency Cash Advances
- ✓ Repatriation
- ✓ Bail Bond Posting
- ✓ Emergency Message Relays
- ✓ 24 Hour Availability

Personal Accident Benefit	Retiree Monthly Premium	Retiree & Family Monthly Premium
\$100,000	\$4.90	\$6.60
\$200,000	\$9.80	\$13.20
\$300,000	\$14.70	\$19.80
\$400,000	\$19.60	\$26.40
\$500,000	\$24.50	\$33.00

Spouse / Domestic Partner benefit is at 50% of member benefit (40% if any child is covered). Child benefit is 10% of member benefit (15% if you are a single parent) - max \$30,000. Age reduction applies: Age 70: 65%; Age 75: 45%; Age 80: 30%

Legal Shield

*Professional Legal Advice on All Matters
from the Trivial to the Traumatic for Less Than 50¢ a Day*

What if you had unlimited access to attorneys to handle life's complications and weren't charged for their time? Daily life should be simple, but rarely is, and the routine can quickly become complicated. In an ideal world, legal review would be routine, but we don't live in an ideal world and we make excuses for not seeking legal advice.

There is no doubt that the legal world can be confusing, complicated, and can be downright frightening. Many people give up rather than take appropriate action against those that have caused them harm. When a problem arises, we tend to feel that it is easier to pay out of pocket to fix the problem and that it's not worth the cost of hiring an attorney or the hassle for us to file a small claims court suit.

With Legal Shield, you will join the 1.4+ million members that have access to thousands of quality attorneys nationwide. Whatever issue you are dealing with, Legal Shield will have an attorney experienced in that area of law contact you within 8 business hours.

How Legal Shield will benefit you:

Will. Approximately 70% of Americans don't have a Will. This is a staggering statistic considering the benefits of having a Will include:

- Protecting your assets from probate and intestacy laws and avoiding the costly and time consuming probate court. Without a Will, your assets are at the mercy of your state's probate laws, not how you would divide and gift your assets.
- If you are not married, but are in a committed relationship, you can ensure your partner is provided for.
- A Will gives you the control to name your beneficiaries and determine who you would like to gift your property to.
- Peace of mind knowing your assets are protected and your loved ones will be taken care of when you are no longer here.

With Legal Shield, the member receives a Will and yearly updates at no cost. Spouses and dependents can receive a Will or update for only \$20.

Phone Calls and Letters. We've all been in situations where we feel a person or company has taken advantage of us and our calls and letters do not resolve the situation. Perhaps it was a retail store that won't accept a return of defective merchandise, or a repairman won't stand behind his work, or a merchant refuses to honor a low price guarantee. Without Legal Shield, you're left to deal with these situations alone and your letters and calls will likely go unanswered.

With Legal Shield, an attorney will write a letter or make a phone call on your behalf at no cost to you. When the other party sees that you have legal representation, they know you are serious and will work to get the situation resolved.

Contract and Document Review. While we all say that we would never sign anything without reading it, the reality is that many of us will only skim a document before signing it. Even if we did read everything, would we understand what all the fine print legal jargon actually meant?

Ever signed a cell phone contract and when the first bill arrives, you noticed a bunch of fees that were never disclosed? Ever booked a hotel room with a view and arrived to find out the view is that of the trash dumpster? Ever have a landlord refuse to return your cleaning deposit?

With Legal Shield, you can have an unlimited number of personal legal documents, up to ten pages each, reviewed and explained to you in plain English by your attorney at no cost to you. The attorney will also suggest any changes they deem necessary. If the other party has acted improperly, the attorney can contact them on your behalf to get the issue resolved.

IRS Audit Protection. We all know that feeling when seeing a letter from the IRS. Hoping and praying that it's just some random information and not notification that we're being audited. Unfortunately, 1,481,966 people last year were not so lucky and they were audited by the IRS. For those who think that only the wealthy get audited, over 80% of audits were done to households making less than \$50,000 per year.

With Legal Shield, when you are notified of an audit by the IRS, you have immediate access to consultation, advice, and assistance at no cost to you. You can receive at no additional cost, up to 50 total hours of your attorney's time to help defend the audit.

Motor Vehicle Services. Owing a vehicle creates the potential for many different problems. We have all experienced minor accidents where we let our insurance company sort out the issue with the other party. However, who do you turn to if your car is vandalized in a parking lot? What if items are missing from your car after it being valet parked or run through the car wash? What if a car nicks your car while it is parked on the street? What if a car nicks your car while it is parked on the street and the other driver is claiming it is your fault based on how you parked? And the police issue YOU a citation! And your insurance company wants to raise your premiums because of this! Incidents and accidents happen and whether you were the at fault party or not, having an attorney on your side can be crucial.

With Legal Shield, your attorney will be there to help you deal with your insurance company. They will be able to put you in a position of knowledge regarding the law and your rights and may be able to file a lawsuit on your behalf. If the unthinkable happens and you are involved in a fatal car accident and charged with manslaughter, involuntary manslaughter, negligent homicide, or vehicular homicide, your attorney will defend you, no matter how long it takes.

Trial Defense. There is no doubt that the United States is a litigious country. We have more lawyers per capita than any other country. A new civil lawsuit is filed once every 2 seconds in this country. Whether the suit has merit or is frivolous, lawsuits can cause tremendous emotional and financial stress.

With Legal Shield, if you or your spouse is named as a defendant in a covered civil or criminal action, your attorney will provide up to 60 hours of defense at no additional cost to you.

Know Your Legal Rights. Understanding your rights is the first step in resolving any issue. Whether it's personal, business related, criminal, or anything in between, you need to know your rights. The other side likely knows their rights - especially if they have legal representation, but will you know your rights?

With Legal Shield, access to no cost, quality, convenient, legal help is only a toll-free phone call away.

Many people may feel that they will not need legal counsel and honestly, not every legal matter requires the use of an attorney. However, a recent American Bar Association survey showed that 71% of US households had experienced an event during a 12 month period that might have led them to hire a lawyer. Yet, it's no surprise why only a small percentage of those households actually contacted an attorney. A recent *Legal Needs Study* found that the average rate charged by attorneys was \$284 per hour.

How often would you use an attorney's services if there was no cost? Of *Legal Needs Study* respondents with a legal benefits plan, 70% said they use the service 4 or more times per year.

For less than 50¢ per day, you will have no cost, full unlimited access to the Legal Shield network of attorneys, so that when an issue arises you will have a person who will truly understand the extent of your situation and will be versed in the legal aspects. You won't have to take matters into your own hands and leave things to chance like how to properly file court documents and handle other legal procedures, or how to properly obtain evidence to support your case, or to challenge and/or suppress evidence from the other side. And best of all, you won't have to pay several hundred dollars per hour for their services.

For issues, such as pre-existing conditions, which are not covered by your Legal Shield plan, your attorney will provide services to you at a 25% discount off their regular rates. Regular rates vary depending on the complexity of the issue.

Legal Shield Monthly Premium	
Retiree & Family	\$14.95
Add 24/7 Access Coverage for \$1 more. Have 24-hour access to an attorney if you're ever arrested or detained, injured in a motor vehicle accident, confronted with the state taking your children, or served with a warrant.	

Identity Theft Shield

Identity Theft Tops Federal Trade Commission List of Consumer Complaints for 13th Consecutive Year!

Last year, there were about 370,000 home fires and most people wouldn't think about going without homeowners insurance. Yet there were over 12,600,000 instances of identity theft, but most people never think about having protection against identity theft or coverage for the costs of repairing your credit.

Identity Theft is one of the most prevalent types of fraud that affects seniors and it is only getting worse. Unfortunately, most seniors don't find out that they are victims of identity theft until it is too late and the damage has been done.

Identity Theft Shield, offered through Kroll, the world's leading independent risk consultant, gives you the ability to understand your credit score and to protect your identity and good name. Unlike most credit monitoring programs, Identity Theft Shield's proactive approach not only provides expert consultation on how to prevent identity theft, but also provides comprehensive restoration of your identity should a breach occur.

There are two Identity Theft Shield plans available to help protect and restore your credit and good name. The **Standard Plan** and the **Premium Plan**.

Identity Theft Shield STANDARD Plan coverage includes:

Credit Report from up-to-date data provided by Experian, the leading credit reporting bureau.

Personal Credit Score with a detailed analysis of your personal credit score with your first credit report.

Continuous Monitoring of your Experian credit file with email alerts for any activity on your credit file.

Comprehensive Identity Restoration Service experts will perform comprehensive ID restoration services on your behalf, should you face an identity theft issue. They will customize the solution and work on your behalf to correct identity theft issues with affected agencies and institutions. Fraud alert notifications will be sent to all three national

credit repositories for seven years and proactive searches of local and national databases will be conducted for any activity in your name that you may not be aware of. Regardless of the length of time to complete, your Identity Restoration Service expert will work to resolve the identity theft issues and restore your identity to pre-theft status.

Identity Theft Shield PREMIUM Plan coverage includes all the benefits of the Standard Plan as well as:

Triple Bureau Credit Monitoring and Activity Alert

In addition to Experian, both Equifax and TransUnion credit reports will be monitored continuously and you will receive an email alert if any activity occurs.

Web Watcher

The web is monitored daily for unauthorized use of your Social Security and credit/debit card numbers, & other personal information.

Public Persona

Monthly monitoring of any changes to Social Security Number or address history associated with your name.

Sex Offender Search

Sex offender databases are searched to detect the location of sex offenders and whether a member's address has been used by a registered sex offender.

Social Security Number Skip Trace

34,000,000,000 (34 billion) public records are searched to detect potential fraud using your Social Security Number.

Lost Wallet/Purse Assistance

When your wallet or purse is lost, you could spend days contacting all the credit card companies or getting replacements for your IDs. Kroll provides help with canceling and replacing cards and IDs and with placing fraud alerts.

Identity Theft Monthly Premium

Standard Plan

Retiree & Spouse: \$12.95
Receive a \$3 discount when purchased in addition to Legal Shield

Premium Plan

Retiree & Spouse: \$24.95
Receive a \$5 discount when purchased in addition to Legal Shield

“PPO” Pet Insurance

Available for Dogs, Cats, Birds, & Exotic Animals

We spend over \$55 billion per year to take care of our cuddly companions. As pet parents, we want to provide them with the best possible care. Unfortunately, from a routine check-up to an unexpected illness or accident, vet bills can add up quickly.

With VPI, the nation’s oldest pet insurance company, you can have coverage for both the routine, as well as the unexpected vet bills. Instead of worrying about the cost, you can focus on what is really important, following your vet’s recommended course of treatment.

Multiple plans are available for your specific needs and benefits are paid on a set benefit schedule. You may see any vet or specialist.

Major Medical Plan Comprehensive is a safety net for big vet bills, with the most comprehensive protection and highest level of benefits.

Medical Plan Economical provides coverage for accidents, emergencies, illnesses, and ongoing conditions at great value.

Injury Plan provides low-cost coverage for injuries only (like poisonings and broken bones), but not medical conditions.

Feline Select® Plan is affordable coverage designed for cats and covers accidents & illnesses, including coverage for the 15 most common cat conditions, without the expense of a comprehensive plan.

Wellness Plans may include coverage for exams, vaccinations, FeLV/FIV, heartworm, fecal tests, urinalysis, dental cleaning, spay/neuter, deworming, nail trim, microchip implant, health certificate, flea / heartworm control, blood test, x-ray, or EKG.

Veterinary Pet Insurance Plan	Est. Monthly Premium
Major Medical Plan Comprehensive	\$24
Medical Plan Economical	\$19
Injury Plan	\$11
Feline Select Plan	\$11
Wellness Plans	\$13-\$24

For more information or to enroll at the discounted SCORPA rates, call VPI directly at (877) 738-7874 and mention you are a

SCORPA member or visit:
www.petinsurance.com/affiliates/scorpa

“HMO” Pet Care

Available for Dogs, Cats, Birds, Rabbits, Ferrets, Pocket Pets, & Reptiles

United Pet Care is a veterinary discount program. Unlike some pet insurance plans, all pets are eligible for coverage regardless of age and pre-existing or breed specific conditions. Pet owners are guaranteed instant savings of 20%-50% off office visits, exams, surgery, hospitalization, vaccines, spaying/neutering, diagnostics, radiology, dentistry, and all other preventative and sick care procedures. Medication is also discounted 20%-25%.

Saving money with United Pet Care is easy. There are no deductibles, no claim forms to fill out, no waiting periods, no exclusions or higher rates for pre-existing conditions, no limit on the number of vet visits, and most importantly, no hassles. Your pet may enroll regardless of their age or medical condition. You start saving money from day one!

Pet parents select from a nationwide network of well over 1,800 quality, conveniently located veterinary providers.

Members will also receive discounts at numerous pet places including those for: Pet Foods, Natural Foods, Grooming, Accessories, Products, Supplies, Boarding Kennels, Doggie Daycare, Pet Sitting, Dog Walking, Training-Obedience, Herbs, Supplements, & Medications.

Participating Providers in San Mateo County

Alta View Animal Hospital
 690 Showers Drive
 Mountain View, CA 94040
 (650) 948-1021

Waggin Wheels Vet House Call
 30 Avondale Ave
 Redwood City, CA 94062
 (650) 298-8508

Alta Wood Animal Hospital
 955 Woodside Rd
 Redwood City, CA 94061
 (650) 369-1768

Companion Animal Hospital
 255 Old County Rd.
 San Carlos, CA 94070
 (650) 591-8387

United Pet Care Monthly Premium	
1 Pet	\$8.75 - \$10.60
2 Pets	\$16.60 - \$20.20
3 Pets	\$24.30 - \$29.60
Each Additional Pet	\$7.70 - \$9.30

To enroll or for more information:

Call United Pet Care at (888) 781-6622 and mention you are an SCORPA member or visit: www.unitedpetcare.com/scorpa

Liberty Mutual

Homeowners, Car, Renters, Condominium, Landlord, Personal Liability, & Flood Insurance

As a SCORPA member, our exclusive partnership with Liberty Mutual allows you to take advantage of special discounted group rates that could save you hundreds of dollars a year. Liberty Mutual offers coverage for:

Homeowners Insurance - We know how important your home is. It's your family headquarters, your sanctuary, and the hub of all activity. A homeowners policy can protect your home and possessions against a variety of losses including fire, theft, vandalism, plumbing failure, and much more. Liability coverage can be included so that if someone is accidentally injured or has property damaged while on your premises, Liberty Mutual will defend any claims against you and pay those claims up to your policy limits. We'll also pay for reasonable and necessary medical expenses up to the limit you purchased, regardless of who was at fault.

Renters Insurance - Your landlord likely has insurance to protect the building you live in, but that doesn't protect you and your belongings. Renters insurance protects the possessions that matter to you, at home and away, and also provides limited personal liability coverage.

Condominium Insurance - As a condo owner, your HOA's insurance won't cover the interior of your unit, your personal possessions, or personal liability. We'll provide the affordable coverage you need.

Landlord Insurance - As a landlord, renting out your investment property is stressful enough. With Landlord Insurance, you'll have one less thing to worry about. Rental property insurance protects your property from damages and loss of income should covered damages make your property unlivable.

Personal Liability Protection - You don't have to be a millionaire to be sued for a million dollars. A serious accident or mishap on your property could trigger a costly jury award. Umbrella Insurance protects your assets from large verdicts or settlements due to a covered accident, with additional coverage beyond the limits on your other policies.

Flood Insurance - You don't need to live near water to need flood insurance. Floods can be caused by storms, hurricanes and even melting snow. Flood damage is not covered under homeowner policies. Liberty Mutual offers Flood Insurance through the federal government's National Flood Insurance Program.

Mobile Home Insurance - Protect your mobile home from unexpected damages.

Car Insurance - Liberty Mutual has you and your wheels covered with a variety of auto insurance options. They will make sure you have the right coverages for you and your car.

Coverages can include Collision, Comprehensive, Bodily Injury Liability, Property Damage Liability, Medical Payments, Injury Protection, Uninsured / Underinsured Motorists.

We believe responsible drivers deserve more than just basic coverage; that's why we provide additional benefits including: Accident Forgiveness, New Car Replacement, Unlimited Rental, and Lifetime Repair Guarantee.

Multi-Policy Discount - Save on your home insurance when you insure your home and car with Liberty Mutual.

Liberty Mutual has been helping people live safer, more secure lives since 1912. They operate in all 50 states and are among the Fortune 100 largest U.S. corporations. As a leading provider of car, home and life insurance, they offer competitive rates and hassle free service.

Policies are tailored to meet your specific needs. A Liberty Mutual representative can explain your options in clear terms and recommend the best match for you - whether you need to protect your car, home, watercraft or motorcycle.

Liberty Mutual

For a quote, visit: www.libertymutual.com/scorpa
or call: (800) 524-9400. You **Must** Mention Group 119512 in order to get the special SCORPA discounted rates.

Disclaimer: Coverages may not be available in all 50 states and may vary. Discounts and savings are available where state laws and regulations allow, and may vary by state. Certain discounts apply to specific coverages only. To the extent permitted by law, applicants are individually underwritten; not all applicants may qualify.

Whole Life Insurance

Guaranteed Issue - No Medical Exam

No one wants to burden their family with outstanding debts, funeral costs and other bills when they pass away. Ensuring these costs are taken care of in advance can be your way of helping make sure your family won't have to struggle to quickly come up with cash.

MetLife's Guaranteed Issue Whole Life Insurance is an easy and affordable way to provide financial stability for your loved ones. Coverage face amounts of \$5,000, \$10,000 and \$20,000 are available. This plan was specially designed for those age 55 and older.

Unique plan features include:

- Guaranteed issue and guaranteed renewable for life.
- Does not require a medical exam or underwriting.
- Level premiums for the life of the policy.
- Simplified application process.

Monthly Rates - Female		
Age	\$5,000	\$10,000
55	\$25	\$48.50
60	\$29.50	\$57.50
65	\$35.50	\$69.50
70	\$45	\$88.50
75	\$60	\$118.50

Monthly Rates - Male		
Age	\$5,000	\$10,000
55	\$31	\$60.50
60	\$38	\$74.50
65	\$49	\$96.50
70	\$64	\$126.50
75	\$82.50	\$163.50

If the insured dies other than by accident within the first two years, the beneficiary will receive a limited graded death benefit of 110% of premiums paid. After two years, full death benefits will be paid for any cause of death.

Coverage is not in force until MetLife has confirmed enrollment in writing. Rates will be based on your age at the coverage effective date. Coverage cannot begin earlier than January 1, 2014.

Travel Insurance

Trip Cancellation or Interruption and Medical Coverage Available

A vacation is supposed to be a personal reward to yourself for all your hard work. To provide you will stress relief, relaxation, and quality time with loved ones. However, when it comes to travel, the unforeseen can happen without warning and can be very costly.

The sudden illness of a traveling companion or family member, a natural disaster, inhospitable weather, or terrorism alters your traveling plans. Instantly, all the money paid for a vacation vanishes. Travel insurance is there to provide you peace of mind against the unexpected.

Travel Guard comprehensive travel insurance is customizable to meet your needs. Whether you're going on a cruise, wildlife safari, resort vacation, tour package, or just a quick self-booked trip, travel insurance can protect you for a variety of circumstances. Coverage is available for:

- Trip Cancellation to cover prepaid, nonrefundable expenses.
- Missed Connection coverage for flight change fees or transportation costs required to meet a missed connection.
- Trip Interruption can pay for travel arrangements to return home.
- Medical coverage for bills if you become sick or injured.
- Medicare and most insurance does not cover you outside the US.
- Emergency evacuation to the nearest appropriate care facility.
- Baggage Delay/Loss coverage.
- Travel Delay covers flight delay, etc.

Comprehensive Travel Insurance	
Age	Approximate Cost of Insurance
65	7% of Trip Cost
70	9% of Trip Cost
75	11% of Trip Cost
80	15% of Trip Cost

Visit: www.pgagencies.com/scorpa & click the Travel Insurance icon.
If you do not have internet, for assistance call: (800) 511-9065.

HearPO Hearing Benefit

A Johns Hopkins University School of Medicine study found that 63% of people over age 70 have hearing loss. Yet, only about 20% used a hearing aid. Unfortunately, denial and embarrassment are the main reasons cited for not getting a hearing aid.

Hearing impairment lowers the overall quality of life for those suffering from it. People with untreated hearing loss suffer more from depression and social isolation compared to those of similar age who wear hearing aids. It can also cause Auditory Deprivation, which is a decrease in speech understanding resulting from a hearing loss.

The good news is that clinical studies have shown that when hearing aids are properly fitted, they significantly improve the overall quality of life for their users. Many hearing aids are virtually invisible and still deliver outstanding performance in challenging environments.

HearPO has partnered with SCORPA to offer a **FREE** hearing aid discount program. Benefits include:

- ✓ 40% off hearing testing and diagnostics.
- ✓ Approximate savings of 25% off hearing aids including ReSound, Starkey, Siemens, and more.
- ✓ Hearing aid low price guarantee. We beat local quotes by 5%!
- ✓ Free one year supply of batteries.
- ✓ One-year free follow-up care.
- ✓ Risk-free 60-day, 100% money-back satisfaction guarantee.
- ✓ 3-year warranty - one of the longest in the industry.
- ✓ Convenient hearing clinics near you.
- ✓ Financing available.

HearPO Premium	
Retiree + Family	FREE
To take advantage of this free program, call HearPO directly at (877) 846-7075 and let them know you're an SCORPA member. They will assist you and explain the process.	

To Enroll

Please Note: Enrollment in all of these plans requires active membership in SCORPA. If not currently a member of SCORPA, please make sure to complete the SCORPA Membership section (Step 4) on the enclosed Enrollment Form.

Dental, Vision, Legal Shield, Identity Theft Shield, and Personal Accident & Secure Travel can be enrolled in by completing the enclosed enrollment form. Monthly premiums are payroll deducted.

Guaranteed Issue Whole Life Insurance requires an enrollment form based on your state of residence. Please select the Whole Life Insurance box on the enclosed enrollment form and the correct state application will be mailed to you. Premiums are arranged directly with the insurance company.

VPI "PPO" Pet Insurance can be enrolled by calling VPI directly at (877) 738-7874 and mentioning that you are a SCORPA member. You may also visit: www.petinsurance.com/affiliates/scorpa to enroll. Monthly premiums are payroll deducted.

United Pet Care "HMO" Pet Care can be enrolled by calling UPC directly at (888) 781-6622 and mentioning that you are a SCORPA member. You may also visit: www.unitedpetcare.com/scorpa to enroll. Monthly premiums are payroll deducted.

Liberty Mutual Homeowners, Car, Renters, Condominium, Landlord, Personal Liability, & Flood Insurance can be enrolled by calling Liberty Mutual directly at (800) 524-9400 and mentioning you belong to Group 119512. You must mention this group to get the exclusive discounted SCORPA rates. You may also visit: www.libertymutual.com/scorpa to enroll. Premiums are arranged directly with the insurance company, but *can* be payroll deducted.

Comprehensive Travel can be enrolled by visiting www.pgagencies.com/scorpa & clicking on the Comprehensive Travel Insurance icon. If you need assistance or do not have internet access, please call (800) 511-9065 for assistance.

HearPO Hearing Benefit is FREE and there is no need to enroll. Call HearPO directly at (877) 846-7075 and let them know you're a SCORPA member. They will explain the HearPO process and assist you.

Questions or need assistance? Contact the Plans Administrator at SCORPA@pgagencies.com or call (800) 511-9065.

Disclaimer

In promoting the health, well-being, happiness, and continued productivity of its members, SCORPA has endorsed the offering and administration of these benefits through Pacific Group Agencies, but SCORPA itself does not provide or administer any of these benefits, nor does SCORPA receive any financial compensation for their sale.

This booklet contains summaries and highlights of the plans. Additional exclusions, limitations, and eligibility requirements may apply. Certain wording has been shortened due to space limitations. Every attempt has been made to ensure this booklet and referred to websites are accurate and factually represents the coverages being offered; however, mistakes can occur. This booklet is not a Certificate of Insurance and nothing contained herein, either written or implied, will change the terms of the Certificates of Insurance.

Insurance carriers have the right to change the rules, regulations, terms of coverage, availability, guidelines that are placed on the application, policies, enrollment, rates, and offering of products at any time.

While infrequent, providers may, without warning, discontinue their affiliation with an insurance company. There is no guarantee that a provider will remain affiliated with an insurance company.

An individual cannot assume they have effective insurance coverage even if they have submitted an application. An individual cannot assume that they have coverage until the carrier has sent the individual a verification of coverage with the appropriate effective date.

It is the responsibility of the member to contact Pacific Group Agencies regarding any change in their status that affects the ability to be insured under any of these plans. It is the responsibility of the member to confirm that they have been enrolled in the correct plan and it is suitable for their needs. Members must maintain membership status in SCORPA in order to retain these benefits. Coverages may be terminated without warning should your retirement check, checking account, or credit card deduction stop for any reason or your membership in SCORPA lapses.

For questions on the plans or the enrollment process, contact the plan administrator, Pacific Group Agencies, CA Lic. 0078489, at: (800) 511-9065.



PACIFIC GROUP AGENCIES, INC.

25876 The Old Road #11 • Santa Clarita, CA 91381
Tel: (800) 511-9065 • Fax: (800) 549-0059 • www.pgagencies.com/scorpa

rev 1/14

Attachment 5

California Government Code Section 31452.5.

(a) The board may comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the treasurer or other entity authorized by the board to deduct a specified amount from the retirement allowance or benefit payable to any retired member or beneficiary of a retired member for any of the following purposes:

- (1) Paying premiums on any policy or certificate of group life insurance or group disability insurance issued by an admitted insurer.
 - (2) Paying premiums for a prepaid group medical or hospital service plan.
 - (3) Paying premiums for a vision care program or dental plan, approved by the board, for the benefit of the retired member or his or her dependents.
 - (4) Paying premiums on national service life insurance or United States government converted insurance.
 - (5) Payment for the purchase of shares in or the payment of money to any regularly chartered credit union.
 - (6) Payment to a charitable organization or a federally chartered veterans' organization that is approved by the board.
 - (7) Payments to a recognized retiree organization.
 - (8) Payment for the purchase of United States savings bonds.
 - (9) The payment of personal income taxes to the government of the United States or the State of California.
 - (10) Payment for any retiree benefit programs available through the recognized retiree organization. The board may require that this payment be to a single party designated by the recognized retiree organization, either to itself or to a third-party administrator.
- (b) Each month the order shall be drawn in favor of the insurer, institution, credit union, organization, or government named in the written authorization for an amount equal to the deductions authorized in subdivision (a) and made during the month.
- (c) The board may charge a reasonable fee for the making of the deductions and payments.

(Amended by Stats. 2012, Ch. 178, Sec. 1. Effective January 1, 2013.)



<p><u>Meeting Date</u> 11/06/13 <u>Agenda Item</u> #11</p>
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MEMORANDUM

Date: November 6, 2013
To: Board of Retirement
From: Karen Levy, General Counsel
Subject: State Association of County Retirement Systems
Legislative Proposal - 2014

Recommendation

Consider the legislative proposal and provide appropriate direction to the CCCERA voting delegate attending the State Association of County Retirement Systems ("SACRS") business meeting, to be held on November 15, 2013.

Background

SACRS has provided its legislative proposal for 2014, which consists of PEPRA clean up legislation. The SACRS Legislative Committee has recommended additional technical clean up legislation in order to conform the County Employees Retirement Law of 1937 ("CERL") to the Public Employees' Pension Reform Act of 2013 ("PEPRA"). One example provided is the need to add the words "pensionable compensation," which is the PEPRA term for that compensation that is included in compensation for retirement purposes, to particular provisions in CERL, as applicable. This would be a follow up to AB 1380, the SACRS PEPRA cleanup bill already enacted.

At the Friday, November 15, 2013, SACRS Business Meeting, SACRS member systems will be asked to approve the SACRS proposals. The Board should provide guidance to its voting delegate with regards to its support, opposition, or abstention on this SACRS action item.

YEAR 2014 SACRS LEGISLATIVE PLATFORM WORKSHEET

PLEASE COMPLETE AND RETURN BY SEPTEMBER 6, 2013

Title of Issue: PEPRA Clean-up Legislation
Association: SACRS Legislative Committee
Contact Person: Julie Wyne, OCERS
Phone #: (714) 558-6221
Fax #:

Please answer the following questions as fully as possible:

1. **Description of issue. A Subcommittee of the SACRS Legislative Committee worked throughout 2013 to conform the County Employees Retirement Law of 1937 (CERL) to PEPRA. After the last set of amendments to AB 1380 in 2013, it was determined that further technical clean-up amendments are required. For example, an important word was dropped from one of the amendments made by AB 1380; some death benefit provisions that rely on "compensation earnable" were not amended to include reference to "pensionable compensation" for members subject to PEPRA, etc. Additionally, the Subcommittee identified some provisions of the CERL unique to specific county systems that may be obsolete or require updating.**
2. **Recommended solution. Propose legislation to accomplish technical clean-up amendments to the CERL related to conformance with PEPRA that were not included in AB 1380 nor SB 13 of 2013.**
3. **Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers. To be determined.**
4. **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association? This language will be applicable to all '37 Act systems.**
5. **Do you anticipate that the proposed legislation would create any major problems, such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations? None anticipated. This bill is intended to only address technical corrections to facilitate implementation of PEPRA and clarify the CERL.**
6. **Who will support or oppose this proposed change in the law? SACRS will sponsor; individual systems may support.**
7. **Who will be available from your association to testify before the Legislature?**

Julie Wyne and Richard Stensrud



Meeting Date
11/06/13
Agenda Item
#12

MEMORANDUM

From: Harvey L. Leiderman
Direct Phone: +1 415 659 5914
Email: HLeiderman@reedsmith.com

101 Second Street
Suite 1800
San Francisco, CA 94105-3659
+1 415 543 8700
Fax +1 415 391 8269
reedsmith.com

To: Members of the Board of Retirement
Contra Costa County Employees' Retirement Association

Date: October 29, 2013

Subject: Proposed Legislation Making CCCERA a Separate District

The Settlement Agreement entered into between CCCERA and the County, and approved by the Superior Court, provides that the parties will jointly seek legislation that separates CCCERA from the County and makes it an autonomous district participating in CCCERA, with its own employees who will continue to be members of the retirement system. In concert with the County Counsel's Office, we have prepared the enclosed draft text of a bill to accomplish these purposes. The bill adds and amends various sections of the County Employees Retirement Law of 1937. Once approved by the parties, we will jointly seek a sponsor in the Legislature and proceed to take all steps to secure passage of the bill in the coming legislative session.

In August, the County HR Department provided copies of the draft legislation to the two bargaining units that represent employees presently working at CCCERA, asking them to review and approve of the proposed legislation. We have had a series of communications with AFSCME, leading to additional language they sought in the bill to provide for a smooth transition between the County and CCCERA as the employer of their members. That language is acceptable to us as counsel. We are authorized to represent to the Board that AFSCME is satisfied with the language of the bill in its present form and will support its passage in the Legislature. We have not heard back from Local 21 as of this date.

We will review the proposed bill with the Board in open session at the November 7, 2013 Board meeting and seek Board approval to proceed to find a sponsor and move the bill through the Legislature. We recommend that the Board approve the proposed bill in its present form.

c: Marilyn Leedom, CEO

CCCERA PROPOSED LEGISLATION

SECTION 1. Section 31522.9 is added to the Government Code, to read:

31522.9. (a) *The board of retirement may appoint a retirement administrator and such other personnel as are required to accomplish the necessary work of the board. The board may authorize the administrator to make any such appointments on its behalf. Notwithstanding any other provision of law, the personnel so appointed shall not be county employees but shall be employees of the retirement system, subject to terms and conditions of employment established by the board of retirement, including those set forth in any memoranda of understanding executed by the board of retirement and recognized employee organizations.*

(b) *Sections 31522.1 and 31522.2 shall not be applicable to any retirement system electing to appoint personnel pursuant to this section.*

(c) *The retirement system electing to appoint personnel pursuant to this section shall be a "public agency" for purposes of the Meyers-Milias-Brown Act, Government Code Sections 3500 et seq.*

(d) *The compensation of personnel appointed pursuant to this section shall be an expense of administration of the retirement system, pursuant to Section 31580.2, except as provided in Sections 31529.5, 31529.9 and 31596.1.*

(e) *The board of retirement and the board of supervisors may enter into such agreements as they determine are necessary and appropriate in order to carry out the provisions of this section.*

(f) *The retirement system, upon the effective date of this section, shall retain, for a 90 day transition employment period, non-probationary employees who, upon the effective date of this section, were covered by a county memorandum of understanding and employed by the county at the retirement system's facilities, providing that neither just cause exists to terminate such employee nor legitimate grounds exist to lay off any such employees. If at any time during such 90 day period the retirement system determines that a layoff of such employees is necessary, the retirement system shall retain such employees by seniority within job classification. The terms and conditions of employees retained pursuant to this subdivision shall be subject to those terms and conditions established by any memoranda of understanding executed by the board of retirement and recognized employee organizations applicable to such employees.*

(g) *Subject to the employees' rights under the Meyers-Milias-Brown Act, the retirement system, upon the effective date of this section, shall recognize as the exclusive collective bargaining representative of the employees retained pursuant to subdivision (f) of this section the employee organization that previously represented those employees when employed by the county. The initial terms and conditions for those employees shall be as previously established by the county memorandum of understanding applicable to such employees.*

(h) *This section shall apply only in Contra Costa County.*

SECTION 2. Section 31468 (l)(3) is added to the Government Code, to read:

31468 (l)(3) "District" also includes the retirement system established under this chapter in Contra Costa County.

SECTION 3. Section 31529.9 is amended to read:

31529.9. (a) In addition to the powers granted by Sections 31522.5, 31522.9, 31529, 31529.5, 31614, and 31732, the board of retirement and the board of investment may contract with the county counsel or with attorneys in private practice or employ staff attorneys for legal services.

(b) Notwithstanding Sections 31522.5, 31522.7, 31522.9, 31529.5, and 31580, the board shall pay, from system assets, reasonable compensation for the legal services.

(c) This section applies to any county of the 2nd class, 7th class, 9th class, 14th class, 15th class, or the 16th class as described by Sections 28020, 28023, 28028, 28030, 28035, 28036, and 28037.

(d) This section shall also apply to any other county if the board of retirement, by resolution adopted by majority vote, makes this section applicable in the county.

SECTION 4. Section 31557.3 is amended to read:

31557.3. On the date a district, as defined in subdivision (l) of Section 31468, is included in the retirement system, any personnel appointed pursuant to Section 31522.5, 31529.9 or 31522.9 who had previously been in county service shall continue to be members of the system without interruption in service or loss of credit. Thereafter, each person entering employment with the district shall become a member of the system on the first day of the calendar month following his or her entrance into service.

SECTION 5. Section 31580.2 of the Government Code is amended to read:

31580.2 (a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, or 31522.9, the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed the greater of either of the following:

- (1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.

(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).

(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.

MEMORANDUM

Date: November 6, 2013
To: Board of Retirement
Marilyn Leedom, Retirement Chief Executive Officer
From: Karen Levy, General Counsel
Subject: Legislation Update

Recommendation

Receive and File.

Summary of Legislation Recently Enacted

October 13, 2013 was the last day for the Governor to sign or veto legislative bills. Here is a summary of recently enacted legislation that is relevant to CCCERA and its Board of Retirement. The legislation includes topics such as Public Employees' Pension Reform Act of 2013 ("PEPRA") clean-up language, investments, public records and open meetings laws.

AB 205 – PUBLIC EMPLOYEES' RETIREMENT: PENSION FUND MANAGEMENT.

Effective January 1, 2014, this bill amends Government Code Section 7514.2 to authorize CERL retirement boards to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project. Such authority already exists in the law for CalPERS and CalSTRS. This bill states that the legislature encourages each retirement board to prioritize investment in in-state infrastructure projects over alternative out-of-state infrastructure projects if the investments in the in-state projects are consistent with the board's fiduciary duties to minimize the risk of loss and to maximize the rate of return.

AB 382 – STATE AND LOCAL GOVERNMENTS: ALTERNATIVE INVESTMENTS: PUBLIC ACCESS.

Effective January 1, 2014, this bill adds an exemption to the Ralph M. Brown Act Open Meetings Law, which generally requires that any documents provided to the board at a public



meeting must be made available upon request without delay. The Public Records Act already exempts from disclosure certain specified alternative investments records, for example, due diligence materials and quarterly statements. (Government Code Section 6254.26.) AB 382 added a consistent exemption to the Brown Act: if the alternative investments records specified as confidential pursuant to 6254.26 are distributed to the board members at a public meeting, that distribution does not make them public document. The records retain their confidential nature.

AB 1380 – COUNTY EMPLOYEES' RETIREMENT.

This was an urgency bill that is effective immediately. It is "round one" of PEPRA clean up language sponsored by the State Association of County Retirement Systems ("SACRS"), with "round two" anticipated to come next year. The bill amended various provisions of the County Employees Retirement Law of 1937 ("CERL") to coordinate with PEPRA. The bill added references in CERL to PEPRA in general as well as to specific provisions within PEPRA, as appropriate.

SB 13 – PUBLIC EMPLOYEES' RETIREMENT BENEFITS.

SB 13 was also an urgency bill. Its purpose is to clarify PEPRA and it states that it is declaratory of existing law and is intended to be applied as of the effective date of PEPRA, January 1, 2013. The bill:

- Clarifies that members with concurrent membership within 6 months of beginning employment with a new employer are exempt from PEPRA tiers and should be placed in the pre-PEPRA Classic/Legacy retirement tiers (Section 7522.02(c));
- Clarifies that an employer is not precluded from offering a defined contribution plan on or after January 1, 2013, if the employer did not offer one prior to that date (Section 7522.02(e));
- Clarifies that a retirement system must modify its plans in accordance with PEPRA and is authorized to adopt resolutions or regulations to do so (Section 7522.02(h));
- Clarifies that the calculation of normal cost can be done either as a single rate of contribution or as age-based rate of contributions (Section 7522.04(g));
- Clarifies that the pensionable compensation Consumer Price Index ("CPI") adjustment is to be calculated each September and compared to the month of September in the preceding calendar year (Section 7522.10(d)(1));
- Clarifies that employers are required on and after January 1, 2013 to offer PEPRA formulas to "new members" who are safety employees (deleting the reference to "new employees") (Section 7522.25(e));
- Clarify that the definition of "normal cost rate" takes into account actuarial assumptions and must include any elements that would impact the actuarial determination of the



- normal cost, including retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and automatic cost-of-living adjustments (Section 7522.30(b));
- Clarifies that new members must have an initial contribution rate of at least 50 percent of the normal cost rate or the current contribution rate of similarly situated employees, whichever is greater, if the greater current contribution rate has been agreed to through the collective bargaining process (Section 7522.30(c));
 - Clarifies that exclusions from "pensionable compensation" apply to "new members." (Section 7522.34(c));
 - Adds that State employers and State employees can agree in a Memorandum of Understanding ("MOU") that any form of compensation they identify in the MOU is nonpensionable. The State can determine whether the same exclusion applies to non-represented employees. The State employer must inform the retirement system of the excluded form of compensation and provide a copy of the MOU (for represented employees) and public pay schedule detailing the exclusion (for unrepresented employees) (Section 7522.34(c)(13)).
 - Clarifies that the prohibition against employers offering Internal Revenue Code Section 415 replacement benefit plans is applicable to "new members" (deleting the reference to "new employees") (Section 7522.43(a));
 - Clarifies that the exemption from the 180 "sit out" for safety members who retire and are reemployed without reinstatement only applies if the reemployed retiree is a safety member "hired to perform a function or functions regularly performed by a safety officer or firefighter" (Section 7522.56); and
 - Repeals Section 7522.66 regarding safety industrial disability in its entirety.

MEMORANDUM

Date: November 6, 2013
To: CCCERA Board of Retirement
From: Kurt Schneider, Deputy Retirement Chief Executive Officer
Subject: On-call pay in final year only

At the September 4, 2013 meeting, staff presented an example based on a member who retired July 1, 2013. In the example the member received approximately \$10,000 of on-call pay in the final 12 months of employment after receiving no on-call pay prior to that period. If the on-call pay were included in the retirement calculation, the employer's unfunded liability would increase by approximately \$56,000. The Board directed staff to process the retirement without including the on-call pay, notify the member, and gather information from the member and the employer to determine if the on-call pay should properly be including as compensation earnable in the calculation of the retirement benefit.

The retiree was a Charge Nurse at the hospital and was assigned to the "Epic team". Epic is an Electronic Health Record (EHR) system. The retiree was assigned to the team in May 2011 along with several other nurses and employees of various other job classifications. Team members received extensive training on Epic in order to help determine how the system should be built and to help build it and train personnel to use it. The Charge Nurse was not performing nursing duties during this time. The team also was required to provide support after the system was implemented. When the system was implemented in July 2012, on-call duty was required of team members.

The team members had no way of knowing at the time they were assigned to the team in 2011 that on-call duty was going to be required, and this retiree did not volunteer for an inordinate amount of on-call duty. In fact, the retiree left the team three months prior to retirement and had no on-call pay in the final three months of employment. Within the Epic team the retiree was assigned to the "Clinical Documentation" team. One person from the Clinical Documentation team was on call every day from July 30, 2012 through June 30, 2013, 336 days. The team had 7 members to start with, though it was later reduced. The retiree was on call for 48 of the 336 days, exactly 1 out of every 7.

A number of reasons have been suggested as to why some or all of this type of pay should be excluded in the calculation of the retirement benefit.

1. Pay for services rendered outside of normal working hours.

At the April 10, 2013 meeting, the Board discussed the fact that on-call pay appeared to be completely excluded from compensation earnable by AB 197, however the court ordered stay prevents us from fully excluding on-call pay entirely on this basis pending a decision in the AB 197 lawsuit.

2. Compensation that was paid to enhance a retirement benefit.

Although the same stay order would prevent us from excluding the pay at this time on this basis, we have gathered enough information to conclude that there does not appear to be sufficient evidence to support the notion that any of this on-call pay was paid to enhance a retirement benefit.

3. Fraud against county retirement systems under Gov. Code §31455.5

There is no evidence to suggest the retiree or the employer made false statements to the retirement system.

4. Excluded as an “improper” increase in compensation by the member under Gov. Code §31539(a)(2)

Gov. Code §31539 allows the Board to correct errors. In this context the word “improper” means erroneous. The on-call pay was earned by the member and was paid to the member during the final average period. There has been no error to correct under this section.


5. A fiduciary obligation to prevent the creation of the \$56,000 unfunded liability that will be paid for by employers (and ultimately the taxpayer), along with interest, over an 18 year period.

The unfunded liability was created by the employer’s pay practices, not by the Board. It is the Board’s responsibility to set a funding policy that requires the employer(s) to pay for the unfunded liability that arises. Note that it is the Board’s current funding policy that allows the employer to spread the liability over the cost group and to stretch out the payments over 18 years. The Board has the authority to adopt a funding policy that would determine what portion of an experience loss of this sort is excessive and require payment by the employer for that portion of the loss over any period as short as 1 year.

Recommendation: Authorize staff to adjust the retiree’s benefit to fully include the on-call pay.



Memo

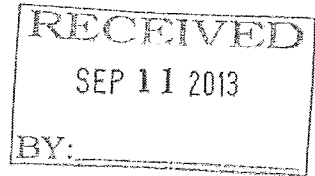
To: Kurt Schneider
From: David J. Runt 
Cc: Dorette McCollumn
Date: October 28, 2013
Re: [REDACTED] Retirement

The retiree in question, [REDACTED] was a Charge Nurse at the hospital and working on the Clinical Documentation team for implementation of the new electronic health record (EHR) system from Epic Systems, Inc, which is known as ccLink at Contra Costa. [REDACTED] was assigned to the team in May 2011 along with several other nurses and employees in various other job classifications. Team members were asked to volunteer for this assignment. [REDACTED] was not performing nursing duties during the time of this assignment.

Individuals assigned to the Team received extensive training on the Epic system in order to participate in its build, training, and support activities. Once the system "went live" July 1, 2012, team members were required to provide after-hours support. All On Call support was made as equitable as possible across all the team members to ensure not person did not have an inordinate amount of On Call. One person from the Clinical Documentation team was on call every day from July 30, 2012 through June 30, 2013, 336 days. The team had 7 members to start with, though it was later reduced. The retiree was on call for 48 of the 336 days, exactly 1 out of every 7 days.

[REDACTED] left the team three months prior to retirement and had no on-call pay in the final three months of employment.

If you have any questions, please contact me.



September 11, 2013

Kurt Schneider
Deputy Retirement Chief Executive Officer
CCCERA
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Retirement Calculation – On-Call Pay
Employee [REDACTED]

Dear Mr. Schneider:

I recently received your letter regarding the exclusion of my On-Call pay in my retirement calculations. I did not receive the On-Call pay as an enhancement, to the contrary it was an expectation in the last year that I worked on the EPIC project that was not negotiable if I stayed on the project. Most of the employees (there were ninety at that time) working on the project were told they would be working On-Call in rotating turns within their teams after the "Go Live" of the electronic charting and last I heard this is still an on-going expectation. On my EPIC team, each member rotated into On-Call duty once a month to be done 5pm to 8am each day for a week. Immediately after "go-live" the On-Call had nightly call backs, resulting in call back pay. This was very arduous work as we were then expected to be at work at 8am and work a full day despite being called back during the night. The call backs did taper off after about 6 months. My supervisors that scheduled the On-Call are [REDACTED] and [REDACTED] whom I believe are still in administrative positions on the EPIC project if you wish to contact them regarding the On-Call. The Payroll department received detailed documentation of all On-Call and Call Back time that I worked. These time sheets were reviewed and signed by the above supervisors.

If you have any questions for me regarding this On-Call time you may reach me at [REDACTED] I am hoping that you will resolve this matter quickly. As I am sure you are aware, the process of getting my retirement has taken more than two years to compile and many meetings. It has already been a difficult process and despite having all my paperwork in place since June, I have only just received my options package and thus have not received any retirement pay.

Thank you for your time in this matter,

[REDACTED]



<p><u>Meeting Date</u> 11/06/13 <u>Agenda Item</u> #15</p>
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MEMORANDUM

Date: October 29, 2013

To: CCCERA Board of Retirement

From: Marilyn Leedom Retirement CEO
Timothy Price, Retirement CIO

Subject: Board Meeting Recordings

Background

At the October 23, 2013 Board Meeting, several Board members asked to revisit the decision to record Board meetings and post those recordings on the CCCERA website. This practice began, at least partially, in pursuit of greater accountability and transparency for Board decisions. At this time we reduced the amount of detail included in the meeting minutes with the realization that the recording would be accessible by the public and other interested parties.

Administratively, this process has been implemented and processes have changed. However, we have experienced an unintended consequence of this process. In some cases, Investment managers under consideration review the recordings as soon as available and have insight into our investment and negotiation strategy, many times before we have had the necessary discussions to continue our due diligence process.

The issue that has arisen is whether and how the Board can engage in discussions surrounding strategies to achieve key terms or fee reductions when the recordings are made and posted. In certain instances, these negotiations can extend over a period of months, during which time the recordings are a public record. To date, California law does not allow the Board to discuss contracting or consider new investment managers during closed sessions.

Recommendation

We recommend that the Board revisit the decision to record and post Board meeting discussions. Proper governance of CCCERA requires that a balance be struck between transparency and open discussion of strategy. The possibility of disclosing the Board's strategy with respect to hiring new managers was not contemplated when the recording policy was put in place. At the very least, the Board needs to consider if they can accept or mitigate this development.



<p><u>Meeting Date</u> 11/06/13 <u>Agenda Item</u> #16</p>
--

MEMORANDUM

Date: October 30, 2013

To: CCCERA Board of Retirement

From: Timothy Price, Retirement CIO

Subject: CCCERA Commitment to Aether Real Assets Fund III and Surplus Fund III

Overview

The Board approved an aggregate commitment of \$75 million to Aether (\$25 million to ARA Fund III and \$50 million to ARA Surplus Fund III) at the May 29, 2013 Board meeting as an anchor position in the CCCERA private real assets program. The commitment was made subject to the standard CCCERA on-site review and an operational due diligence review. The operational due diligence (ODD) review was completed by Kreischer Miller (KM) on October 24, 2013 and the Board on-site review was completed on October 28, 2013.

The CCCERA representatives at the on-site review included Debora Allen, Russell Watts, Marilyn Leedom, Tim Price and Marty Dirks from Milliman. We reviewed the firm's background, investment philosophy, sourcing of investment ideas, due diligence and portfolio construction processes. We came away with a confirmed and deepened understanding of the firm's investment philosophy and process.

The outstanding issue was the firm's compliance with SSAE 16 (formerly known as SAS 70). This is an independent review of internal controls and procedures. In this case, Aether's fund administrator did not have this certification, but is in the process of pursuing it. The fund administrator is pursuing this certification, but the process will likely take 18-24 months.

Recommendation

The fund administrator's lack of a SSAE 16 certification was not known to the Board at the time that the commitment was made in May 2013. While the fund administrator is pursuing an SSAE 16 examination, it will not be complete by the time that CCCERA would have to commit to

Aether Fund III, and would in fact most likely not be available until the fund had completed all of its commitments (in the next two years).

The illiquid nature of these investments (capital could be committed to Aether for the next 12 years) makes it imperative the Board affirm or rescind the \$75 million commitment to Aether at this time. Aether anticipates a first close on the fund by November 22, 2013. We will need to inform Aether of our intent to proceed or rescind our commitment well in advance of that date.

HOME :: MEMBERS ONLY ::

Search

Meeting Date
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The NCPERS Annual Legislative Conference is the premier conference for public fund trustees and plan administrators, highlighting the issues on Capitol Hill and in federal regulatory agencies that affect pension funds today.

Past conferences have brought senior administration officials, Members of Congress and Washington insiders to help educate fund members on the critical issues affecting public pensions and equip them with the tools needed to deal with these issues effectively and meet-face-to-face with their elected leaders on the Hill.

2014 Legislative Conference
January 26-28
Capitol Hilton Hotel
Washington, DC

This year, in conjunction with the Legislative Conference, NCPERS will also host a **one-day "Healthcare Symposium"** on **January 28**. This program will focus on the Affordable Care Act (ACA) implementation and regulations, Medicare, and other federal and state healthcare issues.

- » Save the Date!
- » Registration Fees
- » Legislative Conference Preliminary Agenda
- » Healthcare Symposium Agenda
- » 2014 Legislative Brochure
- » Registration
- » Hotel Reservations
- » Call for Speakers
- » Sponsorship Opportunities

Past Legislative Conferences

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-  Connect on LinkedIn
-  Connect on Youtube

SPOTLIGHT



2013 Public Safety Employees Pension & Benefits Conference

Registration for the 2013 Public Safety Conference is now open!

[READ MORE](#)

MORE NEWS

- ▶ September 2013 Issue of the Monitor Now Available (August 29, 2013)
- ▶ NCPERS Responds to The Economist's 'Who pays the bill? Pensioners are pushing many cities and states toward financial crisis' (August 27, 2013)
- ▶ Bloomberg BNA: Detroit Bankruptcy Filing Raises Constitutional Issues, Could Affect Other Plans (August 20, 2013)
- ▶ August 2013 Issue of the Monitor Now Available (August 13, 2013)
- ▶ NCPERS Letter to the New York Times Responding to an August 4, 2013 Op Ed 'A Plan to Avert the Pension Crisis' (August 8, 2013)

EDUCATIONAL CONFERENCES

- ▶ August 19-21, 2013 Program for Advanced Trustee Studies Cambridge, MA
- ▶ October 27-30, 2013 Public Safety Conference Rancho Mirage, CA
- ▶ January 26-28, 2014 Legislative Conference Washington, DC
- ▶ April 26-27, 2014 Trustee Educational Seminar San Antonio, TX
- ▶ April 27-May 1, 2014 Annual Conference & Exhibition San Antonio, TX

[READ MORE](#)



The Voice for Public Pensions

2014 LEGISLATIVE CONFERENCE

January 26 – 28
Capital Hilton Hotel
Washington, DC

PRELIMINARY AGENDA

Sunday, January 26

3:00 pm – 5:30 pm Conference Registration

5:00 pm – 6:00 pm Networking Reception

Monday, January 27

7:00 am – 8:00 am Breakfast

7:00 am – 5:30 pm Registration

8:00 am – 12:00 pm General Session

12:00 pm – 1:30 pm Networking Luncheon

1:30 pm – 5:00 pm General Session - *continued*

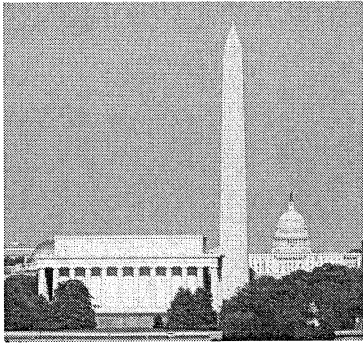
5:30 pm – 6:30 pm Networking Reception

Tuesday, January 28

7:00 am – 8:00 am Breakfast

8:00 am – 5:00 pm Congressional Appointments
Or
Healthcare Symposium

Annual Policy Conference



The Annual NIRS Policy Conference brings thought leaders from across the retirement industry and policy spectrum—retirement plan service providers, regulators and policymakers, and plan sponsors and administrators—together in Washington D.C. each spring to discuss and identify policy solutions aimed at improving Americans' retirement prospects.

The Fifth Annual Policy Conference will be held on March 3-4, 2014 in Washington, D.C. at the Washington Court Hotel. Please check back to this page for more details.

Learn more about the previous Annual Policy Conferences in 2013, 2012, 2011 and 2010.

Close Window

Marilyn Leedom

From: Cheryl Marrow <cmarrow@kories.com>
Sent: Thursday, October 03, 2013 9:05 AM
To: Marilyn Leedom
Subject: Register Now for KORIED'S Institutional Investors' Roundtable - San Francisco, CA

Meeting Date
11/06/13
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#17b.



Institutional Investors' Roundtable

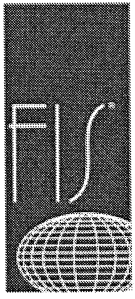
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December 2 - 4, 2013

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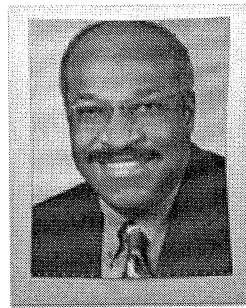
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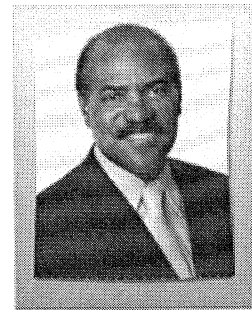
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Vice Chair
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Employees' Retirement System



Oliver C. Mitchell, Jr.
Board Member
Pennsylvania State
Employees' Retirement System



**The Honorable Donald R.
White**
Treasurer
Alameda County, CA

Agenda Highlights

◆ Monday, December 2, 2013

- > Breakfast Roundtable: The Landscape of my Fund (*Each day we will have panelists give us an overview of the fund they represent*)
- > The Pension Cliff: The Effect of Bankrupt Cities on Pension Funds
- > Consultant Roundtable - Pros and Cons of Liability Driven Investing
- > ESG and Sustainable Investing: Risk or Return?

◆ Tuesday, December 3, 2013

- > Breakfast Roundtable: The Landscape of my Fund
- > Emerging Managers: Being the First to Invest in a Fund
- > Is Private Equity the New Bank?

> CIO Roundtable - The Path to Outperformance

● **Wednesday, December 4, 2013**

> Breakfast Roundtable: The Landscape of my Fund

> Public Pension Reform Law: Is This the Wave of the Future?

Registration Fees

Plan Sponsor (Public Fund Trustees/Staff/Union Officials)
\$395.00

Service Provider (Investment Professionals/Vendors)
\$1695.00

Sponsorship Opportunities

Silver Sponsor
(Includes 2 registrations, Silver Sponsor Listing in Brochure, Logo Inclusion in marketing material) **\$3,500.00**

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Diamond Sponsor
(Includes 3 registrations, special signage at an event, full page ad in conference brochure, Company literature in Conference Bag, Booth Space) **\$7,500.00**

CANCELLATIONS

Conference registration cancellations received in writing before November 1, 2013 will qualify for a refund, less 10% handling charge. NO refund will be given on cancellations after this date, although substitutions will be accepted.

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SAN FRANCISCO ON UNION SQUARE**

335 Powell Street,
San Francisco, CA 94102
T 415.774.0470 F 415.403.6891

Conference Rate: \$219.00 (Single or Double Occupancy) per night

Hotel Link: <https://www.starwoodmeeting.com/StarGroupsWeb/booking/reservation?id=1308170180&key=1DF9>

Cut-off date for reserving rooms

October 29, 2013

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For more information contact Cheryl Marrow @ 347-297-2205 or cmarrow@korled.com
www.korled.com



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Institutional
Investor
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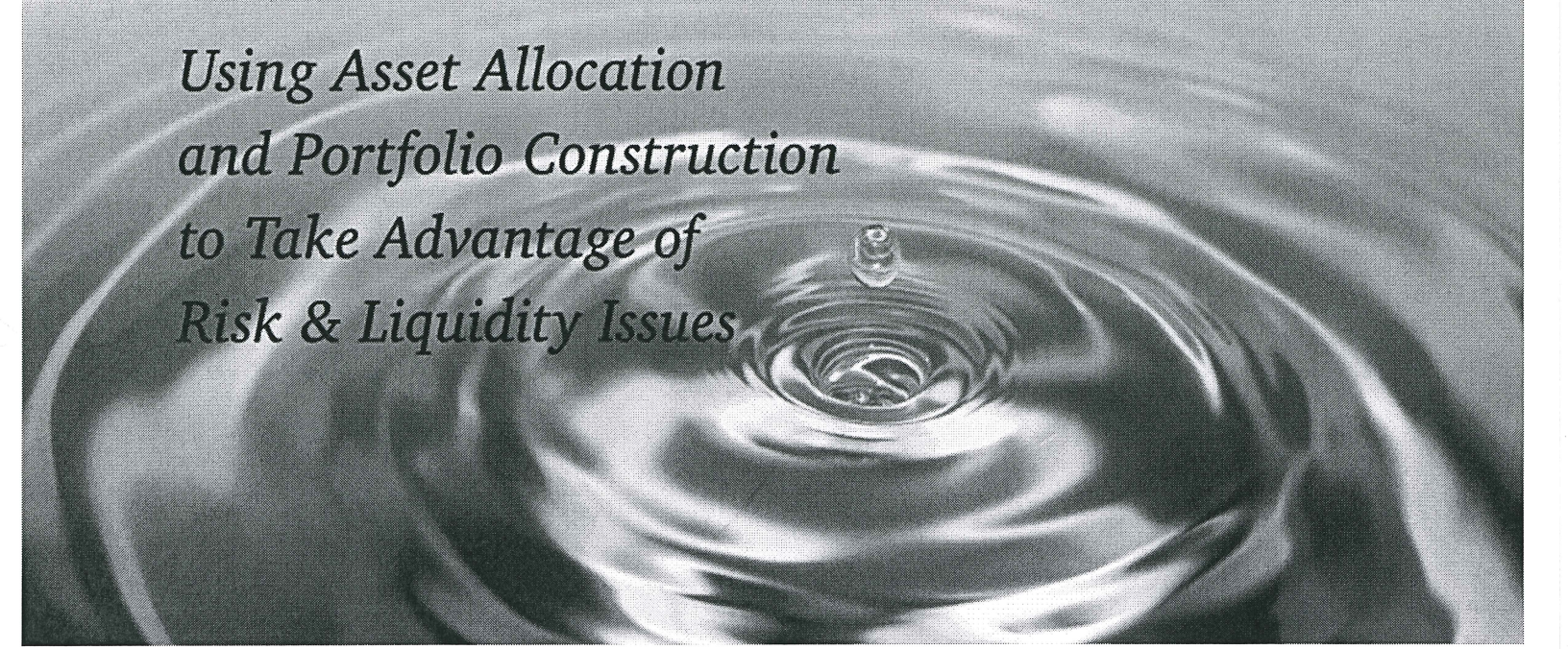
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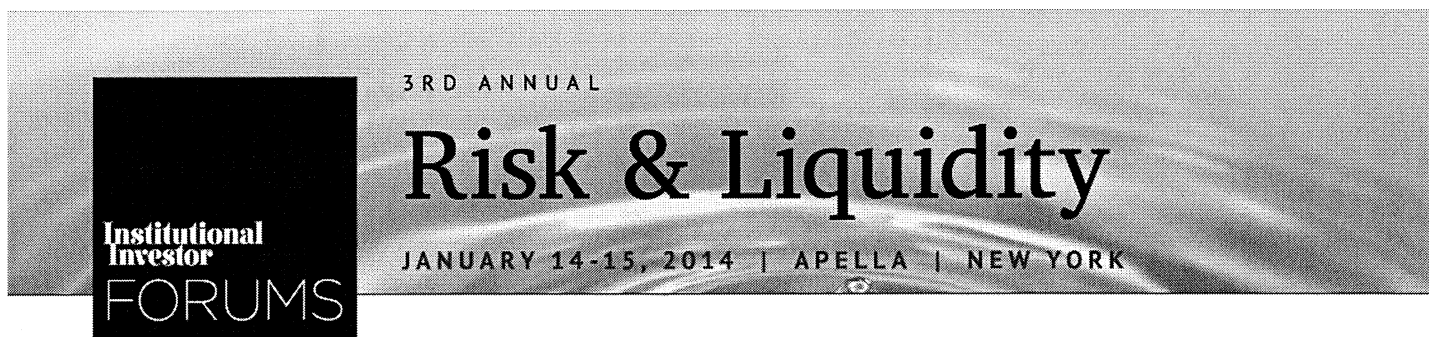
3RD ANNUAL

Risk & Liquidity

JANUARY 14-15, 2014 | APELLA | NEW YORK

*Using Asset Allocation
and Portfolio Construction
to Take Advantage of
Risk & Liquidity Issues*





Advisory Board

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Mark Baumgartner, Ph.D., CFA, Director, Asset Allocation and Risk, The Ford Foundation

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Raynald D. Leveque, Director of Risk, New York State Common Retirement Fund

Kevin Zhu, CFA, CMT, Director, Strategy & Asset Mix, Ontario Teachers' Pension Plan

Sonali Dalal, Senior Director, Investment Strategy and Research, Penn State University

Jean-Francois Bureau, CFA, Chief Risk Officer, PSP Investment

Melanie Lomas, Risk Manager, State of New Jersey Division of Investments

Syed Haque, Portfolio Manager - Global Equities, United Parcel Service of America, Inc.

Mike Edleson, Chief Risk Officer, The University of Chicago

Jonathan L. Shear, Chief Investment Officer, University of Utah

Kathleen Wagner, Senior Associate, Portfolio Risk Management, UTIMCO

Forum Chairperson:

Kathleen Wagner, Senior Associate, Portfolio Risk Management, UTIMCO

Sponsoring Organizations (to date)

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Lead Sponsors:

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Schroder Investment Management

Co Sponsor:

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Preliminary Program as of September 26, 2013

Using Asset Allocation and Portfolio Construction to Turn Risk & Liquidity Issues Into an Advantage

Investors have been dealing with risk and liquidity issues for several years now; the issues have always been there to varying degrees but have risen to the forefront of asset owners' minds since the problems of 2008-2010. Over these years, investors' thinking about these issues has evolved and the asset management industry has moved to introduce solutions and to develop strategies to help investors cope.

The 2014 Risk & Liquidity Forum will present the latest, best thinking on those solutions and risk management strategies but we will also turn a lens on the ways that investors – and their managers – have begun to view risk and liquidity issues as an opportunity as well as a bane of our current reality. This day and a half program will be stocked with experts from both leading asset management firms and speakers from leading, innovative institutions who will provide their expertise – through panel sessions, discussion groups, and real-world case studies – on how they are not only managing these risks but also turning these issues to an advantage.

Tuesday, January 14

8:00 am

Registration and Continental Breakfast

Apella Lounge

8:40 am

Welcome

Apella 200

Forum Chairperson:

Kathleen Wagner, *Senior Associate, Portfolio Risk Management, UTIMCO*

8:45 am

Guest Presentation

Asset allocation with illiquidity risks

Apella 200

With an Introduction by:

Mark Baumgartner, Ph.D., CFA, *Director, Asset Allocation and Risk, The Ford Foundation*

Presented by:

Andrew Ang, *Ann F. Kaplan Professor of Business; Chair, Finance and Economics Division, Columbia University*

Based upon a case study of one of the world's most famous endowments, Professor Ang will discuss the consequences of (il)liquidity for investment decisions. What lessons can be learned from this case study and how this once-envied endowment re-evaluated its portfolio management strategy to manage illiquidity risks better?

9:30 am

Panel Discussion

How can funds position themselves within the macro landscape within their risk and liquidity guidelines?

Apella 200

Moderator:

Laura R. Rubinstein , *Vice President, Investments, FINRA*

Panelists:

Eugene L. Podkaminer, *Vice President of Capital Markets Research Group, Callan Associates Inc.*

Additional panelists to be confirmed

- ❖ What adjustments, if any, are you implementing on your liquidity requirement models to reflect current low volatility/low rates?
- ❖ Is it possible to achieve sufficient real returns to meet investment objectives within risk and liquidity guidelines?
- ❖ How can investors use scenario analysis to project real returns across different market environments?
- ❖ What are the consequences of allocating more to the private markets?

10:15 am

Presentation

Risk management in the real world (proposed)

Apella 200

Presented by:

Stephen Kwa, *Senior Client Portfolio Manager, Schroder Investment Management*

10:45 am

Coffee Break

Apella Lounge

11:00 am

Workshop Series I

Workshop A

Exploiting the low vol anomaly within asset allocation

- ❖ Are these becoming crowded trades?

Apella 203

Workshop B

Addressing problems with indices

Apella 207

11:45 am

Workshop Series II

Workshop C

The risk and liquidity consequences of moving to an LDI strategy

Apella 203

Workshop D

To be determined

Apella 207

12:30 pm

Lunch

Riverpark

2:00 pm

Panel Discussion

Implementing low volatility strategies

Apella 200

Moderator:

Syed Haque, *Portfolio Manager - Global Equities, United Parcel Service of America, Inc.*

Panelists:

Senior Representative, AXA Rosenberg Investment Management (Pending confirmation)

Additional panelists to be confirmed

- ❖ Does the current low volatility environment necessitate a review of your policy portfolio?
- ❖ How would low volatility strategies work in a rising interest rate environment?
- ❖ What are the various types of low vol strategies? What do investors need to be aware of/avoid with low volatility products?
- ❖ What can be the unintended consequences of these strategies? For instance, exchanging volatility risk for other ones such as interest rate risk, sector biases, and value tilt.
- ❖ How do you determine the appropriate allocation to these strategies?
- ❖ Are we underestimating risk (VAR) as a result of the current low volatility environment?

2:45 pm

Case Study

The flip side of the coin: Preserving gains amidst volatility

Apella 200

Presented by:

Schroder Investment Management

3:15 pm

Case Study

To be determined

Apella 200

3:45 pm

Coffee Break

Apella Lounge

4:15 pm

Case Study

Getting yield without taking duration risk

Apella 200

4:45 pm

Panel Discussion

Managing your fixed income allocation

Apella 200

Moderator:

Marc Gauthier, *Treasurer, Concordia University*

Panelists to be confirmed

- ❖ From a policy portfolio standpoint, given the current low rate environment, is your fixed income asset allocation a revenue contributor still or just a risk diversification play?
- ❖ What happens to risk parity strategies when interest rates rise sharply from a low level?
- ❖ How will you manage your fixed income allocation when rates begin rising again?

5:30 pm

Cocktail Reception

Apella Lounge

6:30 pm

Evening free for private functions

Wednesday, January 15

8:15 am

Continental Breakfast

Apella Lounge

9:00 am

Investor Case Study

What happens when volatility returns? (Pending confirmation)

Apella 200

Presented by:

Jean-Francois Bureau, CFA, *Chief Risk Officer, PSP Investment*

9:15 am

Investor Case Study

To be determined

Apella 200

9:30 am

Presentation

To be determined

Apella 200

10:00 am

Debate

What is the right use of leverage?

Apella 200

In the past, too many funds used leverage to their detriment. Now, even many hedge funds have ratcheted back on the amount of gearing they're employing. Is there any investment thesis left for using leverage?

10:30 am

Coffee Break

Apella Lounge

11:00 am

Presentation

To be determined

Apella 200

11:30 am

Investor Case Study

How can you stay dynamic (tactical/opportunistic) while managing risk and liquidity?

Apella 200

Presented by:

Anjum T. Hussain, *Director of Risk Management, Case Western Reserve University*

11:45 am

Investor Case Study

Proven liquidity management strategies: Board education, committee oversight, and execution

Apella 200

Presented to:

Mike Edleson, *Chief Risk Officer, The University of Chicago*

12:00 pm

Panel Discussion

Putting these tools together

Apella 200

Moderator:

Sonali Dalal, *Senior Director, Investment Strategy and Research, Penn State University*

Panelists to be confirmed

- ❖ Achieving diversification by asset class versus by risk
- ❖ Reporting to the Investment Committee: Which risk measures to report and how best to communicate with the members

12:45 pm

Lunch

Apella Lounge

2:15 pm

Forum Concludes

Meeting Date
11/06/13
Agenda Item
#17d.

Protecting Securities Portfolios Against Fraud on Foreign Exchanges

What the Institutional Investor Community Needs to Know

February 6, 2014
New York City

*Breakfast buffet served at 8:00 a.m.
Program starts at 8:45 a.m.*

Join us at the historic

Waldorf Astoria Hotel

in the heart of midtown Manhattan.

Limited number of rooms available
at special discounted rate:

\$199 per night.





February 6, 2014

Protecting Securities Portfolios Against Fraud on Foreign Exchanges

What the Institutional Investor Community Needs to Know

Three years ago, the Supreme Court limited the scope of the federal securities laws in *Morrison v. National Australia Bank*. That decision precludes U.S. investors from using the federal securities laws to recover losses incurred on investments made on foreign stock exchanges.

As a result of this decision, many fiduciaries of U.S. institutional investors question whether: (1) foreign jurisdictions provide a means to recover losses on foreign securities; and (2) pension funds have adequate tools to monitor their portfolios for instances of fraud involving foreign securities, and assess the risks and rewards of trying to recover losses incurred outside the U.S.

Is this event for you?

This seminar is designed for representatives of public pension fund systems, private money managers and other institutional investors including:

- Executive Directors
- Chief Executives
- Administrators
- General Counsel
- Investment and Finance Officers
- Fund Trustees
- Corporate Governance Officers

What you have to gain

- Get an inside look at the different regulatory and legal landscapes affecting your holdings.
- Hear experts speak to the potential impact of foreign litigation on public pension and institutional portfolios.
- Know and understand best practices for handling these complex issues and protecting portfolio assets against securities fraud.

New York City



In the wake of *Morrison*, fiduciaries are increasingly being forced to consider whether to engage their institutions in foreign litigation to recover investment losses that were caused by fraud on foreign exchanges. It is critical for U.S. institutions to fully understand the risks – and rewards – that can result from foreign securities litigation.

BLB&G's one-day seminar will provide a comprehensive survey of the issues that fiduciaries confront when assessing the systems in place to monitor securities portfolios; identify losses caused by corporate misconduct involving securities that trade on a foreign exchange; and consider the options available to U.S. investors to recover such losses.

Institutional investors will gain a detailed understanding of the legal recourse available in the U.S. and abroad to address foreign corporate misconduct in their portfolios.

Academic experts; leading practitioners and pension fund fiduciaries will address topics including:

- The Broad Impact of the Supreme Court's *Morrison* Decision
- *Morrison* in Context: Recent Decisions Limiting Shareholder Rights
- Combating Foreign Fraud: Litigation Options for U.S. Investors
- Foreign Litigation: Risks and Rewards of Litigating Across Borders
- Risk Assessment: Monitoring Global Securities Portfolios to Identify Fraud



Registration

5 EASY WAYS TO REGISTER

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Scan this form to chantalj@blbglaw.com

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ATTN: Chantal Jackson

MAIL:

Send this form, along with payment, to:

Chantal Jackson, BLB&G

1285 Avenue of the Americas

38th Floor

New York, NY 10019

PAYMENT INFORMATION

The registration fee for this seminar is \$250 per person.*

Check enclosed Please bill me

(Checks payable to Bernstein Litowitz Berger & Grossmann LLP)

* The registration fee covers meals in conformity with many jurisdictions' gift/gratuity limitations or restrictions. If you are not governed by such restrictions, you may submit a written request to waive this fee. For qualified institutional investors from the United Kingdom and Europe, the registration fee is automatically waived unless required by your jurisdiction.

WHEN AND WHERE

February 6, 2014 **The Waldorf Astoria Hotel**
301 Park Avenue
New York, NY 10022
212-554-3000

*In order to reserve a room at the special discounted rate of \$199 per night at the Waldorf Astoria Hotel, please call: **1-877-476-8792 (group code "BLB")***

PERSONAL INFORMATION

Name _____

Title _____

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Address _____

Telephone _____

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Email _____

How did you hear about this event? _____

Guests are cordially invited to attend a Welcome Reception on Wednesday, February 5, 2014 at 6:30 p.m.

I will be attending the Welcome Reception.

On Thursday, February 6, 2014, the breakfast buffet starts at 8:00 a.m. The program begins at 8:45 a.m.