



## **AGENDA**

### **RETIREMENT BOARD MEETING**

#### REGULAR MEETING

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

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 815 6948 0571, Passcode: 547236, or via the web at:

<https://us06web.zoom.us/j/81569480571?pwd=NkhWaDhLWjdkUmNiblQ2a2x3azVtQT09>

Passcode: 547236

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

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

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

1. Pledge of Allegiance.
2. Roll Call.
3. Public Comment (3 minutes/speaker).
4. Recognition of Roxie Mendoza for 5 years of service.
5. Approve minutes from the November 2, 2022 meeting.
6. Approve the following routine items:
  - a. Certifications of membership.
  - b. Service and disability allowances.
  - c. Death benefits.
  - d. Investment liquidity report.

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

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

**CLOSED SESSION**

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

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

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

**OPEN SESSION**

9. Consider and take possible action to revise the Interest Crediting and Excess Earnings Policy.
10. Consider and take possible action effective January 1, 2023 to add CCCERA staffing:
  - a. Add one Retirement Services Counselor position, one Retirement Services Technician position, one Data Technology Specialist position, establish a classification for an Information Technology Network Engineer; and
  - b. Amend Attachment A of Resolution 2022-1 providing salary and benefits for unrepresented employees of CCCERA.
11. Consider and take possible action to adopt the 2023 CCCERA budget.
12. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
13. Consider and take possible action to amend the Testing for Continued Benefit After Retirement Policy.
14. Update on private equity and real estate allocations.
15. Legislative update.
16. Report out from Audit Committee Chair on November 30, 2022 Audit Committee meeting.

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.

17. Consider authorizing the attendance of Board:
  - a. SACRS Board of Directors Meeting, December 1, 2022, San Diego, CA.
  - b. SACRS Board of Directors and Program Committee Meetings, January 9-10, 2023, Sacramento, CA.
  - c. Commonfund Forum 2023, February 13-15, 2023, Boca Raton, FL.
  
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.



**RETIREMENT BOARD MEETING MINUTES**

REGULAR MEETING  
November 2, 2022  
9:00 a.m.

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

**1. Pledge of Allegiance**

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

**2. Roll Call**

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

Absent: None

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

Outside Professional Support:  
Chris Fikes  
Srinivas ("KC") Kolluru  
Kim Trefz  
Erik Stamelos

Representing:  
Segal Company  
Sagitec  
AQR Capital Management, LLC  
AQR Capital Management, LLC

**3. Accept comments from the public**

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

Pete Nowicki spoke about his experience with CCCERA.

**4. Recognition of Stephanie Shedd for 5 years of service**

Gordon recognized and congratulated Stephanie Shedd for 5 years of service.

**5. Approve of Minutes**

It was **M/S/C** to approve the minutes from the October 12, 2022 meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

**6. Approval of Routine Items**

It was **M/S/C** to approve the routine items of the November 2, 2022 Board meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

**7. Acceptance of Routine Items**

It was **M/S/C** to accept the routine items of the November 2, 2022 Board meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

**CLOSED SESSION**

The Board moved into Closed Session pursuant to Govt. Code Section 54957 to consider recommendations from the medical advisor and/or staff regarding the following disability retirement applications:

The Board moved into open session.

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

- a. Jaime Ramirez – Non-Service Connected (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

It was **M/S/C** to not accept the Medical Advisor's recommendation and deny the following disability benefits:

- b. Casey Reel – Service Connected (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts).

**9. The Board continued in closed session pursuant to Govt. Code Section 54957 to consider Mark Emery's motion for reconsideration**

It was **M/S/C** to deny Mark Emery's the motion for reconsideration regarding the denial of his service connected disability application. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, and Watts).

**10. Pension administration system project update:**

- a. Update from Staff – Strohl gave an update on the project and noted the project is firmly back on track and that we are one year out from going live date for the new system.

Lee introduced the two presenters, Chris Fikes from Segal Company and KC from Sagitec.

- b. Presentation from Segal – Fikes gave an update on the project noting they are focused on the November 16, 2023 go live date.

- c. Presentation from Sagitec – KC gave an update on the project.  
Lee concluded by expressing her confidence in the team.

**11. Review of report on Risk Diversifying Sub-portfolio**

Price and Mitchell Taylor reviewed the Risk Diversifying Sub-Portfolio.

**12. Educational presentation from AQR on trend following strategies**

Trefz and Stamelos presented the Managed Futures Overview focusing on the Trend history, fundamentals, return characteristics and role within CCCERA's Risk Diversifying Sub-Portfolio.

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

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

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

Andersen was not present for subsequent discussion and voting

**14. Consider and take possible action on 2023 Board meeting schedule**

It was **M/S/C** to approve the 2023 Board meeting schedule. (Yes: Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Watts and Kwon).

**15. Consider authorizing the attendance of Board:**

- a. It was **M/S/C** to authorize the attendance of 2 Board Members at the NCPERS 2023 Legislative Conference & Pension Communications Summit, January 22-23, 2023, Washington, D.C. (Yes: Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Watts and Kwon).

**16. Miscellaneous**

- a. Staff Report- None
- b. Outside Professionals - None
- c. Trustee' comments – Holcombe reported he, Kroll and Kwon attended the Virtual CALAPRS Trustees' Roundtable and found the Roundtable very interesting.  
Wong reported he and MacDonald attended the IFEBP Annual Employee Benefits Conference in Las Vegas noting it was a great first conference for him.

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

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Scott Gordon, Chairman

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Jerry R. Holcombe, Secretary

**CERTIFICATION OF MEMBERSHIPS**

<b>Name</b>	<b>Employee Number</b>	<b>Tier</b>	<b>Membership Date</b>	<b>Employer</b>
Abu Okab, Fadia	92554	P5.2	10/01/22	Contra Costa County
Aleem, Mahasin	92510	P5.2	10/01/22	Contra Costa County
Alliette, Andrea	92408	P5.2	10/01/22	Contra Costa County
Alvarez, Stephanie	92583	P5.2	10/01/22	Contra Costa County
Amaral, Alexies	92444	P5.2	10/01/22	Contra Costa County
Austin, Imani	92567	P5.2	10/01/22	Contra Costa County
Awad, Samar	92493	P5.2	10/01/22	Contra Costa County
Baber, Chanay	92534	P5.2	10/01/22	Contra Costa County
Balagot, Asher	92517	P5.2	10/01/22	Contra Costa County
Baldazo, Larena	92463	P5.2	10/01/22	Contra Costa County
Barraza, Javier	90379	P5.2	10/01/22	Contra Costa County
Benin, Angel	92584	P5.2	10/01/22	Contra Costa County
Bolden, Gianni	92492	P5.2	10/01/22	Contra Costa County
Bonnar, John	91179	P5.2	10/01/22	Contra Costa County
Booker, Yukio	92547	P5.2	10/01/22	Contra Costa County
Borges, Anthony	D3406	P4.3	10/01/22	Central Contra Costa Sanitary District
Bowen, Katherine	92545	P5.2	10/01/22	Contra Costa County
Braxton, Simone	91922	P5.2	10/01/22	Contra Costa County
Brindley, Gina	92532	P5.2	10/01/22	Contra Costa County
Bryant, Nicholas	92514	P5.2	10/01/22	Contra Costa County
Burruss, Richard	91200	P5.2	10/01/22	Contra Costa County
Cahilig, Monica	90682	P5.2	10/01/22	Contra Costa County
Ceniza, Leslie Marie	90810	P5.2	10/01/22	Contra Costa County
Chairez, Christopher	92513	P5.2	10/01/22	Contra Costa County
Chan, Gary	D9500	P5.3	10/01/22	Contra Costa County Superior Courts
Charles, Nicole	92549	P5.2	10/01/22	Contra Costa County
Choi, Sinhae	91537	P5.2	10/01/22	Contra Costa County
Cliatt, Scott	92473	P5.2	10/01/22	Contra Costa County
Collins, Jalene	92539	P5.2	10/01/22	Contra Costa County
Cortez, Selina	D4980	P4.3	10/01/22	CCCERA

**Key:**

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



## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Davis, Breana	92581	P5.2	10/01/22	Contra Costa County
Davis, Shafica	81391	P5.2	10/01/22	Contra Costa County
Deplitch, Adam	92496	S/E	10/01/22	Contra Costa County
Diaz, Nicole	92543	P5.2	10/01/22	Contra Costa County
Dimitrov, Ivaylo	92442	P5.2	10/01/22	Contra Costa County
Dinh, Christina	92471	P5.2	10/01/22	Contra Costa County
Dixon, Ashley	86626	P5.2	10/01/22	Contra Costa County
Dobbins, Emma	92561	P5.2	10/01/22	Contra Costa County
Domingos, Jamie	92515	P5.2	10/01/22	Contra Costa County
Duffy, Fiona	92577	P5.2	10/01/22	Contra Costa County
Edmunds, Cody	92445	P5.2	10/01/22	Contra Costa County
Espinoza Contreras, Francisco	92556	P5.2	10/01/22	Contra Costa County
Fine, Nikki	92490	P5.2	10/01/22	Contra Costa County
Fischer, Irene	76656	III	10/01/22	Contra Costa County
Flemming, Shamiika	92544	P5.2	10/01/22	Contra Costa County
Frey, Kenneth	92415	P5.2	10/01/22	Contra Costa County
Gallegos, Frida	89949	P5.2	10/01/22	Contra Costa County
Gammad, Gilbert	91721	P5.2	10/01/22	Contra Costa County
Gee, Clarice	90624	P5.2	10/01/22	Contra Costa County
Gill, Amarpreet	92498	P5.2	10/01/22	Contra Costa County
Giovannetti Contreras, Grecia	92580	P5.2	10/01/22	Contra Costa County
Gonzales, Joseph	92507	P5.2	10/01/22	Contra Costa County
Gonzalez, Karoline	92488	P5.2	10/01/22	Contra Costa County
Greer Jr, Jeffrey	D3414	I	10/01/22	Rodeo Sanitary District
Greeson, Michelle	92536	P5.2	10/01/22	Contra Costa County
Hanna, Manal	92486	P5.2	10/01/22	Contra Costa County
Henry, Tammy	92602	P4.3	10/01/22	First Five of Contra Costa
Herrera, Lorena	88029	P5.2	10/01/22	Contra Costa County
Hicks, Janet	92516	P5.2	10/01/22	Contra Costa County
Hidalgo, Johanna	91687	P5.2	10/01/22	Contra Costa County

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

## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Hozic, Amela	92497	P5.2	10/01/22	Contra Costa County
Hubbard, Yolonda	92503	P5.2	10/01/22	Contra Costa County
Ibon, Bianca	86468	P5.2	10/01/22	Contra Costa County
Inocencio, Bryan	89530	P5.2	10/01/22	Contra Costa County
Jackson, Jimmie	84014	P5.2	10/01/22	Contra Costa County
James, Lisa	92542	P5.2	10/01/22	Contra Costa County
Jimenez-Navarrete, Neftali	91939	P5.2	10/01/22	Contra Costa County
Katz, Natalie	92443	P5.2	10/01/22	Contra Costa County
Kesner, Candice	92479	P5.2	10/01/22	Contra Costa County
Kilgore, Edward	92446	P5.2	10/01/22	Contra Costa County
Laffitte, Hernan	D9500	P5.3	10/01/22	Contra Costa County Superior Courts
Leslie, Pherlawanna	92541	P5.2	10/01/22	Contra Costa County
Lisle, Darren	92527	P5.2	10/01/22	Contra Costa County
Llerena, Erick	92505	P5.2	10/01/22	Contra Costa County
Lolinco, Antony	91678	P5.2	10/01/22	Contra Costa County
Macias, Katrin	92537	P5.2	10/01/22	Contra Costa County
Maciel, Alexis	92461	P5.2	10/01/22	Contra Costa County
Makinano, Jasmine	92579	P5.2	10/01/22	Contra Costa County
Mapp, Emerald	92521	P5.2	10/01/22	Contra Costa County
Martin, Zachary	D3406	P4.3	10/01/22	Central Contra Costa Sanitary District
Martinez Jauregui, Renzo	92494	P5.2	10/01/22	Contra Costa County
McClanahan, Jasmine	92553	P5.2	10/01/22	Contra Costa County
Mondragon, Ashley	89150	P5.2	10/01/22	Contra Costa County
Montgomery, Gay	92470	P5.2	10/01/22	Contra Costa County
Mouton, Jake	92546	P5.2	10/01/22	Contra Costa County
Mumphrey, Erika	92552	P5.2	10/01/22	Contra Costa County
Nallas, Maria Cleofe	91885	P5.2	10/01/22	Contra Costa County
Ogunbodede, Michael	92351	P5.2	10/01/22	Contra Costa County
Ojoi, Marylin	92550	P5.2	10/01/22	Contra Costa County
Oliver, Kristen	89519	P5.2	10/01/22	Contra Costa County

**Key:**

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

## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
O'Niel, Clarence	92531	P5.2	10/01/22	Contra Costa County
Payumo, Gemma	92538	P5.2	10/01/22	Contra Costa County
Perez Lopez, Charlene	92529	P5.2	10/01/22	Contra Costa County
Prospero, Christopher	91807	P5.2	10/01/22	Contra Costa County
Pytlak, Justyna	92052	P5.2	10/01/22	Contra Costa County
Ramirez, Izaak	89570	P5.2	10/01/22	Contra Costa County
Raymundo Carrillo, Maria	92535	P5.2	10/01/22	Contra Costa County
Reed III, William	92558	P5.2	10/01/22	Contra Costa County
Rockwell, Jennifer	92555	P5.2	10/01/22	Contra Costa County
Rodriguez, Miguel	92472	P5.2	10/01/22	Contra Costa County
Salazar, Emma	82822	P5.2	10/01/22	Contra Costa County
Salters, Randol	92506	S/E	10/01/22	Contra Costa County
Sausa, Nhorilee	92530	P5.2	10/01/22	Contra Costa County
Shapiro, Elisabeth	92525	P5.2	10/01/22	Contra Costa County
Short, Robert	92512	P5.2	10/01/22	Contra Costa County
Sidhu, Sukhvir	92491	P5.2	10/01/22	Contra Costa County
Silver, Shira	87021	P5.2	10/01/22	Contra Costa County
Siu, Kristine	92433	P5.2	10/01/22	Contra Costa County
Taylor, Taima	92560	P5.2	10/01/22	Contra Costa County
Thammasen, Oravanh	91357	P5.2	10/01/22	Contra Costa County
Tjahjadi, Jasen	92559	P5.2	10/01/22	Contra Costa County
Tomas, Tamara	87532	P4.3	10/01/22	Rodeo-Hercules Fire Protection District
Troper, Rhiannon	90198	P5.2	10/01/22	Contra Costa County
Ulloa, Sophia	92540	P5.2	10/01/22	Contra Costa County
Vazquez, Irma	81694	P5.2	10/01/22	Contra Costa County
Vestal, Yoneditho	73469	P5.2	10/01/22	Contra Costa County
Vishnubhotla, Srisudha	92548	P5.2	10/01/22	Contra Costa County
Vu, Thu	91602	P5.2	10/01/22	Contra Costa County
Widger, Christine	D3301	P5.3	10/01/22	Contra Costa Mosquito Abatement District
Williams, Brian	92551	P5.2	10/01/22	Contra Costa County
Williams, Sarah	92533	P5.2	10/01/22	Contra Costa County
Winograd, Jennifer	87763	P5.2	10/01/22	Contra Costa County

**Key:**

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

## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Wojciechowski, Kyle	92500	P5.2	10/01/22	Contra Costa County
Woods, Ashley	D3406	P4.3	10/01/22	Central Contra Costa Sanitary District

**Key:**

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



CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

<p><u>Meeting Date</u>  <b>12/14/2022</b>  <u>Agenda Item</u>  <b>#6b.</b></p>
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***Service and Disability Retirement Allowances:***

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Tier</u>	<u>Selected</u>
Andryauskas, Karen	D9500	08/31/22	SR	II and III	Unmodified
Bayliss, Rosalie	55289	09/17/22	SR	II and III	Option 1
Becker, Therese	84583	04/14/22	SR	PEPRA 5.2	Unmodified
Bogue, Erin	35592/AP	10/19/22	SR	Safety	Unmodified
Branson, Curtis	76876	07/29/22	SR	III	Unmodified
Cabral, Gerald	83337	06/24/22	SR	PEPRA 5.2	Option 2
Campbell, Elizabeth	D9990	09/30/22	SR	I	Unmodified
Carrillo, Teresa	70482	07/01/20	NSCD	III	Unmodified
Chow, Julie	75299	08/28/22	SR	PEPRA 5.2	Unmodified
Chulick, David	D9500	09/10/22	SR	III	Option 2
Cody, Donald	52151	09/30/22	SR	II and III	Unmodified
Cooper, Jonathan	47517	09/01/22	SR	II and III	Option 2
Danish, Elisa	62254	07/25/22	SR	II and III	Unmodified
Delaney, Constance	47075	07/01/22	SR	II and III	Unmodified
Dozier, Ruanne Castro	46206	08/04/22	SR	II and III	Unmodified
Drew, Joseph	51620	07/14/22	SR	II and III	Unmodified
Figueroa, Maura	56317	09/24/22	SR	Safety A	Unmodified
Friedman, Norman	77653	08/09/22	SR	III	Unmodified
Galaviz, Debra	40130	08/31/22	SR	II	Unmodified
Gelgood, Teri	56515	07/22/22	SR	II and III	Unmodified
Hasson, Shelly	D9500	08/06/22	SR	II and III	Unmodified
Jones, Sidney	77326	08/01/22	SR	III	Unmodified
Lacuesta, Michael	63932	05/10/22	SR	II and III	Option 2
Moore, LaWanda	43414	08/22/22	SR	II	Unmodified
Mozzetti, Victoria	67658	09/01/22	SR	III	Option 1
Murphy, Julie	D7274	02/18/22	SCD	Safety A	Unmodified
Nguyen, Cozette	69177	09/01/22	SR	III	Unmodified
Ong, Ivy	D7830	10/01/22	SR	I	Unmodified
Petalio, James	D3414	09/16/22	SR	I	Unmodified

<p><b><u>Option Type</u></b>                  NSP = Non-Specified                  SCD = Service Connected Disability                  SR = Service Retirement                  NSCD = Non-Service Connected Disability                  * = County Advance Selected w/option</p>	<p><b><u>Tier</u></b>                  I = Tier I                  II = Tier II                  III = Tier III                  S/A = Safety Tier A                  S/C = safety Tier C</p>	<p><b><u>Tier</u></b>                  Pepra 4.2 = Pepra Tier 4 (2% COLA)                  Pepra 4.3 = Pepra Tier 4 (3% COLA)                  Pepra 5.2 = Pepra Tier 5 (2% COLA)                  Pepra 5.3 = Pepra Tier 5 (3% COLA)                  S/D = Pepra Safety Tier D                  S/E = Pepra Safety Tier E</p>
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# CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

Ryan, Barbara	69119	08/31/22	SR	III	Unmodified
Sawyer, Randall	49375	08/17/22	SR	II, III and Safety A	Unmodified
Schluter, Wendy	40940	10/01/22	SR	II and III	Unmodified
Sciuto, Paul	D3406	10/01/22	SR	I	Unmodified
Whitehead, Mariam	75762	09/10/22	SR	III	Unmodified
Williams, Nancy	75921	08/06/22	SR	PEPRA 5.3	Unmodified

**Option Type**

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

**Tier**

I = Tier I  
 II = Tier II  
 III = Tier III  
 S/A = Safety Tier A  
 S/C = safety Tier C  
 Pepra 4.2 = Pepra Tier 4 (2% COLA)  
 Pepra 4.3 = Pepra Tier 4 (3% COLA)  
 Pepra 5.2 = Pepra Tier 5 (2% COLA)  
 Pepra 5.3 = Pepra Tier 5 (3% COLA)  
 S/D = Pepra Safety Tier D  
 S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date  
**12/14/2022**  
Agenda Item  
**#6c.**

***Deaths:***

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Bellard, Sandra	10/19/22	Contra Costa County
Casey, Billy	11/07/22	Consolidated Fire
Chase, Patricia	10/07/22	Contra Costa County
Chesada, Dan	11/16/22	Contra Costa County
Copeland, Jere	10/14/22	Contra Costa County
Dumont, Rose	11/03/22	Contra Costa County
Frith, Betty	08/31/22	Contra Costa County
Garrison, Betty	10/07/22	Contra Costa County
Jelten, Geraldine	11/18/22	Contra Costa County
McGraw, Terrence	10/08/22	Contra Costa County
Mitchell, Bettie	08/19/22	Contra Costa County
Murray, Barbara	11/26/22	Contra Costa County
Nunnally, Donald	10/20/22	Consolidated Fire
Randall, Sandra	10/12/22	Contra Costa County
Riso, Thomas	11/06/22	Contra Costa County
Wohlfrom, Marian	07/31/22	Contra Costa County
Zimmerman, Alina	09/25/22	Contra Costa County
Zollars, Rosalie	09/20/22	Contra Costa County





Meeting Date  
**12/14/2022**  
Agenda Item  
**#6d.**

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

**October 2022 Performance**

	<b>Cash Flow</b>	<b>Coverage Ratio</b>
Benefit Cash Flow Projected by Model	\$48,750,000	
Liquidity Sub-Portfolio Cash Flow	\$48,750,000	<b>100%</b>
Actual Benefits Paid	\$47,981,303	<b>101.6%</b>
<i>Next Month's Projected Benefit Payment</i>	\$49,000,000	

**Monthly Manager Positioning – October 2022**

	<b>Beginning Market Value</b>	<b>Liquidity Program Cash Flow</b>	<b>Market Value Change/Other Activity</b>	<b>Ending Market Value</b>
Sit	\$369,862,227	(\$19,750,000)	\$8,011,233	\$358,123,460
DFA	\$607,485,194	(\$10,750,000)	(\$8,150,741)	\$588,584,452
Insight	\$676,408,882	(\$18,250,000)	(\$5,189,062)	\$652,969,820
<b>Liquidity</b>	<b>\$1,653,756,303</b>	<b>(\$48,750,000)</b>	<b>(\$5,328,571)</b>	<b>\$1,599,677,732</b>
Cash	\$121,862,679	\$768,697	\$5,886,539	\$128,517,915
<b>Liquidity + Cash</b>	<b>\$1,775,618,982</b>	<b>(\$47,981,303)</b>	<b>\$557,968</b>	<b>\$1,728,195,647</b>

**Functional Roles**

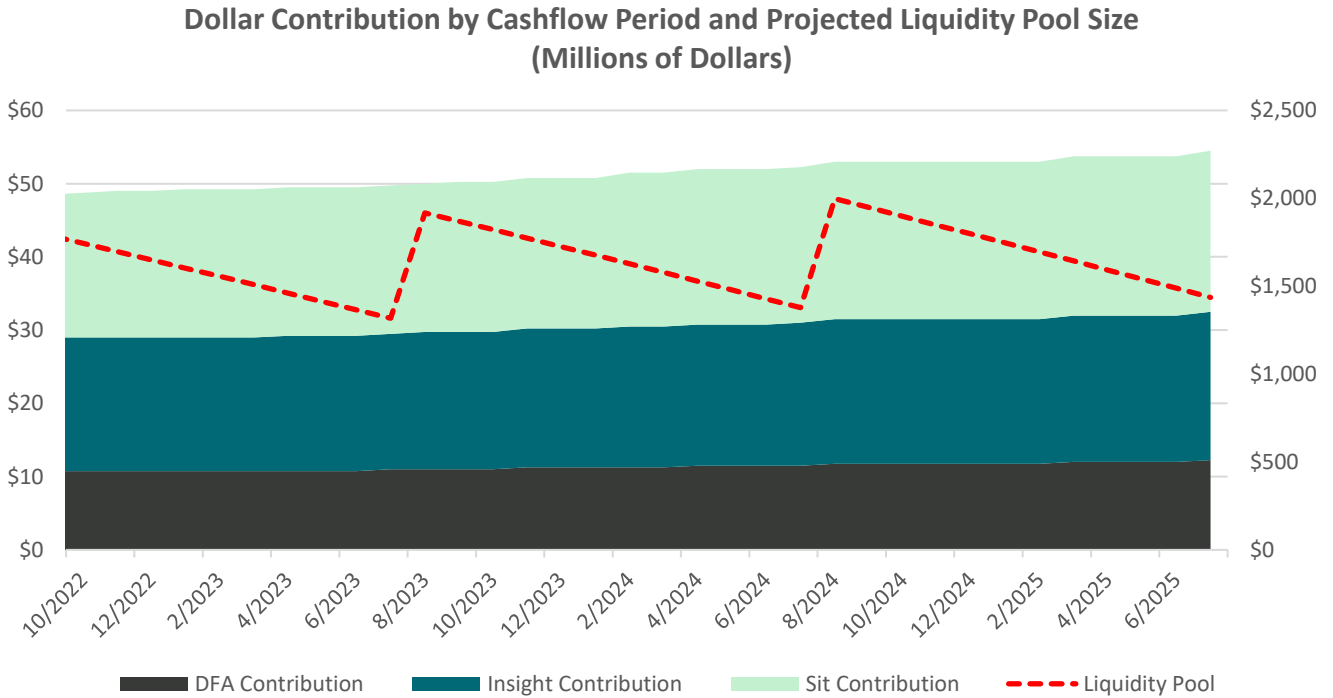
<b>Manager</b>	<b>Portfolio Characteristics</b>	<b>Liquidity Contribution</b>
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays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

**Notes**

The tenth cash flow for 2022 from the liquidity program was completed on October 21<sup>st</sup>. The actuarial model cash flow was higher than actual experience, producing \$769 thousand more than the actual benefits paid.

## Cash Flow Structure

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



CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

<p><u>Meeting Date</u>  <b>12/14/2022</b>  <u>Agenda Item</u>  <b>#7a.</b></p>
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**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>
Angel, Tanya	72444	10/25/22	SCD
Curtis, Daniel	D7830	11/03/22	SCD
Daria, Mayette	63453	11/07/22	NSCD
Cherry, Judon	68798	11/16/22	SCD
Walsh, Daniel	71760	08/30/22	SCD
Harder, James	D7830	11/23/22	SCD
Stewart, Kiriba	69629	11/29/22	SCD

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

Contra Costa County Employees' Retirement Association  
Asset Allocation as of October 31, 2022

	Market Value	Percentage of Total Fund	Current Target* Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
<b>Liquidity</b>						
Dimensional Fund Advisors	358,123,460	3.5%	4.0%	-0.5%		
Insight	588,584,452	5.8%	6.5%	-0.7%		
Sit	652,969,820	6.4%	6.5%	-0.1%		
<b>Total Liquidity</b>	<b>1,599,677,732</b>	<b>15.8%</b>	<b>17.0%</b>	<b>-1.2%</b>	<b>17.0%</b>	<b>-1.2%</b>
			<b>Range 11-22%</b>			
<b>Growth</b>						
<b>Domestic Equity</b>						
Boston Partners	394,799,214	3.9%	4.0%	-0.1%		
BlackRock Index Fund	877,407,770	8.7%	9.0%	-0.3%		
Emerald Advisers	203,500,796	2.0%	1.5%	0.5%		
Ceredex	188,232,962	1.9%	1.5%	0.4%		
<b>Total Domestic Equity</b>	<b>1,663,940,742</b>	<b>16.4%</b>	<b>16.0%</b>	<b>0.4%</b>	<b>13.0%</b>	<b>3.4%</b>
<b>Global &amp; International Equity</b>						
Pyrford (Columbia)	395,830,837	3.9%	4.0%	-0.1%		
William Blair	384,545,693	3.8%	4.0%	-0.2%		
First Eagle	463,081,284	4.6%	4.5%	0.1%		
Artisan Global Opportunities	452,366,804	4.5%	4.5%	-0.0%		
PIMCO/RAE Emerging Markets	312,951,140	3.1%	3.5%	-0.4%		
TT Emerging Markets	281,814,501	2.8%	3.5%	-0.7%		
<b>Total Global &amp; International Equity</b>	<b>2,290,590,259</b>	<b>22.6%</b>	<b>24.0%</b>	<b>-1.4%</b>	<b>19.0%</b>	<b>3.6%</b>
<b>Private Equity**</b>	<b>1,371,030,683</b>	<b>13.5%</b>	<b>13.0%</b>	<b>0.5%</b>	<b>18.0%</b>	<b>-4.5%</b>
<b>Private Credit</b>	<b>957,285,414</b>	<b>9.5%</b>	<b>8.0%</b>	<b>1.5%</b>	<b>13.0%</b>	<b>-3.5%</b>
<b>Real Estate - Value Add</b>	<b>245,847,062</b>	<b>2.4%</b>	<b>4.0%</b>	<b>-1.6%</b>	<b>5.0%</b>	<b>-2.6%</b>
<b>Real Estate - Opportunistic &amp; Distressed</b>	<b>364,991,201</b>	<b>3.6%</b>	<b>4.0%</b>	<b>-0.4%</b>	<b>5.0%</b>	<b>-1.4%</b>
<b>Real Estate - REIT</b>			<b>2.0%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>1.9%</b>
Adelante	83,387,042	0.8%				
Invesco	105,738,639	1.0%				
<b>High Yield (Allianz)</b>	<b>138,854,115</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>1.4%</b>
<b>Risk Parity</b>			<b>3.0%</b>	<b>0.2%</b>	<b>3.0%</b>	<b>0.2%</b>
AQR GRP EL	164,203,007	1.6%				
PanAgora	156,617,235	1.5%				
<b>Total Other Growth Assets</b>	<b>3,587,954,398</b>	<b>35.4%</b>	<b>35.5%</b>	<b>-0.1%</b>	<b>44.0%</b>	<b>-8.6%</b>
<b>Total Growth Assets</b>	<b>7,542,485,398</b>	<b>74.5%</b>	<b>75.5%</b>	<b>-1.0%</b>	<b>76.0%</b>	<b>-1.5%</b>
			<b>Range 65-85%</b>			
<b>Risk Diversifying</b>						
AFL-CIO	215,144,046	2.1%	2.5%	-0.4%	2.5%	-0.4%
Acadian MAARS	259,669,977	2.6%	2.5%	0.1%	1.5%	1.1%
Sit LLCAR	294,895,800	2.9%	2.5%		1.5%	
<b>Total Risk Diversifying</b>	<b>769,709,823</b>	<b>7.6%</b>	<b>7.5%</b>	<b>0.1%</b>	<b>7.0%</b>	<b>0.6%</b>
			<b>Range 0% - 10%</b>			
<b>Cash and Overlay</b>						
Overlay (Parametric)	84,422,664	0.8%		0.8%		
Cash	128,517,915	1.3%		1.3%		
<b>Total Cash and Overlay</b>	<b>212,940,579</b>	<b>2.1%</b>	<b>0.0%</b>	<b>2.1%</b>	<b>0.0%</b>	<b>2.1%</b>
<b>Total Fund</b>	<b>10,124,813,532</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	

\*Current targets and ranges reflect asset allocation targets accepted by the Board on July 27, 2022 (BOR Resolution 2022-2).

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

**Private Market Investments  
As of October 31, 2022**

**REAL ESTATE - Value Add**

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Invesco IREF III	08/01/13	08/01/20				35,000,000	0	0.00%	
Invesco IREF IV	12/01/14	12/01/21				35,000,000	2,821,874	0.03%	4,453,599
Invesco IREF V	09/11/18	09/11/25				75,000,000	75,384,198	0.74%	19,389,232
Invesco IREF VI	09/21/22	09/22/29				100,000,000	33,126,592	0.33%	66,873,408
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	1,361,121	0.01%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	30,948,992	0.31%	
Long Wharf LREP VI	02/05/20	02/05/28				50,000,000	32,119,296	0.32%	9,377,283
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	18,764,926	0.19%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	51,320,063	0.51%	5,859,352
						<b>730,000,000</b>	<b>245,847,062</b>	<b>2.43%</b>	<b>109,898,874</b>

**Outstanding Commitments**

**Total**

**109,898,874**

**355,745,936**

**REAL ESTATE -Opportunistic & Distressed**

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	15,682,804	0.15%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	55,988,703	0.55%	1,876,084
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	31,636,442	0.31%	5,046,583
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	23,712,716	0.23%	19,906,106
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	1,209,092	0.01%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	25,686,057	0.25%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	49,657,865	0.49%	16,120,000
PCCP Equity IX	04/11/22	04/01/30				75,000,000	32,839,382	0.32%	43,698,436
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	20,397,977	0.20%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	34,173,608	0.34%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	12,770,812	0.13%	4,462,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	15,311,689	0.15%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	13,102,108	0.13%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	32,821,946	0.32%	7,572,500
						<b>905,000,000</b>	<b>364,991,201</b>	<b>3.60%</b>	<b>173,491,864</b>

**Outstanding Commitments**

**Total**

**173,491,864**

**538,483,065**

**PRIVATE CREDIT**

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	5,603,769	0.06%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	7,631,737	0.08%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	1,648,343	0.02%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				1,170,000,000	942,401,565	9.31%	
						<b>1,524,500,000</b>	<b>957,285,414</b>	<b>9.45%</b>	<b>17,319,783</b>

**Outstanding Commitments**

**Total**

**17,319,783**

**974,605,197**

**Private Market Investments  
As of October 31, 2022**

<b>PRIVATE EQUITY</b>	<b>Inception Date</b>	<b>Target Termination</b>	<b># of Extension</b>	<b>Discretion by GP/LP</b>	<b>New Target Termination</b>	<b>Funding Commitment</b>	<b>Market Value</b>	<b>% of Total Asset</b>	<b>Outstanding Commitment</b>
Adams Street Partners	12/22/95	12/22/25				269,565,614	143,824,371	1.42%	17,282,948
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	3,921,820	0.04%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	11,756,602	0.12%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	188,271,396	1.86%	8,962,500
AE Industrial Partners Fund II	05/18/18	05/18/28				35,000,000	43,562,185	0.43%	11,133,248
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	1,236,397	0.01%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	20,000,401	0.20%	0
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	0	0.00%	0
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	33,193	0.00%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	3,251,582	0.03%	0
EIF USPF IV	06/28/10	06/28/20				50,000,000	25,586,668	0.25%	4
Ares EIF V	09/09/15	11/19/25				50,000,000	35,189,570	0.35%	6,194,129
Genstar Capital Partners IX	02/18/19	02/18/29				50,000,000	64,531,244	0.64%	7,684,319
Genstar Capital Partners X	04/01/21	04/01/31				42,500,000	18,695,835	0.18%	24,469,552
GTCR VIII	10/27/20	12/31/36				50,000,000	25,051,367	0.25%	28,065,000
Hellman & Friedman Capital Partners	05/10/21	05/10/31				75,000,000	36,794,136	0.36%	34,117,819
Leonard Green - Green Equity Investors IX	03/01/22	02/28/32				60,000,000	0	0.00%	0
Leonard Green - Jade Equity Investors II	03/01/22	02/28/32				15,000,000	0	0.00%	0
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	435,558	0.00%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				30,000,000	29,593,786	0.29%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				50,000,000	50,758,432	0.50%	3,500,000
Paladin III	08/15/08	08/15/18				25,000,000	9,648,960	0.10%	387,482
Pathway	11/09/98	05/31/21				125,000,000	4,090,368	0.04%	10,550,380
Pathway 2008	12/26/08	12/26/23				30,000,000	15,318,445	0.15%	2,701,449
Pathway 6	05/24/11	05/24/26				40,000,000	33,336,799	0.33%	3,663,642
Pathway 7	02/07/13	02/07/23				70,000,000	71,945,555	0.71%	5,171,850
Pathway 8	11/23/15	11/23/25				50,000,000	73,484,033	0.73%	3,987,844
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	147,902,119	1.46%	29,597,500
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	0	0.00%	0
Siris Partners IV	05/18/18	05/18/28				35,000,000	39,414,011	0.39%	8,845,760
TA XIV	05/27/21	05/27/31				50,000,000	17,630,820	0.17%	31,000,000
TPG Healthcare Partners, L.P.	06/27/19	06/27/29				24,000,000	17,954,900	0.18%	8,603,578
TPG Healthcare Partners II	06/30/22	06/30/32				65,000,000	0	0.00%	0
TPG Partners IX	06/30/22	06/30/32				50,000,000	4,456,786	0.04%	0
Trident VIII, L.P.	05/24/19	05/24/29				40,000,000	47,126,170	0.47%	5,426,540
Trident IX, L.P.	09/17/21	09/17/31				50,000,000	4,456,786	0.04%	44,769,075
<b>Real Assets</b>									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	60,569,866	0.60%	2,567,205
Aether IV	01/01/16	01/01/28				50,000,000	63,519,313	0.63%	4,516,236
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	42,181,754	0.42%	2,725,007
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	19,956,241	0.20%	819,897
						<b>2,226,065,614</b>	<b>1,371,030,683</b>	<b>15.01%</b>	<b>282,071,976</b>
<b>Outstanding Commitments</b>							<b>282,071,976</b>		
<b>Total</b>							<b>1,653,102,659</b>		

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



## MEMORANDUM

Date: December 14, 2022  
To: CCCERA Board of Retirement  
From: Gail Strohl, Chief Executive Officer  
Subject: Consider and take possible action to revise the Interest Crediting and Excess Earnings Policy

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### Background

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

### Recommendation

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

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

**Via Email**

November 21, 2022

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

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

Dear Gail:

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

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

**Background**

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

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



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

### **Alternative Courses of Action**

We see two alternative courses of action.

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

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

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


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

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

Sincerely,



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



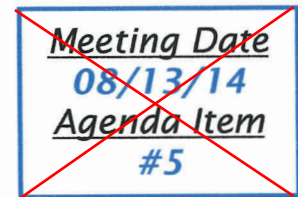
Andy Yeung, ASA, MAAA, FCA, EA  
Vice President & Actuary

cc: Christina Dunn  
Henry Gudino

Attachment



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August 6, 2014

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

**Re: Methodologies Used for Interest Crediting on Reserves**

Dear Kurt:

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

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

#### **SEMI-ANNUAL INTEREST RATE**

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

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

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

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

#### **EFFECTIVE DATE OF NEW INTEREST RATE**

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

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

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

### Conclusion

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

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

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

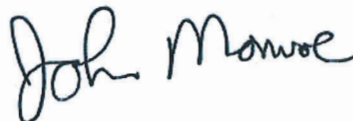
We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

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

Sincerely,



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



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

EY/hy

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**INTEREST CREDITING AND EXCESS EARNINGS POLICY**

**PURPOSE OF POLICY:**

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

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

**GOVERNING LAW:**

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

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

**GENERAL PRINCIPLES AND OBJECTIVES:**

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

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

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

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

**INTEREST CREDITING POLICY:**

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

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

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

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

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

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

**EXCESS EARNINGS POLICY:**

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

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

**Step 2 - Restore the Statutory Contingency Reserve**

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

**Step 3 - Restore Board Contingency Designation to 1%**

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

**Step 4 - Maintain retiree Dollar Power Benefit**

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



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

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

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

**Step 6 - Consider other discretionary uses**

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

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

**Step 7 - Transfer Remaining Available Earnings to Unrestricted Designation**

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

## **DEFINITIONS:**

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

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

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

**Board:** The CCCERA Board of Retirement.

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

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

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

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

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

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

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

## **POLICY REVIEW**

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

## **HISTORY**

Excess Earnings Policy Adopted: 9/11/1990

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

Interest Crediting Policy Adopted: 2/12/2002

Amended: 6/11/2003

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

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

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**INTEREST CREDITING AND EXCESS EARNINGS POLICY**

**PURPOSE OF POLICY:**

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

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

**GOVERNING LAW:**

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

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

**GENERAL PRINCIPLES AND OBJECTIVES:**

1. Determine "Available Earnings" according to the Actuarial Value of Assets methodology. Available Earnings on the Actuarial Value of Assets is equal to the expected earnings on a semi-annual basis consistent with the Board-adopted Actuarially Assumed Investment Rate of Return plus 10% of the market value gain or loss (relative to the respective Board-adopted Actuarially Assumed Investment Rate of Return ) for each of the current and nine prior semi-annual accounting periods plus the balance in the Contingency Reserve(s) and Unrestricted Designation.
2. Credit interest on member accounts semi-annually as of each December 31<sup>st</sup> and the following June 30<sup>th</sup> in equal amounts which when taken together and compounded are equal to the Board-adopted Actuarially Assumed Investment Rate of Return for that fiscal year. Specifically, triennially, the Board acts to adopt actuarial assumptions and methodologies for the actuary to use in preparing annual actuarial valuations effective as of the December 31<sup>st</sup> immediately preceding the date of adoption, and as of each December 31 thereafter until changed. The annual actuarial valuation includes an Actuarially Assumed Investment Rate of Return, which is used in turn to establish the rate at which interest will be credited semi-annually to system reserves, pursuant to CERL § § 31453 and 31454. The interest crediting rate so determined shall accrue to member account balances commencing as of July 1 immediately following the Board's initial adoption of the Actuarially Assumed Investment Rate of Return. The interest crediting rate for the first six month period of July 1 through December 31 shall be credited on December 31 of that calendar year, and on June 30<sup>th</sup> for the second six month period of January 1 to June 30 of the next succeeding calendar year. The interest rate credited twice for any 12-

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

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

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

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

**INTEREST CREDITING POLICY:**

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

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

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

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

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

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

**EXCESS EARNINGS POLICY:**

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

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

**Step 2 - Restore the Statutory Contingency Reserve**

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

**Step 3 - Restore Board Contingency Designation to 1%**

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

**Step 4 - Maintain retiree Dollar Power Benefit**

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

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

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

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

**Step 6 - Consider other discretionary uses**

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

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

**Step 7 - Transfer Remaining Available Earnings to Unrestricted Designation**

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



## **DEFINITIONS:**

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

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

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

**Board:** The CCCERA Board of Retirement.

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

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

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

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

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

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

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

## **POLICY REVIEW**

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

## **HISTORY**

Excess Earnings Policy Adopted: 9/11/1990

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

Interest Crediting Policy Adopted: 2/12/2002

Amended: 6/11/2003

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

Amended: 9/22/2021, xx/xx/2022



Meeting Date  
**12/14/2022**  
Agenda Item  
**#10**

## MEMORANDUM

Date: December 14, 2022  
To: CCCERA Board of Retirement  
From: Gail Strohl, Chief Executive Officer  
Subject: Consider and take possible action to add CCCERA staffing.

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### Background

In reviewing staffing needs for the upcoming year, it has been determined that some additional positions are needed. CCCERA can increase its efficiencies in the Retirement Services department by adding a Retirement Services Technician to assist the active counselors and adding a Retirement Services Counselor to assist with member counseling and provide backup to the other counselors. The hourly rate for the Retirement Services Technician position is \$24.67 to \$34.69. The hourly rate for the Retirement Services Counselor position is \$31.17 to \$39.77.

In the Member Services department, the addition of a Data Technology Specialist position would assist with data files and other department activities. The hourly rate for this position is \$35.94 to \$45.86.

Additionally, the establishment of a new classification of a Network Engineer in the Information Technology department would assist CCCERA in maintaining and safeguarding systems. The monthly salary for this classification will be \$9,936 to \$12,077.

### Recommendations

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

- a. Add one Retirement Services Counselor position, one Retirement Services Technician position, one Data Technology Specialist position, and establish a classification for an Information Technology Network Engineer; and
- b. Amend Attachment A of Resolution 2022-1 providing salary and benefits for unrepresented employees of CCCERA effective January 1, 2023;

Resolution of the Board of Retirement  
 Contra Costa County Employees' Retirement Association

CCCERA Resolution for Salary and Benefits for Unrepresented Employees  
 (BOR Reso. No. 2022-1)

**Attachment A**

**Effective January 1, 2023**

*Revision Dates: 7/27/2022, 7/13/2022, 4/1/2022, 1/1/2022, 4/1/2021, 4/1/2020, 1/1/2020, 7/1/19, 4/1/19, 7/1/18, 7/1/17, 7/1/16, 2/1/16, 7/1/15, 1/1/15*

	Step 1	Step 2	Step 3	Step 4	Step 5	Eligible for Differential*				
						10 year Longevity	15 year Longevity	20 year Longevity	CPA, CGFM, CIA, CMA	ASA
						2.50%	2.50%	2.00%	5%	5%
<b>Hourly (Non-Exempt)</b>										
Executive Assistant	\$38.80	\$40.74	\$42.77	\$44.91	\$47.16	Yes	Yes	No	No	Yes
Information Technology Coordinator	\$40.74	\$42.77	\$44.91	\$47.16	\$49.52	Yes	Yes	No	No	Yes
Member Services Supervisor	\$47.16	\$49.52	\$51.99	\$54.59	\$57.32	Yes	Yes	No	No	Yes
Retirement Services Supervisor	\$47.16	\$49.52	\$51.99	\$54.59	\$57.32	Yes	Yes	No	No	Yes
<b>Monthly (Exempt)</b>										
Accountant	\$6,405	\$6,725	\$7,061	\$7,414	\$7,785	Yes	Yes	No	Yes	Yes
Accounting Manager	\$10,954	\$11,502	\$12,077	\$12,681	\$13,315	Yes	Yes	No	Yes	Yes
Accounting Supervisor	\$8,174	\$8,583	\$9,012	\$9,463	\$9,936	Yes	Yes	No	Yes	Yes
Administrative Services Manager	\$10,693	\$11,228	\$11,789	\$12,379	\$12,998	Yes	Yes	No	No	Yes
Human Resources Manager	\$10,693	\$11,228	\$11,789	\$12,379	\$12,998	Yes	Yes	No	No	Yes
Human Resources Coordinator	\$8,174	\$8,583	\$9,012	\$9,463	\$9,936	Yes	Yes	No	No	Yes
Communications Coordinator	\$7,600	\$7,980	\$8,378	\$8,797	\$9,237	Yes	Yes	No	No	Yes
Compliance Business Analyst	\$8,378	\$8,797	\$9,237	\$9,699	\$10,184	Yes	Yes	No	No	Yes
Deputy General Counsel	\$15,414	\$16,184	\$16,993	\$17,843	\$18,735	Yes	Yes	No	No	Yes
Information System Programmer/Analyst	\$7,785	\$8,174	\$8,583	\$9,012	\$9,463	Yes	Yes	No	No	Yes
Network Security Engineer	\$9,012	\$9,463	\$9,936	\$10,432	\$10,954	Yes	Yes	No	No	Yes
Information Technology Manager	\$12,998	\$13,648	\$14,330	\$15,047	\$15,799	Yes	Yes	No	No	Yes
Investment Analyst	\$11,228	\$11,789	\$12,379	\$12,998	\$13,648	Yes	Yes	No	No	Yes
Investment Officer	\$15,799	\$16,589	\$17,418	\$18,289	\$19,204	Yes	Yes	No	No	Yes
Member Services Manager	\$10,693	\$11,228	\$11,789	\$12,379	\$12,998	Yes	Yes	No	No	Yes
Retirement Services Manager	\$10,693	\$11,228	\$11,789	\$12,379	\$12,998	Yes	Yes	No	No	Yes
Senior Investment Analyst	\$12,379	\$12,998	\$13,648	\$14,330	\$15,047	Yes	Yes	No	No	Yes
Senior Investment Officer	\$17,418	\$18,289	\$19,204	\$20,164	\$21,172	Yes	Yes	No	No	Yes

Monthly Salary Range (Exempt)						
Chief Executive Officer	\$23,990.03	Yes	Yes	No	No	Yes
Chief Investment Officer	\$21,093 - \$27,422	Yes	Yes	No	No	Yes
Compliance Officer	\$10,903 - \$14,173	Yes	Yes	No	No	Yes
Deputy Chief Executive Officer	\$16,912 - \$21,984	Yes	Yes	No	No	Yes
General Counsel	\$18,644 - \$24,237	Yes	Yes	Yes	No	Yes
Internal Auditor	\$10,903 - \$14,173	Yes	Yes	No	Yes	Yes

\*NOTE: Certificate Differentials cannot be combined with other certificate differentials

*Meeting Date*  
*12/14/2022*  
*Agenda Item*  
*#11*

# 2023

## ANNUAL BUDGET



## BUDGET SUMMARY

December 14, 2022

Dear Board Members,

It is with pleasure to present the 2023 Proposed Operating Budget for Contra Costa County Employees' Retirement Association (CCCERA).

CCCERA strove towards efficient and effective administration of the plan, continuously safeguarded plan assets wherever possible, provided prompt delivery of earned benefits, and ensured that members can expect to receive the best customer service. The activities funded by this proposed budget support the strategic initiatives of CCCERA's strategic plan.

Included in the 2023 Proposed Budget are routine day-to-day operational and departmental expenses, but there are additional estimated expenses for the following:

- Addition of four new positions: Retirement Counselor, Retirement Services Technician, Data Technology Specialist, and IT Network Engineer
- Filling open vacancies across departments for: two Retirement Counselors positions, Administrative Assistant, Member Services Specialist, Accounting Specialist, Communication Technician, Compliance Business Analyst, Internal Auditor, Senior Investment Analyst, and Investment Officer
- Increased overtime and temporary costs needed to test and support the pension administration system implementation with anticipated go-live date late 2023

- Remaining contract budget for Segal project consulting on pension system implementation
- Higher depreciation to begin spreading cost of new pension system over 10 year useful life
- Anticipated Board trustee election related costs
- Improved website communication with customer service tutorials and videos

The presentation format of the budget is summarized into major expense line items which match the same audit report presentation in the Annual Comprehensive Financial Report (ACFR). In addition to a 2023 Proposed Budget, also included is a 2022 budget versus year-end actual estimate to help compare. The 2022 estimate was based on actual expenses through third quarter September 30 rolled forward to December 31 year end.

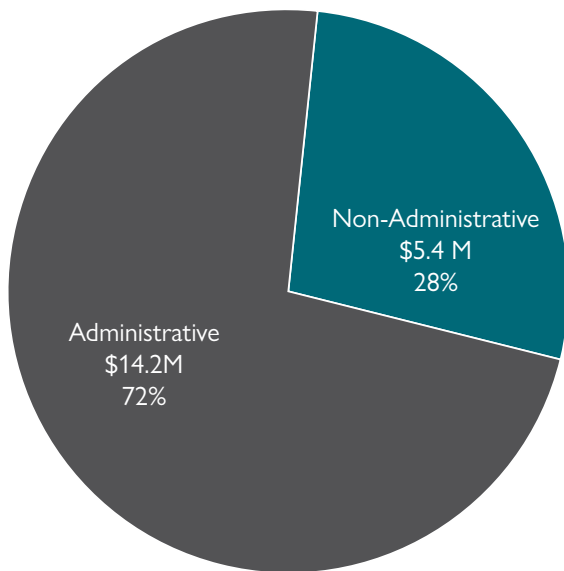
The 2023 Proposed Operating Budget is divided into three sections:

- *2023 Proposed Total Budget*—this section summarizes and combines all expenses from the *2023 Proposed Administrative Budget* and *2023 Proposed Non-Administrative Budget*
- *2023 Proposed Administrative Budget*—this section is comprised of expenses from administrative departments including Executive, Administration Services, Human Resources, Accounting, Information Technology, Retirement Services, and Member Services. Administrative expenses are capped by a statutory limit of 21 basis points against the latest Actuarial Accrued Liability prepared as of December 31, 2021.
- *2023 Proposed Non-Administrative Budget*—this section includes expenses for the Investment and Legal departments, and IT Disaster Recovery

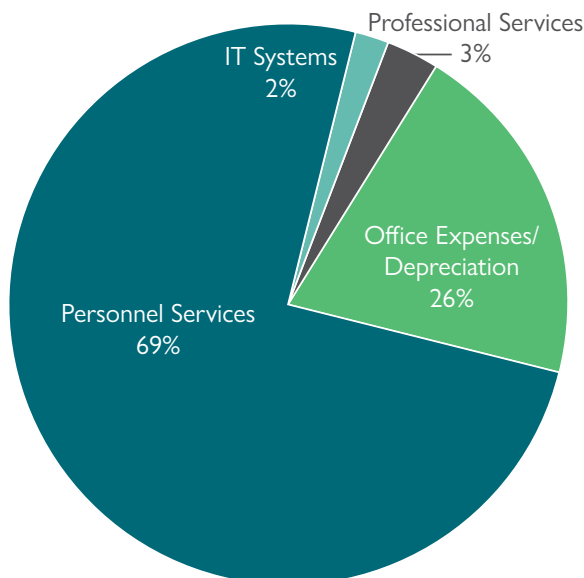
Program. These expenses are not subject to and excluded from the statutory limit on administrative expenses. Legal fees relating to general and fiduciary counsel, tax, investments, employment, and disabilities are presented as Non-Administrative. Additionally, presented with the 2023 Non-Administrative budget are Investment Consulting and Actuarial Services fees.

The 2023 Proposed Administrative Budget is \$14.2 million, an increase of a little over \$1 million or 8%, compared to the 2022 budget. Most of the increase in Administrative budget is for staff related personnel services, overtime, and temporary staff in connection with the new pension system testing and implementation.

**TOTAL 2023 PROPOSED BUDGET \$19.6M**



The 2023 Proposed Total Budget is \$19.6 Million, an overall increase of \$890 thousand or 5% over the 2022 budget. The chart below illustrates where the budget increases occur from.



*Section 31580.2 of the California Government Code limits administrative expenses to 0.21% of the most current Actuarial Accrued Liability (AAL). As of December 31, 2021, the AAL is \$11.3 billion which results in a limit of approximately \$23.7 million. The proposed 2023 administrative expenses budget of \$14.2 million is 0.126% of the AAL and well under the capped amount.*

The 2023 Proposed Non-Administrative Budget is \$5.4 million, a decrease of \$152 thousand or -3%, as compared to the 2022 budget. The majority of the decrease is due to a later recruitment start date for Investment Officer during the year and less Investment database software needs.

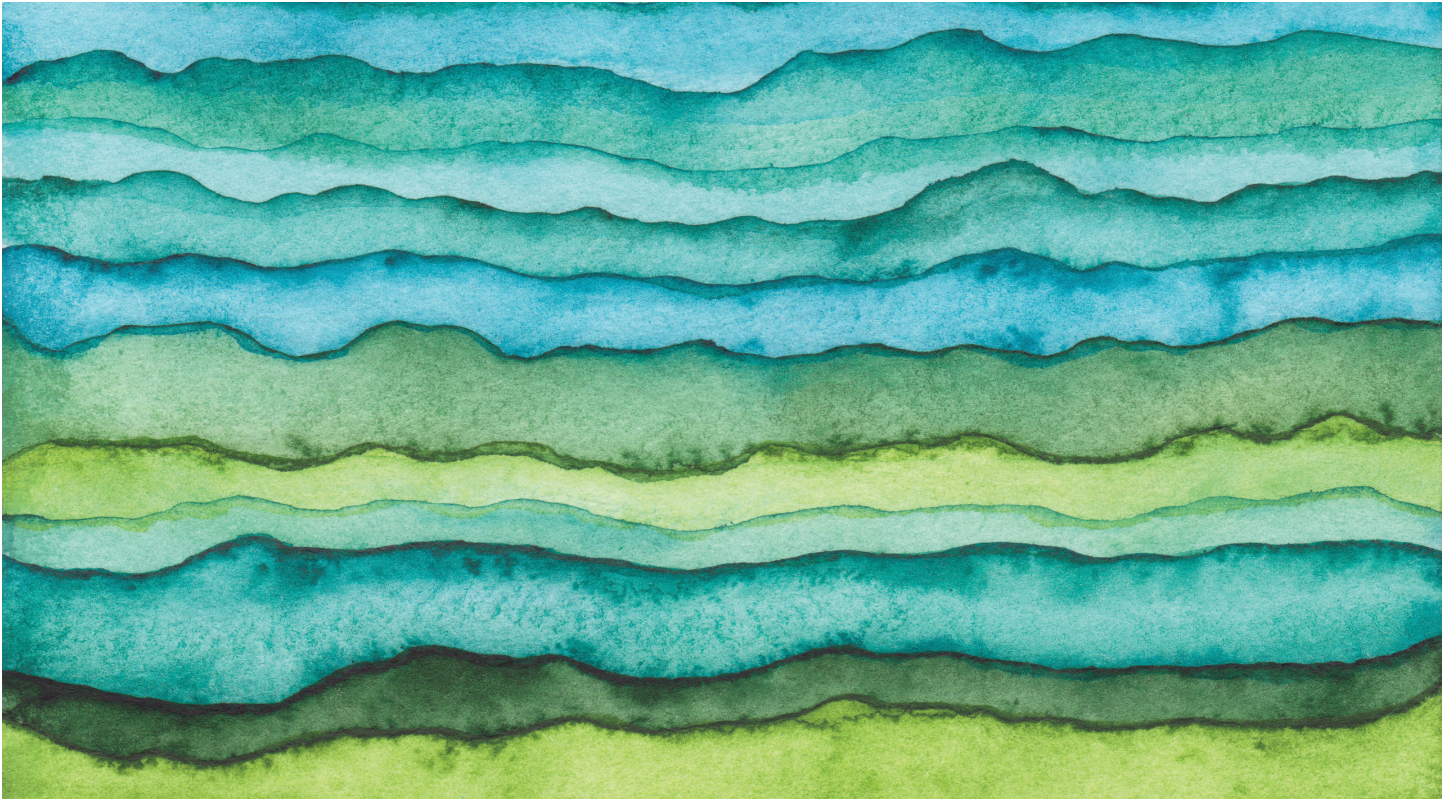
**RECOMMENDATION:**

Consider and take possible action to adopt the 2023 Proposed Total Operating Budget

Thank you for your consideration.

Respectfully submitted,

Henry Gudino, CPA  
 Accounting Manager



# **2023 PROPOSED TOTAL BUDGET**



## 2023 PROPOSED TOTAL BUDGET

### 2023 PROPOSED TOTAL BUDGET Including Administrative and Non-Administrative Departments

	2022 Budget	2022 Estimate	\$ Budget Remaining	% Budget Remaining	2023 Proposed Total Budget	\$ Change 2022 Budget	% Change 2022 Budget
<b>Personnel Services:</b>							
Salaries and Wages	\$8,111,600	\$6,977,416	\$1,134,184	14%	\$8,498,600	\$387,000	5%
Employee Benefits and Retirement	5,291,100	4,627,384	663,716	13%	5,512,900	221,800	4%
<b>Total Personnel Services</b>	<b>13,402,700</b>	<b>11,604,800</b>	<b>1,797,900</b>	<b>13%</b>	<b>14,011,500</b>	<b>608,800</b>	<b>5%</b>
<b>Operational Expenses:</b>							
Professional Services							
Investment Consulting	954,000	968,111	(14,111)	(1%)	1,022,100	68,100	7%
Actuarial Services	298,700	144,740	153,960	52%	252,800	(45,900)	(15%)
Outside Legal Counsel Services	432,000	268,085	163,915	38%	429,000	(3,000)	(1%)
Audit Services	56,000	62,659	(6,659)	(12%)	65,000	9,000	16%
Benefit Statements	75,000	88,189	(13,189)	(18%)	88,000	13,000	17%
Disability Hearing/Medical Reviews	160,000	19,439	140,561	88%	136,000	(24,000)	(15%)
Other Professional Services	61,100	44,735	16,365	27%	73,800	12,700	21%
<b>Total Professional Services</b>	<b>2,036,800</b>	<b>1,595,957</b>	<b>440,843</b>	<b>22%</b>	<b>2,066,700</b>	<b>29,900</b>	<b>1%</b>
Office Expenses:							
Office Lease	577,000	581,972	(4,972)	(1%)	594,300	17,300	3%
Telephone & Internet Services	116,300	92,711	23,589	20%	131,400	15,100	13%
Equipment Lease & Maintenance	22,500	18,148	4,352	19%	22,500	-	-
Furniture & Equipment	7,000	504	6,496	93%	18,500	11,500	164%
Office Supplies & Maintenance	127,900	64,845	63,055	49%	107,900	(20,000)	(16%)
Printing & Postage	141,600	179,917	(38,317)	(27%)	172,200	30,600	22%
Training & Education	139,400	89,089	50,311	36%	130,000	(9,400)	(7%)
Travel & Transportation	190,000	99,601	90,399	48%	210,600	20,600	11%
Insurance	361,800	281,514	80,286	22%	352,400	(9,400)	(3%)
<b>Total Office Expenses</b>	<b>1,683,500</b>	<b>1,408,302</b>	<b>275,198</b>	<b>16%</b>	<b>1,739,800</b>	<b>56,300</b>	<b>3%</b>
Information Technology Systems:							
Support Service & Software Contracts	763,100	675,177	87,923	12%	714,700	(48,400)	(6%)
Hardware & Equipment Maintenance	48,300	19,156	29,144	60%	97,300	49,000	101%
Project Consulting	433,000	631,225	(198,225)	(46%)	452,000	19,000	4%
<b>Total IT Systems</b>	<b>1,244,400</b>	<b>1,325,558</b>	<b>(81,158)</b>	<b>(7%)</b>	<b>1,264,000</b>	<b>19,600</b>	<b>2%</b>
Assets Depreciation	305,200	222,687	82,513	27%	481,000	175,800	58%
<b>Total CCCERA Expenses</b>	<b>\$18,672,600</b>	<b>\$16,157,304</b>	<b>\$2,515,296</b>	<b>13%</b>	<b>\$19,563,000</b>	<b>\$890,400</b>	<b>5%</b>

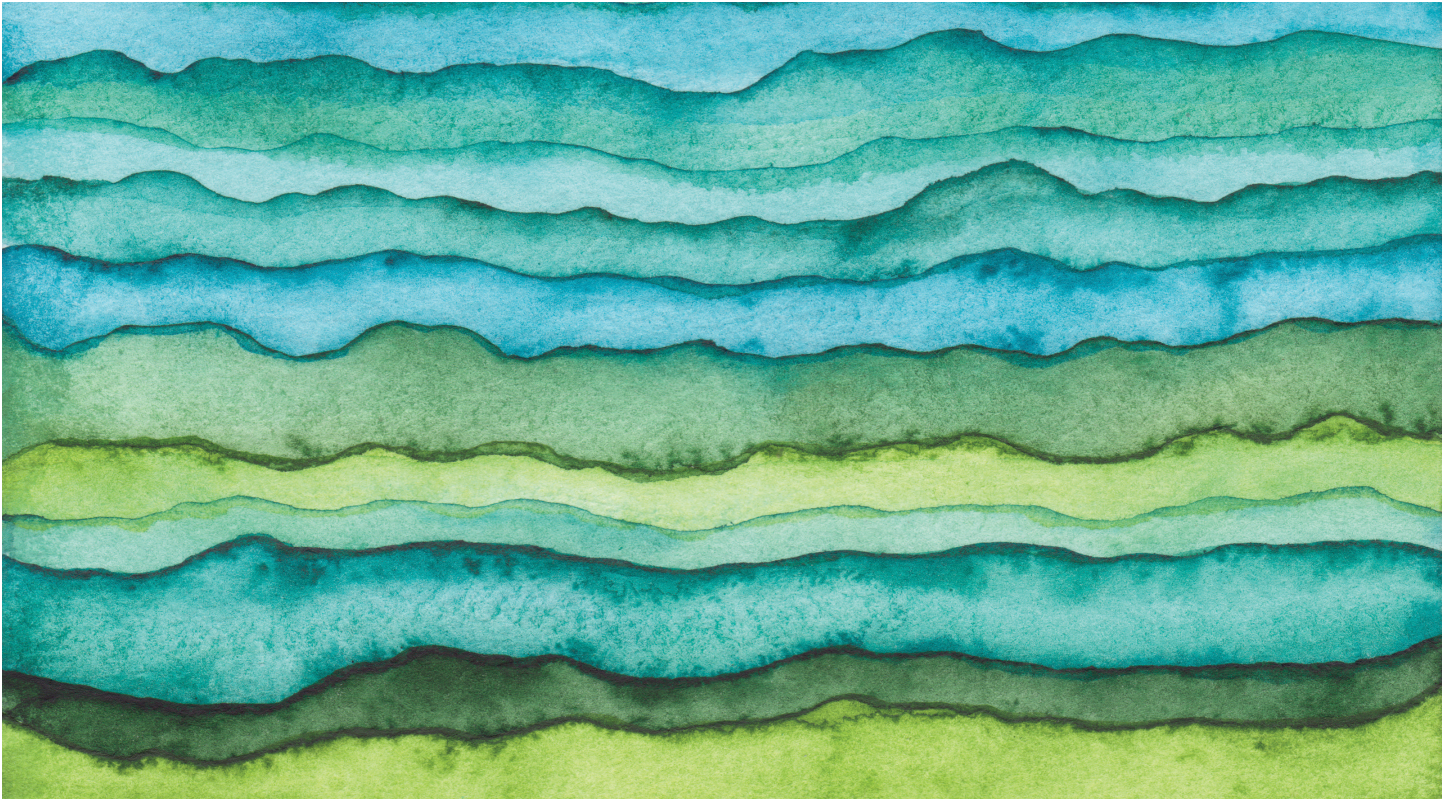


**2023  
PROPOSED  
ADMINISTRATIVE BUDGET**

## 2023 PROPOSED ADMINISTRATIVE BUDGET

### 2023 PROPOSED ADMINISTRATIVE BUDGET

	2022 Budget	2022 Estimate	\$ Budget Remaining	% Budget Remaining	2023 Proposed Total Budget	\$ Change 2022 Budget	% Change 2022 Budget
<b>Personnel Services:</b>							
Salaries and Wages	\$5,906,100	\$5,259,491	\$646,609	11%	\$6,427,000	\$520,900	9%
Employee Benefits and Retirement	4,250,200	3,723,436	526,764	12%	4,439,700	189,500	4%
<b>Total Personnel Services</b>	<b>10,156,300</b>	<b>8,982,927</b>	<b>1,173,373</b>	<b>12%</b>	<b>10,866,700</b>	<b>710,400</b>	<b>7%</b>
<b>Operational Expenses:</b>							
Professional Services							
Audit Services	56,000	62,659	(6,659)	(12%)	65,000	9,000	16%
Benefit Statements	75,000	88,189	(13,189)	(18%)	88,000	13,000	17%
Disability Hearing/Medical Reviews	160,000	19,439	140,561	88%	136,000	(24,000)	(15%)
Other Professional Services	60,100	44,459	15,641	26%	72,800	12,700	21%
Total Professional Services	351,100	214,745	136,355	39%	361,800	10,700	3%
Office Expenses:							
Office Lease	502,000	504,269	(2,269)	-	517,000	15,000	3%
Telephone & Internet Services	102,000	78,607	23,393	23%	117,600	15,600	15%
Equipment Lease & Maintenance	22,500	18,148	4,352	19%	22,500	-	-
Furniture & Equipment	7,000	504	6,496	93%	18,500	11,500	164%
Office Supplies & Maintenance	116,000	61,817	54,183	47%	98,000	(18,000)	(16%)
Printing & Postage	140,400	179,837	(39,437)	(28%)	172,000	31,600	23%
Training & Education	125,900	74,879	51,021	41%	109,500	(16,400)	(13%)
Travel & Transportation	90,000	54,205	35,795	40%	105,600	15,600	17%
Insurance	361,800	281,514	80,286	22%	352,400	(9,400)	(3%)
Total Office Expenses	1,467,600	1,253,780	213,820	15%	1,513,100	45,500	3%
Information Technology Systems:							
Support Service & Software Contracts	439,400	466,273	(26,873)	(6%)	483,700	44,300	10%
Hardware & Equipment Maintenance	36,400	19,156	17,244	47%	90,800	54,400	149%
Project Consulting	428,000	631,225	(203,225)	(47%)	447,000	19,000	4%
Total IT Systems	903,800	1,116,654	(212,854)	(24%)	1,021,500	117,700	13%
Assets Depreciation	249,500	173,728	75,772	30%	408,000	158,500	64%
<b>Total Administrative Expenses</b>	<b>\$13,128,300</b>	<b>\$11,741,834</b>	<b>\$1,386,466</b>	<b>11%</b>	<b>\$14,171,100</b>	<b>\$1,042,800</b>	<b>8%</b>



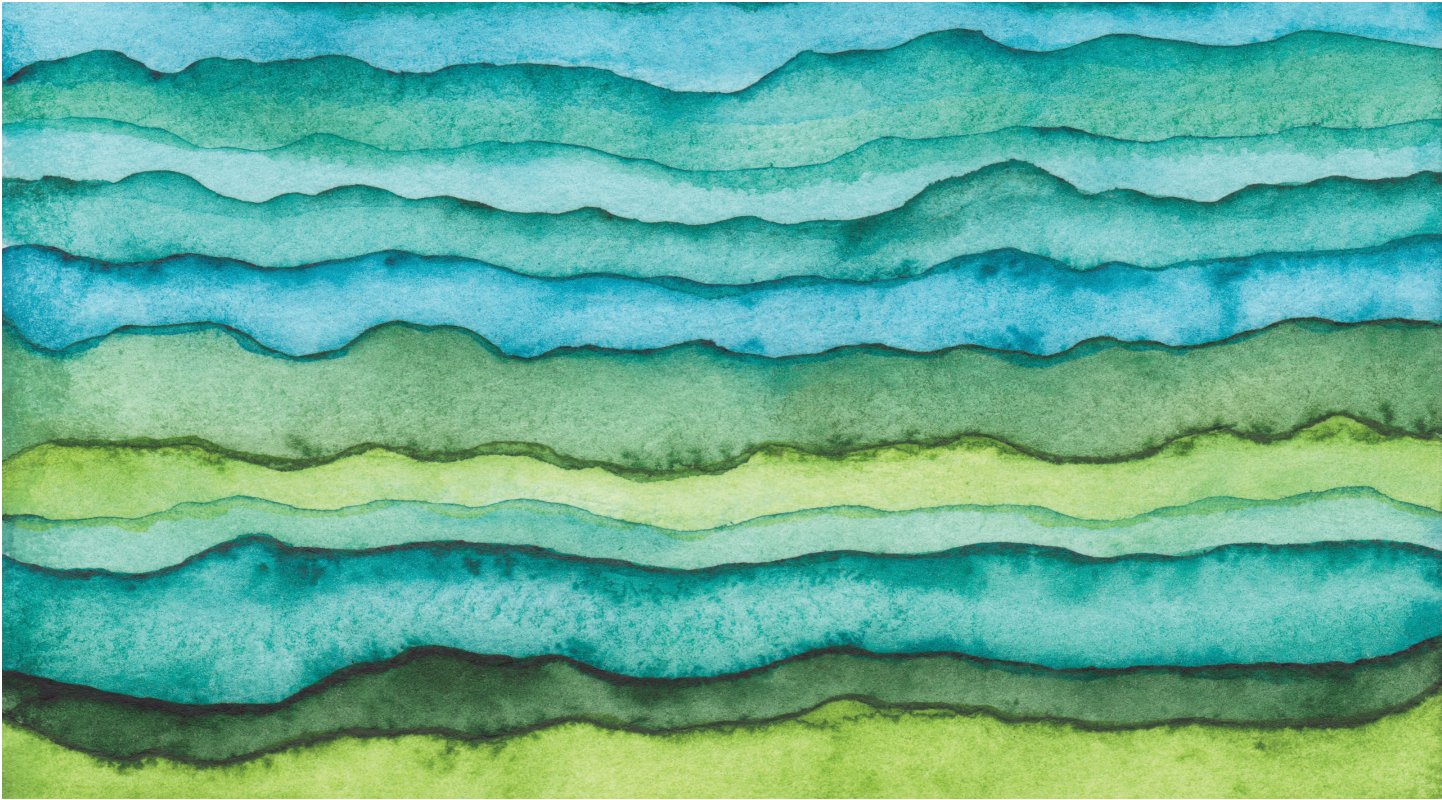
**2023**  
**PROPOSED**  
**NON-ADMINISTRATIVE BUDGET**  
Investments, Legal, and IT Disaster Recovery Program

## 2023 PROPOSED NON-ADMINISTRATIVE BUDGET

### 2023 PROPOSED NON-ADMINISTRATIVE BUDGET

#### Investments, Legal, and Disaster Recovery Program

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



# **2023 PROPOSED CAPITAL BUDGET**

## 2023 PROPOSED CAPITAL BUDGET

### 2023 PROPOSED CAPITAL BUDGET

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

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

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



## MEMORANDUM

Date: December 14, 2022  
To: CCCERA Board of Retirement  
From: Karen Levy, General Counsel  
Subject: Continuing teleconference meetings under Government Code section 54953 (e)

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### Background

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

### Proclaimed State of Emergency and Health and Safety Guidance

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

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

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



The Contra Costa County Health Officer updated its recommendations for safely holding public meetings on November 1, 2022. The recommendations continue to include measures to promote social distancing. (See Attachment B, Health Officer's Recommendations.) The Health Officer has recommended as follows:

Online meetings (i.e. teleconferencing meetings) are encouraged, where practical, as these meetings present the lowest risk of transmission of SARS CoV-2, the virus that causes COVID 19. This is particularly important when community prevalence rates are high. Our current trends as of November 1, 2022 in Covid-19 case rate, test positivity, Covid-19 hospitalizations, and COVID-19 wastewater surveillance have decreased and are stable, but there continues to be COVID-19 in the community at a stable rate and changes in case rate, test positivity, COVID-19 hospitalization and wastewater surveillance may change or increase rapidly. In addition to this, the predominant variant of COVID-19 being identified continues to be the Omicron variant and it's subvariants the impact of which on the spread of COVID-19 has shown to dramatically increase COVID-19 transmission.

### **Recommendation**

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

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

# *Attachment*

**A**

# Governor Newsom to End the COVID-19 State of Emergency

Published: Oct 17, 2022

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

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

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

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

## [SMARTER Plan progress update](#)

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

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

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

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

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

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

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

###

*Attachment*

*B*

### Recommendations for safely holding public meetings

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

1. Online meetings (i.e. teleconferencing meetings) are encouraged, where practical, as these meetings present the lowest risk of transmission of SARS CoV-2, the virus that causes COVID 19. This is particularly important when community prevalence rates are high. Our current trends as of November 1, 2022 in Covid-19 case rate, test positivity, Covid-19 hospitalizations, and Covid-19 wastewater surveillance are have decreased and are stable, but there continues to be COVID-19 in the community at a stable rate and changes in case rate, test positivity, COVID-19 hospitalization and wastewater surveillance may change or increase rapidly. In addition to this, the predominant variant of Covid-19 being identified continues to be the Omicron variant and it's subvariants the impact of which on the spread of Covid-19 has shown to dramatically increase COVID-19 transmission.
2. If a local agency determines to hold in-person meetings, offering the public the opportunity to attend via a call-in option or an internet-based service option is recommended, when possible, to give those at higher risk of and/or higher concern about COVID-19 an alternative to participating in person.
3. A written safety protocol should be developed and followed. It is recommended that the protocol require social distancing, where feasible – i.e. six feet of separation between attendees; and consider requiring or strongly encouraging face masking of all attendees and encouraging attendees to be up-to-date on their COVID-19 vaccine.
4. Seating arrangements should allow for staff and members of the public to easily maintain at least six-foot distance from one another at all practicable times.
5. Consider holding public meetings outdoors. Increasing scientific consensus is that outdoor airflow reduces the risk of COVID-19 transmission compared to indoor spaces. Hosting events outdoors also may make it easier to space staff and members of the public at least 6 feet apart. If unable to host outdoors, consider ways to [increase ventilation and flow](#) of the indoor space to reduce the risk of COVID-19 while indoors.
6. Current evidence is unclear as to the added benefit of temperature checks in addition to symptom checks. We encourage focus on symptom checks as they may screen out individuals with other Covid-19 symptoms besides fever and help reinforce the message to not go out in public if you are not feeling well.
7. Consider a voluntary attendance sheet with names and contact information to assist in contact tracing of any cases linked to a public meeting.

Revised 11-1-2022

*Sefanit Mekuria*

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





Meeting Date  
**12/14/2022**  
Agenda Item  
**#13**

## MEMORANDUM

Date: December 14, 2022  
To: CCCERA Board of Retirement  
From: Christina Dunn, Deputy Chief Executive Officer  
Subject: Consider and take possible action to adopt the amended Testing For Continued Benefit After Retirement Policy

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### **Background**

The Testing For Continued Benefit After Retirement Policy (Policy) was adopted in 1997 and amended in 2002. The Policy has been updated to the current CCCERA policy formatting, the applicable CERL sections have been added, and clarification of the procedure has been provided.

### **Recommendation**

Consider and take possible action to adopt the amended Testing For Continued Benefit After Retirement Policy.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD  
OF RETIREMENT

**TESTING FOR CONTINUED BENEFIT AFTER RETIREMENT**

ADOPTED: 7/8/97

AMENDED: 3/7/02

PROCESS. PURPOSE:

This ~~document provides Retirement Board~~ policy is intended to set forth the process concerning prospective testing for continued benefit eligibility after a disability benefit has been granted.

GENERAL AUTHORITY OF THE BOARD:II. APPLICABLE LAW

Government Code section 31729 provides as follows:

The board may require any disability beneficiary under age 55 to undergo medical examination. The examination shall be made by a physician or surgeon appointed by the board at the place of residence of the beneficiary or other place mutually agreed upon. Upon the basis of the examination the board shall determine whether the disability beneficiary is still physically or mentally incapacitated for service in the office or department of the county or district where he was employed and in the position held by him when retired for disability.

Government Code section 31730 provides:

If the board determines that the beneficiary is not incapacitated, and his or her employer offers to reinstate that beneficiary, his or her retirement allowance shall be canceled forthwith, and he or she shall be reinstated in the county service pursuant to the regulations of the county or district for reemployment of personnel.

Government Code section 31731 provides:

If any disability beneficiary under age 55 refuses to submit to medical examination, his pension shall be discontinued until his withdrawal of such refusal, and if his refusal continues for one year, his retirement allowance shall be canceled.

~~The board may require any recipient of a disability retirement benefit under the age of 55 to undergo a medical examination to determine if the beneficiary is still physically or mentally incapacitated for service in the office or department of the county or district where he or she was employed and in the position held by the beneficiary when retired for disability. (Govt. Code section 31729)~~

III. POLICY:

It is the policy of the Board that recipients of disability retirement benefits under the age of 55 be subject to periodic review to determine whether the ~~beneficiary~~ member continues to be disabled under the applicable criteria.

IV. PROCEDURE:



1. Upon the Board granting an application for disability retirement, the Association shall give written notice to the beneficiary-member that the disability retirement benefit will be reviewed pursuant to Government Code section 31729.
2. In carrying out this policy, the Association shall comply with the provisions of the Confidentiality of Medical Information Act. (Civil Code sections 56 et seq.)
3. No reexamination of the beneficiary's-member's medical status will be conducted unless the Association has established in advance that the employer is willing to reinstate the member.

~~A tierler system will be established to track beneficiaries subject to review, biennially, in the month the Board took action to grant the disability.~~

4. Medical records pertaining only to the claimed disability of the beneficiary-member will be reviewed, and if needed medical appointment (s) will be scheduled in the beneficiary's-member's county or city of residence, with one or more physicians designated by the Board.
5. If the member's employer offers to reinstate the member, and if the Board determines that the member is not incapacitated, the member's retirement allowance will be canceled immediately, and the member will be reinstated in the county or district service.
6. If any member under age 55 receiving disability retirement benefits refuses to submit to medical examination or provide medical records, the member's pension will be discontinued until the withdrawal of such refusal, and if the refusal continues for one year, the retirement allowance will be canceled.
7. Appeals are administered per Section 3 of the CCCERA Disability Retirement Application Hearing Policy.
8. Members subject to review under this policy will be notified and reviewed biennially.
9. The Board will review statistics on department and rehabilitation efforts, as well as all actions occurring due to this policy on an an semi-annual basis as part of its review of disability statistics.

## V. REVIEW

This Policy shall be subject to Board review every three years.

## II. HISTORY

Adopted: 07/08/1997

Amended: 03/07/2002, xx/xx/xxxx

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD  
OF RETIREMENT

**TESTING FOR CONTINUED BENEFIT AFTER RETIREMENT**

I. PURPOSE

This policy is intended to set forth the process concerning prospective testing for continued benefit eligibility after a disability benefit has been granted.

II. APPLICABLE LAW

Government Code section 31729 provides as follows:

The board may require any disability beneficiary under age 55 to undergo medical examination. The examination shall be made by a physician or surgeon appointed by the board at the place of residence of the beneficiary or other place mutually agreed upon. Upon the basis of the examination the board shall determine whether the disability beneficiary is still physically or mentally incapacitated for service in the office or department of the county or district where he was employed and in the position held by him when retired for disability.

Government Code section 31730 provides:

If the board determines that the beneficiary is not incapacitated, and his or her employer offers to reinstate that beneficiary, his or her retirement allowance shall be canceled forthwith, and he or she shall be reinstated in the county service pursuant to the regulations of the county or district for reemployment of personnel.

Government Code section 31731 provides:

If any disability beneficiary under age 55 refuses to submit to medical examination, his pension shall be discontinued until his withdrawal of such refusal, and if his refusal continues for one year, his retirement allowance shall be canceled.

III. POLICY

It is the policy of the Board that recipients of disability retirement benefits under the age of 55 be subject to periodic review to determine whether the member continues to be disabled under the applicable criteria.

IV. PROCEDURE

1. Upon the Board granting an application for disability retirement, the Association shall give written notice to the member that the disability retirement benefit will be reviewed pursuant to Government Code section 31729.
2. In carrying out this policy, the Association shall comply with the provisions of the Confidentiality of Medical Information Act. (Civil Code sections 56 et seq.)

3. No reexamination of the member's medical status will be conducted unless the Association has established in advance that the employer is willing to reinstate the member.
4. Medical records pertaining only to the claimed disability of the member will be reviewed, and if needed medical appointment (s) will be scheduled in the member's county or city of residence, with one or more physicians designated by the Board.
5. If the member's employer offers to reinstate the member, and if the Board determines that the member is not incapacitated, the member's retirement allowance will be canceled immediately, and the member will be reinstated in the county or district service.
6. If any member under age 55 receiving disability retirement benefits refuses to submit to medical examination or provide medical records, the member's pension will be discontinued until the withdrawal of such refusal, and if the refusal continues for one year, the retirement allowance will be canceled.
7. Appeals are administered per Section 3 of the CCCERA Disability Retirement Application Hearing Policy.
8. Members subject to review under this policy will be notified and reviewed biennially.
9. The Board will review statistics on department and rehabilitation efforts, as well as all actions occurring due to this policy on an annual basis as part of its review of disability statistics.

## **V. REVIEW**

This Policy shall be subject to Board review every three years.

## **II. HISTORY**

Adopted: 07/08/1997

Amended: 03/07/2002, xx/xx/xxxx



Memorandum

Date: December 14, 2022

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer

Subject: Update on Private Equity and Real Estate Allocations

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**Overview**

CCCERA recently made commitments to one private equity fund and one real estate strategy using the delegated authority granted in the Investment Policy Statement. A brief description of each fund/strategy is included below. This memo is for informational purposes only and no action is required from the Board at this time.

**Investment Policy Statement**

The CCCERA Investment Policy Statement adopted by the Board on September 28, 2016 (amended on April 24, 2019 and May 26, 2021) outlines the hiring process for new investment mandates. Commitments up to a \$150 million per strategy may be approved via a staff review process, while mandates above this threshold require approval by the Board.

**EQT X**

The EQT strategy focuses on mid-to-large market buyout opportunities in its core European markets (~70%) and will also seek to make investments in the US (~30%), primarily within the healthcare, technology, and business services sectors. EQT leverages the Firm's network of over 600 Industrial Advisors to support the development of portfolio companies. The firm is headquartered in Stockholm, with an additional 11 global offices. The firm is targeting a total fund raise of €21 billion. CCCERA committed \$100 mm to this fund.

**Blackstone Strategic Partners Real Estate Fund VIII**

SPRE VIII is a closed-end value-add real estate fund focused on North America. SPRE VIII is Blackstone's secondary real estate fund with target IRR of mid-to-high teens which aims to acquire real estate properties or fund interests from pre-existing portfolio that may have reached the end of their fund life. CCCERA committed \$80 mm to this fund.



## MEMORANDUM

Date: December 14, 2022  
To: CCCERA Board of Retirement  
From: Karen Levy, General Counsel  
Subject: Legislation Update

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### Background

The California Legislature has adjourned its 2021-2022 legislative session. The last day for the Governor to sign or veto bills was September 30, 2022. Below is a summary of enacted legislation that may be of interest to CCCERA. Legislation that is enacted generally becomes effective on January 1, 2023, unless it is an urgency legislation.

#### **AB 551 (Rodriguez) Disability retirement: COVID-19: presumption.**

This bill extended the COVID-19 disability presumption from its current sunset of January 1, 2023 to January 1, 2024. The COVID-19 disability presumption was created effective January 1, 2022 pursuant to AB 845. It created a rebuttable presumption for disability retirements due to a COVID-19 related illness that the disability arose out of the member's employment.

**Status:** Enacted. Effective 1/1/2023. Sunset/repeal: 1/1/2024.

#### **AB 1824 Committee on Public Employment and Retirement (Cooper, Voepel, Calderon, Cooley, O'Donnell, Seyarto). Public employees' retirement.**

This bill was sponsored by the State Association of County Retirement Systems (SACRS). It is the annual omnibus bill to propose technical housekeeping amendments to the County Employees Retirement Law of 1937 (CERL), which authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL vests management of the retirement systems created pursuant to its provisions in a board of retirement.

1. CERL requires, upon the death of a member, the payment of a retirement allowance earned but not yet paid to a member to be paid to the member's designated beneficiary. CERL requires, upon the death of a person receiving a survivor's allowance, the payment of any allowance earned but not yet paid to the survivor to be paid to the survivor's designated beneficiary. This bill amends Government Code section 31452.7 to include a corporation, a trust, or an estate in the definition of "beneficiary" for purposes of these provisions.

2. CERL restricts the types of employment for which members may receive credit for service and restricts credit for other employment in public service based upon whether the member is entitled to receive a pension or retirement allowance from another public agency. If a member elects to contribute to obtain credit for other employment in another public agency, CERL requires certification, as specified, of the fact that the pension or retirement allowance will not accrue to the member by virtue of the member's employment. This bill specifies that the provisions described above do not prohibit a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service. It amends Government Code Section 31641.4. to provide that a member will not be prohibited "from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service. It is intended that this section be consistent with the holdings in *Cantwell v. San Mateo County* (1980) 631 F.2d 631." In the *Cantwell* case, the court held that a county employee, who prior to his employment by the county had served on active duty in the United States navy and who after leaving active navy service had served in the naval reserve, was entitled to receive credit in county retirement system for his prior active navy service, despite Section 31641.1 which provided that credit for prior public service was to be allowed only if the employee was not entitled to receive a pension from the public agency for which he previously worked.
3. CERL prescribes a process for purposes of establishing a date of retirement with reference to safety members. CERL authorizes a safety member to be retired upon the occurrence of certain events and the filing, with the retirement board, of a written application setting forth the date upon which the member desires their retirement to become effective. CERL prohibits this date from being more than 60 days after the date of filing the application. This bill clarifies the restrictions on the above-described effective retirement date to prohibit the retirement date from being earlier than the date the application is filed with the board or more than 60 days after the date of filing the application or more than a number of days that has been approved by the board. The bill so amended Government Code Sections 31663.25 and 31663.26.
4. CERL authorizes the payment of a death benefit upon the death of a member while in service. CERL prescribes the components of the death benefit, which are a member's accumulated contributions and an amount, provided from contributions by a county or district, calculated pursuant to a specified method, not to exceed 50% of annual compensation earnable or pensionable compensation of the deceased. This bill amended the law (Government Code Sections 31761, 31762, 31763, 31764 and 31781) to require, in connection with the calculation of the death benefit, that the computation for any absence

be based on the compensation of the position held by the member at the beginning of the absence.

5. This bill also made non-substantive style and technical changes.

**Status:** Enacted. Effective 1/1/2023.

**AB 1971 (Cooper) County Employees Retirement Law of 1937.**

This bill was also sponsored by SACRS and contains the following provisions:

1. The CERL authorizes a member who returns to active service following an uncompensated leave of absence on account of illness or parental leave to receive service credit for the period of the absence upon the payment of the contributions, as specified. CERL prescribes limits on these benefits and processes for making contributions. CERL authorizes the provision of service credit to members in other specified instances while generally providing that a person is not entitled to service credit for time the person was not in service. This bill allows a member who returns to active service following an uncompensated leave of absence because of the serious illness of a family member when the absence is eligible for coverage, as specified, to receive service credit for the period of the absence, upon the payment of the member and employer contributions that would have been paid during that period, together with the interest that would have been earned. The bill prescribes requirements for, and limits on, this benefit and conditions its operation on approval by resolution, as specified, by the county board of supervisors. This bill amended Government Code section 31646.
2. This bill authorizes the board to grant members who are subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the members would have been entitled in the absence of the temporary mandatory furlough. The bill authorizes the board to condition this grant on specified factors. This bill added Government Code section 31646.2.
3. The CERL generally prohibits a member retired from service from being paid for service rendered to a county or district after retirement, subject to certain exceptions, and prescribes requirements for reinstatement into a retirement system upon reemployment. CERL and PEPRA authorize reemployment of, and service by, retired members in certain capacities after retirement without reinstatement into the applicable retirement system, and prescribe limits on this service. This bill authorizes a person who is retired and receiving a retirement benefit from a county system to serve as a non-salaried member without reinstatement for service on a parttime board commission, as specified. The bill prohibits a retired person acting in this capacity from acquiring benefits, service credit, or retirement rights with respect to the service, but authorizes the receipt of any per diem that is authorized to all members of the board or commission. This bill added Government Code section 31680.16.

4. The CERL regulates disability retirements and authorizes a retirement board to grant a service retirement allowance pending the determination of the entitlement to disability retirement. If a member is found eligible for disability retirement, CERL requires that appropriate adjustments be made in the member's retirement allowance retroactive to the effective date of their disability retirement. CERL prohibits this authorization from being construed to authorize a member to receive more than one type of retirement allowance for the same period of time or to entitle a beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive. This bill would apply specified provisions in this regard to a member retired for service who subsequently files an application for disability retirement and, if the member is found to be eligible for disability retirement, would require appropriate adjustments to be made in the retirement allowance retroactive to the effective date of the disability retirement. This bill amended Government Code section 31725.7.
5. The CERL authorizes a member or a retired member, until the first payment of a retirement allowance is made, to elect to have the actuarial equivalent of a retirement allowance, as of the date of retirement, applied to a lesser retirement allowance payable throughout life in accordance with specified optional settlements. This bill authorizes a member retired for service who is subsequently granted a disability retirement to change the type of optional or unmodified allowance that they elected at the time the service retirement was granted. This bill amended Government Code section 31760.

**Status:** Enacted. Effective 1/1/2023.

**AB 2449 Open meetings: local agencies: teleconferences.**

**Introduced by Assembly Member Blanca Rubio**

Assembly Bill 2449 provides alternative teleconference procedures *in addition* to those allowed by AB 361/State of Emergency rules and those allowed by traditional teleconferencing rules. Pursuant to AB 2449:

- At least a quorum of the members of the legislative body must participate in person from a singular physical location identified on the agenda, which location will be open to the public and within the boundaries of the local agency;
- A board member may only teleconference for publicly disclosed "just cause" or in "emergency circumstances" approved by the legislative body; and
- A board member may only teleconference for a limited number of meetings.
- Board members participating remotely must do so through both audio and visual technology and must publicly disclose whether any individual over the age of 18 is present at the remote location with the board member.



AB 2449 goes into effect on January 1, 2023. It allows the legislative body of a local agency to use teleconferencing without complying with the traditional Brown Act teleconferencing rules or the AB 361/State of Emergency rules in certain circumstances. The legislative body must provide either a two-way audiovisual platform *or* two-way telephonic service and a live webcasting of the meeting to allow the public to remotely hear and visually observe the meeting, and remotely address the legislative body. The agenda must identify and include an opportunity for the public to attend via a call-in option, internet-based service option, and at the in-person location of the meeting.

AB 2449 allows a member of the legislative body to participate remotely if one of the following are met:

- the board member ***notifies*** the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for "just cause" (as defined by AB 2449), including a general description of the circumstances relating to their need to appear remotely at the given meeting; or
- the board member ***requests*** the legislative body to allow them to participate in the meeting remotely due to "emergency circumstances" and the legislative body takes action to approve the request. The legislative body must request a general description (generally not exceeding 20 words) of the circumstances relating to their need to appear remotely at the given meeting.

"Just cause" is limited to one or more of the following: (i) a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely; (ii) a contagious illness that prevents a board member from attending in person; (iii) a need related to a physical or mental disability as defined by statute; or (iv) travel while on official business of the legislative body or another state or local agency.

Limitation: A board member is limited to two virtual attendances based on "just cause" per calendar year. Gov't Code § 54953(f)(2)(A)(i).

"Emergency circumstances" means a physical or family medical emergency that prevents a board member from attending in person.

Additional limitation: AB 2449's teleconference procedures may not be used by a member of the legislative body to teleconference for a period of more than three consecutive months or 20% of the regular meetings within a calendar year, or more than two meetings if the legislative body meets fewer than 10 times per calendar year.

AB 2449 allows the legislative body to take action on items of business not appearing on the posted agenda if the action is for a board member to participate in a meeting remotely due to emergency circumstances and the request does not allow sufficient time to place the proposed

action on the posted agenda for the meeting for which the request is made. The legislative body may approve such a request by a majority vote.

The remote meeting rules enacted in AB 361 will expire on January 1, 2024. AB 2449's rules remain in effect through 2025. After January 1, 2026, unless further legislation is adopted, only the pre-pandemic, traditional Brown Act rules will remain in effect.

**Status:** Enacted. Effective 1/1/2023. Sunset/repeal: 1/1/2026.

**AB 2647 (Levine) – Local government: open meetings.**

The Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. The California Public Records Act requires state and local agencies to make public records available for inspection, subject to specified criteria, and with specified exceptions. Under current law, agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board less than 72 hours before a meeting available for public inspection, as specified, at a public office or location that the agency designates.

This bill clarifies that writings distributed to the members of the governing board less than 72 hours before the meeting can be posted on the local agency's internet website if physical copies are made available for public inspection at the beginning of the next regular business hours at a public office or designated location.

**Status:** Enacted. Effective 1/1/2023.

**SB 1100 (Cortese) – Open meetings: orderly conduct.**

The Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Existing law requires every agenda for regular meetings of a local agency to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body. Existing law authorizes the legislative body to adopt reasonable regulations to ensure that the intent of the provisions relating to this public comment requirement is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. Existing law authorizes the members of the legislative body conducting the meeting to order the meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting. This bill authorizes the presiding member of the legislative body conducting a meeting to remove an individual for disrupting the meeting. The bill, except as provided, requires removal to be preceded by a warning to the individual by the presiding member of the legislative body or their designee that the individual's behavior is disrupting the meeting and that the individual's failure to cease their behavior may result in their removal. The bill

authorizes the presiding member or their designee to then remove the individual if the individual does not promptly cease their disruptive behavior. The bill contains the following definitions:

(1) “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following:

(A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law.

(B) Engaging in behavior that constitutes use of force or a true threat of force.

(2) “True threat of force” means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

**Status:** Enacted. Effective 1/1/2023.

**Recommendation**

Receive and File.

FEBRUARY 13 - 15 | BOCA RATON, FLORIDA

# FORUM2023

## Still We Rise

### PREVIEW AND CONFERENCE PLANNER

Forum 2023 is the preeminent annual conference for institutional investors. We are providing multiple venues for each participant to engage and access useful content:

- General sessions moderated by leading industry professionals with panels populated by recognized thought leaders
- Major addresses by, or exclusive interviews with, influential representatives from academia, public policy and government
- Breakout sessions, all focused on timely, high priority issues for institutional investors
- Informal networking breakfasts and lunches providing opportunities to engage in peer discussion on topics of your choosing

#### Agenda At-A-Glance

##### Monday, February 13th

2:30 – 3:15 pm	Private Equity Strategy Update Sessions I	6:00 – 9:15 pm	Banyan Bunch Kids Program (ages 3-12)
3:30 – 4:15 pm	Private Equity Strategy Update Sessions II	6:00 – 7:00 pm	Cocktail Reception
4:30 – 5:15 pm	Private Equity Strategy Update Sessions III	7:00 – 9:00 pm	Dinner & Featured Speaker

##### Tuesday, February 14th

8:00 – 9:00 am	Breakfast Sessions	3:00 – 4:00 pm	CIO Roundtable
9:15 – 10:00 am	Global Economy: Uncertainty Everywhere	6:00 - 7:00 pm	Cocktail Reception
10:30 – 11:30 am	Secular Changes and Challenges Facing Nonprofits Today	6:00 - 9:15 pm	Banyan Bunch Kids Program (ages 3-12)
11:45 – 1:00 pm	Topical Luncheons	7:00 – 9:00 pm	Dinner & Featured Speaker
1:30 – 2:30 pm	The Promise of Web 3.0, Blockchain and Crypto		

##### Wednesday, February 15th

8:00 – 9:00 am	Featured Breakfast Presentation   HBCU Presidents Panel: Rising to the Occasion	11:00 – 11:45 am	Breakout Sessions II
9:30 – 10:30 am	Breakout Sessions I	12:00 – 1:30 pm	Closing Luncheon: Implications of the Russia-Ukraine War

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**Your path to thought-provoking discussions on navigating today's return environment while funding spending and liabilities.**

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**Featured Speakers**

**Rising Despite Adversity**

Haben Girma  
Human Rights Lawyer Advancing Disability Justice

**Implications of the Russia-Ukraine War**

Vladimir Duthiers  
Correspondent and Anchor, CBS News  
Richard Haass  
President, Council on Foreign Relations

Zanny Minton Beddoes  
Editor-in-Chief, *The Economist*

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**General Sessions**

**Global Economy: Uncertainty Everywhere**

Our distinguished panel of thought leaders will share their views on the path forward and the implications for fiduciaries as they contemplate investment policy and asset allocations decisions.

**Secular Changes and Challenges Facing Nonprofits Today**

Our panel of experts will delve into the implications of these momentous changes, both financially and operationally, focusing on where they see potential solutions and how their organizations are strategically addressing the challenges.

**The Promise of Web 3.0, Blockchain and Crypto**

In this session we will explore the possibilities and the promise of this new technology, including the potential opportunities for investors.

**HBCU Presidents Panel: Rising to the Occasion**

Our discussion will be wide-ranging, covering topics including building the necessary infrastructure, creating career and financial pathways, and initiatives to both preserve and grow the important missions of HBCUs.

**CIO Roundtable**

Our distinguished panel of CIOs will share their perspectives on portfolio management, discuss their best investment ideas, and describe how they are imagining the future of investment stewardship.

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**Topical Luncheons**

- › Europe: The Quintessential Value Play
- › The New Cyberthreat Landscape
- › The Sun Also Rises...Uncovering Credit Opportunities in Challenging Markets

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**Concurrent Breakout Sessions**

- › Private Equity Buyouts: Operational Expertise Unlocks Value
- › Investing into Energy Security
- › Responsible Investing: Frameworks for Success
- › Get Big Things Done: The Power of Connectional Intelligence
- › Hedge Funds: Is Now Their Time to Shine?
- › Harnessing Explosive Growth in the Secondaries Market

Scan the QR code to learn more about the program.



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TRAVEL NOTES: There is no charge for attending Commonfund Forum, nor is there a charge for meals associated with the conference, subject to the gift policies of attending institutions. Individuals are responsible for their travel to and from the Forum and for their room and any personal charges. Spouses and children are welcome (conference sessions are available only to registrants) Commonfund is pleased to offer a special room rate of \$399 (plus taxes).

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