



**AGENDA**

**RETIREMENT BOARD MEETING**

REGULAR MEETING  
June 13, 2018  
9:00 a.m.

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

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

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the May 9, 2018 meeting.
4. Routine items for June 13, 2018.
  - a. Approve certifications of membership.
  - b. Approve service and disability allowances.
  - c. Accept disability applications and authorize subpoenas as required.
  - d. Approve death benefits.
  - e. Accept Asset Allocation Report.
  - f. Accept Liquidity Report.

***CLOSED SESSION***

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

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Mark Butti	Service Connected	Service Connected
b. Idrissa Lattier	Non-Service Connected	Non-Service Connected

6. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
  - a. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al.*, Supreme Court of the State of California, Case No. S247095
  - b. *Peter J. Nowicki v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. C17-01266
  - c. *Odette Batis v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N18-0553

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.

- d. *CCCERA v. Theodore Fleming*, Contra Costa County Superior Court, Case No. CIV MSC16-01143
- e. *CCCERA, et al. v. Valeant Pharms. Int'l, Inc., et al.*, United States District Court, New Jersey (3:17-cv-12088)

***OPEN SESSION***

- 7. Consider and take possible action to authorize the CEO to terminate a contract with Jackson Walker, LLP for Investment Legal Counsel.
- 8. Legislative update.
- 9. Presentation on customer service standards.
- 10. Consider authorizing the attendance of Board:
  - a. 2018 Annual Limited Partners Meeting, DLJ Real Estate Capital Partners, July 17, 2018, Los Angeles, CA.
  - b. 2018 Public Pension Funding Forum, National Conference on Public Employee Retirement Systems, September 16-18, 2018, Boston, MA.
- 11. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' comments

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



Meeting Date  
**6/13/18**  
Agenda Item  
**#3**

MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING  
May 9, 2018  
9:00 a.m.

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

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

Absent: None

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

Outside Professional Support: None  
Representing:

1. Pledge of Allegiance

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

2. Accept comments from the public

No member of the public offered comment.

3. Approval of Minutes

A revised copy of the March 28, 2018 minutes was distributed with a correction to Item 3, Approval of Minutes, changing the date in the first sentence to February 28, 2018.

It was **M/S/C** to approve the revised March 28, 2018 meeting minutes and the April 11, 2018 meeting minutes. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts).

4. Routine Items

It was **M/S/C** to approve the routine items of the May 9, 2018 meeting. (Yes: Gordon, Holcombe, Kwon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

Andersen and Pigeon were present for subsequent discussion and voting.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54957.6 and 54956.9(d)(1).

The Board moved into open session.

5. There was no reportable action related to Govt. Code Section 54957.6.
6. There was no reportable action related to Govt. Code Section 54956.9(d)(1).
7. **Consider and take possible action to authorize the CEO to execute contracts with Nossaman LLP; The Law Office of Vivian Shultz; and Laughlin, Falbo, Levy & Moresi LLP for legal services relating to disability retirement and non-disability hearing matters**

Strohl reviewed the background on issuing the RFP for Disability Retirement Legal Services noting that a staff committee interviewed five of the seven firms that submitted proposals. She stated the staff committee is recommending three firms. The three finalist firms were present to provide background on their firms and to answer any questions the Board may have.

Vivian Shultz, The Law Office of Vivian Shultz, stated she is the principal attorney in an office based in San Diego. She has been practicing disability law for 14 years. She reviewed her background on disability cases noting the majority of her practice is CERL disability cases.

John Kennedy, Nossaman LLP, stated he is a partner in the firm and works out of the Sacramento office. Allison Callahan stated she has been working with Kennedy for three years. In response to questions regarding their hourly rate, Kennedy stated their practice knows about the retirement industry and brings a global knowledge of CCCERA's type of system. He stated they know they are more expensive but they have created a system that is more efficient and they continue to adjust their system which leads to a total less cost. They also conduct writ and appellate work and have experience with administrative hearings.

Susan Hastings, Laughlin, Falbo, Levy & Moresi, LLP, stated they have 11 offices statewide and work primarily on workers' compensation cases and supplement them with disability cases which are centered primarily on public agencies. She stated she has worked with CCCERA on their disability cases for the past 4 years. She briefly reviewed the status of CCCERA's current cases.

After discussion, it was M/S/C to 1) establish engagements with The Law Office of Vivian Shultz and Nossaman LLP to create a pool of disability legal counsel firms; 2) Continue CCCERA's existing engagement with Laughlin, Falbo, Levy & Moresi LLP; and 3) Authorize the CEO to execute contracts with Nossaman LLP, The Law Office of Vivian Shultz and Laughlin, Falbo, Levy & Moresi LLP and to authorize staff to assign disability retirement legal work and non-disability hearing matters to any of the firms on an as-needed basis. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

8. **Consider authorizing the attendance of Board:**
  - a. It was M/S/C to authorize the attendance of 3 Board members at the Trustees' Round Table, California Association of Public Retirement Systems, June 8, 2018, Oakland, CA. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts) Note: The agenda for the Trustees' Round Table was distributed.
  - b. There was no action taken on this item. Certificate of Achievement in Public Plan Policy (CAPPP) Parts I and II Consecutively, International Foundation of Employee Benefit Plans, June 12-15, 2018, Chicago, IL.
  - c. There was no action taken on this item. Alternative Investment Strategies, International Foundation of Employee Benefit Plans, July 30-August 1, 2018, San Francisco, CA.

9. Miscellaneous

(a) Staff Report –

Strohl reported there will be a report on the Liquidity Sub-portfolio at the next meeting and there will be an education on risk parity.

Price reminded the Trustees that the RVK report will be available at the SACRS Spring Conference next week.

Dunn reported the Member Services Department and Retirement Services Department provided two employer educational presentations for new members at the Sheriff's Office and noted the surveys for both presentations came back very positive. Trustee Rodrigues commented that he heard it went very well and the feedback was good.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Gordon reported on the Siguler Guff 2018 Annual Conference noting he came away with a very high comfort level of how they handle our investments and recommended Trustees attend one if they can.

Rodrigues reported on the DFA Annual Institutional Symposium he attended noting that it was done very well and also recommended Trustees attend one if they can.

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

---

Todd Smithey, Chairman

---

David MacDonald, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date  
**6/13/18**  
Agenda Item  
**#4**

Page 1

June 13, 2018

Items requiring Board Action

**A. Certifications of Membership – see list and classification forms.**

**B. Service and Disability Retirement Allowances:**

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Group</u>	<u>Selected</u>
Amezaga, Aida	44415	03/28/18	SR	Tier II and III	Unmod
Betance, Rita	51814	01/27/18	SR	Tier II and III	Unmod
Cameron, Jeff	38848	03/02/18	SR	Tier II	Option2
Choy, Bertha	52177	03/01/18	SR	Tier II and III	Unmod
Cookson, Ginger	54121	01/30/18	SR	Tier II and III	Unmod
Craft, Nancy	72343	02/08/18	SR	Safety A	Unmod
Drew, Michelle	45302	03/01/18	SR	Tier III	Unmod
Faivre, Scott	55705	03/15/18	SR	Tier III	Unmod
Gecale, Maria	65074	02/28/18	SR	Tier III	Unmod
Gibney, Michael	D7830	03/29/18	SR	Safety A	Unmod
Grundler, Leslie	60909	03/01/18	SR	Safety A	Unmod
Holes, Paul	48009	03/30/18	SR	Safety A	Unmod
Johnson, Richard	42004	01/17/18	SR	Tier II and III	Unmod
Kalemkarian, Shawn	42628	08/09/17	SR	Tier II	Unmod
Kee, Kimberly	62955	03/01/18	SR	Safety A	Unmod
Kensok, Thomas	31383	03/01/18	SR	Tier II and III	Unmod
Kimmel-Lake, Donna	45092	01/26/18	SR	Tier II and III	Unmod
Michaelson, Jonathan	D7830	03/30/18	SR	Safety A	Unmod
Miller, April	70057	03/29/16	NSCD	Tier III	Unmod
Mullenix, Twila	D3406	03/31/18	SR	Tier I	Unmod
Oborne, John	63953	03/03/18	SR	Tier III	Unmod
Pearson, Ronald	54858	03/01/18	SR	Safety A	Unmod
Romero, May	46776	03/01/18	SR	Tier II and III	Unmod
Rosales, Samuel	70488	03/01/18	SR	Tier III	Option 2
Rowden, DeAndrea	53525	02/28/18	SR	Tier I	Unmod
Ruotolo, Fernando	50985	02/11/18	SR	Safety A	Option2
Shannon, Teresa	40160	03/01/18	SR	Tier II and III	Unmod
Shulik, Joseph	62266	02/20/18	SR	Tier III	Unmod
Tays, Tanya	67799	03/31/18	SR	Tier III	Unmod
Vickery, Lisa	60623	03/07/18	SR	Safety A	Unmod
Vukalic, Mark	75683	01/01/18	SR	Tier II and III	Unmod
Walls-Burns, Gayle	45326	02/14/18	SR	Tier II and III	Unmod

**KEY:**

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

**Option**  
\* = County Advance  
Selected w/option

**Type**  
NSP = Non-Specified  
SCD = Service Connected Disability  
SR = Service Retirement  
NSCD = Non-Service Connected Disability

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Page 2

June 13, 2018

Warner, Lynn	44510	02/02/18	SR	Tier II and III	Unmod
Williams, Paula	54847	02/14/18	SR	Tier II	Unmod
Yates, Sean	46501	02/28/18	SR	Safety A	Unmod
Zamora, John	52593	06/06/17	SCD	Safety A	Unmod
Zamora, Nubia	56155	11/17/17	SCD	Safety A	Unmod

**C.**

***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>
Whittington, John	D7274/7005	06/01/18	SCD

**D.**

***Deaths:***

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Abrera, Lydia	04/09/18	Contra Costa County
Avalos, Antonio	04/05/18	Contra Costa County
Balestrieri, Mario	05/01/18	Contra Costa County
Brooks, Ruby	05/05/18	Beneficiary
Brower, Adela	03/03/18	Beneficiary
Davenport, Ordell	04/23/18	Beneficiary
Dimas, Bennie	04/12/18	Beneficiary
Duarte, Gerald	05/06/18	Contra Costa County
Elder, Virginia	04/18/18	Contra Costa County
Flores, Edward	04/04/17	Contra Costa County
Hawkins, Robert	03/20/18	Contra Costa County
Henderson, Esther	04/19/18	Contra Costa County
Huish, Lois	04/10/18	Contra Costa County
Hulse-Garcia, Anita	05/15/18	Beneficiary
Irwin, Edgar	04/16/18	Contra Costa County
Jones, Shirley	04/30/18	Beneficiary
Kingsley, Andrea	04/22/18	Beneficiary
Kolda, Ryan	03/28/18	Contra Costa County
Lee, Theresa	05/05/18	Beneficiary
Livesay, Norma	05/11/18	Diablo Water District
Macaixa, Ernesto	04/21/18	Contra Costa County
Masters, Clara	04/12/18	Beneficiary
Morgan, Helen	05/13/18	Beneficiary
Silveria Sr., Robert	04/21/18	Beneficiary
Woodward, Merlin	04/15/18	Beneficiary

**KEY:**

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

**Option**  
 \* = County Advance  
 Selected w/option

**Type**  
 NSP = Non-Specified  
 SCD = Service Connected Disability  
 SR = Service Retirement  
 NSCD = Non-Service Connected Disability

## CERTIFICATION OF MEMBERSHIPS

<b>Name</b>	<b>Employee Number</b>	<b>Tier</b>	<b>Membership Date</b>	<b>Employer</b>
Agu, Nonso	85238	P5.2	04/01/18	Contra Costa County
Alfred, S'Deja	86698	P5.2	04/01/18	Contra Costa County
Aliano, Dominic	82081	P5.2	04/01/18	Contra Costa County
Altamari, Nathaniel	86708	P5.2	04/01/18	Contra Costa County
Angel, Miguel	78760	P5.2	04/01/18	Contra Costa County
Austin, Dianna	86700	P5.2	04/01/18	Contra Costa County
Avecilla, Raneir	86680	P5.2	04/01/18	Contra Costa County
Ayers Jr., Alexander	86790	P5.2	04/01/18	Contra Costa County
Beshears, Amber	83640	P5.2	04/01/18	Contra Costa County
Bibi, Zubeda	86677	P5.2	04/01/18	Contra Costa County
Blackmore, Heather	86712	P5.2	04/01/18	Contra Costa County
Botson, Jonathan	86714	P5.2	04/01/18	Contra Costa County
Brackett, Michelle	86699	P5.2	04/01/18	Contra Costa County
Broussard, Markus	86759	P5.2	04/01/18	Contra Costa County
Camarco, Jane	86725	P5.2	04/01/18	Contra Costa County
Chong, David	86683	P5.2	04/01/18	Contra Costa County
Clark, Andrea	86749	P5.2	04/01/18	Contra Costa County
Crichton, Yvaana	86630	P5.2	04/01/18	Contra Costa County
Dawkins, Jonathan	86791	P5.2	04/01/18	Contra Costa County
Dedenbach, Angela	83055	P5.2	04/01/18	Contra Costa County
Dinozo, Sarah Lou	86588	P5.2	04/01/18	Contra Costa County
Edlund, Taylor	86730	P5.2	04/01/18	Contra Costa County
Espinoza, Elizabeth	86672	P5.2	04/01/18	Contra Costa County
Espinoza, Estefania	86723	P5.2	04/01/18	Contra Costa County
Evangelista, Jocelle	86709	P5.2	04/01/18	Contra Costa County
Forrester, Bryan	86685	P5.2	04/01/18	Contra Costa County
Funiestas, Lauren	86727	P5.2	04/01/18	Contra Costa County
Garcia, Aurora	D3603	P4.3	08/01/17	Byron-Brentwood-Knightsen Union Cemetery District
Guthmiller, Benjamin	D7274	S/D	03/01/18	Moraga-Orinda Fire District
Haugabook, Phyllis	86684	P5.2	04/01/18	Contra Costa County
Hernandez, Roxanna	86592	P5.2	04/01/18	Contra Costa County
Hill, Ashley	86721	P5.2	04/01/18	Contra Costa County
Hill, Steven	86756	P4.2	04/01/18	Contra Costa County Fire Protection District
Ho, Sami	84761	P5.2	04/01/18	Contra Costa County
Hoppe, Raymond	86781	S/E	04/01/18	Contra Costa County
Jagger, Aaron	86688	P5.2	04/01/18	Contra Costa County
Jindoian, Nataline	D9990	P4.3	04/01/18	Contra Costa County Housing Authority
Jordan, Joshua	86729	P5.2	04/01/18	Contra Costa County
Kalenian, Andrew	D7274	S/D	03/01/18	Moraga-Orinda Fire District
Kaur, Ravinder	86655	P5.2	04/01/18	Contra Costa County

**Key:**

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



## CERTIFICATION OF MEMBERSHIPS

<b>Name</b>	<b>Employee Number</b>	<b>Tier</b>	<b>Membership Date</b>	<b>Employer</b>
Kersten, Melissa	86576	P5.2	04/01/18	Contra Costa County
Kore, Martha	86678	P5.2	04/01/18	Contra Costa County
Lamb, Dassine	86629	P5.2	04/01/18	Contra Costa County
Lecha III, Victor	86713	P5.2	04/01/18	Contra Costa County
Linares, Yvette	86695	P5.2	04/01/18	Contra Costa County
Lockett, Olga	86694	P5.2	04/01/18	Contra Costa County
Macasa, Karen	86668	P5.2	04/01/18	Contra Costa County
Mather, Jasper	86710	P5.2	04/01/18	Contra Costa County
McCarthy, James	86614	P5.2	04/01/18	Contra Costa County
McMullan, Krystle	86711	P5.2	04/01/18	Contra Costa County
Morefield, William	86693	P5.2	04/01/18	Contra Costa County
Mosley, Shaquilla	86669	P5.2	04/01/18	Contra Costa County
Nazarenko, Amy	86638	P5.2	04/01/18	Contra Costa County
Pacha, Glenda	86760	P5.2	04/01/18	Contra Costa County
Pereira, Alessandra	86584	P5.2	04/01/18	Contra Costa County
Potu, Basavaiah	86722	P5.2	04/01/18	Contra Costa County
Saavedra, Jeanine	83485	P5.2	04/01/18	Contra Costa County
Sanchez, Francisco	86793	P5.2	04/01/18	Contra Costa County
Sawyer, Jeffrey	86786	P5.2	04/01/18	Contra Costa County
Shorr, Marc	86757	P5.2	04/01/18	Contra Costa County
Singh, Sukhvinder	86442	S/E	04/01/18	Contra Costa County
Somanathan-Shadram, Balayogini	85036	P5.2	04/01/18	Contra Costa County
Stewart, Nakia	86715	P5.2	04/01/18	Contra Costa County
Thanthavongsa, Khaek	77118	P5.2	04/01/18	Contra Costa County
Ventura, Carlos	86745	P5.2	04/01/18	Contra Costa County
Vevaina, Zena	86717	P5.2	04/01/18	Contra Costa County
Vistro, Jessica	86674	P5.2	04/01/18	Contra Costa County
White, Allen	86704	P5.2	04/01/18	Contra Costa County
Whitfield, Destiny	81766	P5.2	04/01/18	Contra Costa County
Williams, Akeem	86792	P5.2	04/01/18	Contra Costa County
Williams-Ephriam, Imani	86696	P5.2	04/01/18	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>

## TIER CHANGES

Name	Employee Number	Old Tier	New Tier	Effective Date	Employer	Reason for Change
Carlson, Leah	85066	P5.2	III	09/01/17	Contra Costa County	Recip In: Age & Tier change
Cunningham, Jessica	86540	P5.2	III	02/01/18	Contra Costa County	Recip In: Age & Tier change
Feldman, Celeste	85182	P5.2	III	09/01/17	Contra Costa County	Recip In: Age & Tier change
Fernandez, Ruth	86287	P4.3	II	11/01/17	Contra Costa County	Recip In: Age & Tier change
Spanbock, Addie	85040	P5.2	III	07/01/17	Contra Costa County	Recip In: Age & Tier change

**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>

**Contra Costa County Employees' Retirement Association**  
Asset Allocation as of April 30, 2018

	Market Value	Percentage of Total Fund	Phase 2b Target Percentage	Phase 2b Over/(Under)	Long Term Target	Long Term Over/(Under)
<b>Liquidity</b>						
Insight	742,687,548	8.9%	12.6%	-3.7%		
Sit	482,392,205	5.8%	6.2%	-0.4%		
Dimensional Fund Advisors	353,731,175	4.2%	6.2%	-2.0%		
<b>Total Liquidity</b>	<b>1,578,810,928</b>	<b>18.9%</b>	<b>25.0%</b>	<b>-6.1%</b>	<b>27.0%</b>	<b>-8.1%</b>
		<b>Range</b>				
		<b>16% - 28%</b>				
<b>Growth</b>						
<b>Domestic Equity</b>						
Boston Partners	400,492,093	4.8%	4.5%	0.3%		
Jackson Square	406,108,294	4.9%	4.5%	0.4%		
BlackRock Index Fund	119,552,567	1.4%	1.3%	0.1%		
Emerald Advisors	284,936,016	3.4%	3.0%	0.4%		
Ceredex	256,372,010	3.1%	3.0%	0.1%		
<b>Total Domestic Equity</b>	<b>1,467,460,980</b>	<b>17.6%</b>	<b>16.3%</b>	<b>1.3%</b>	<b>6.0%</b>	<b>11.6%</b>
<b>Global &amp; International Equity</b>						
Pyrford (BMO)	457,047,263	5.5%	5.2%	0.3%	6.0%	-0.5%
William Blair	500,712,563	6.0%	5.2%	0.8%	6.0%	0.0%
First Eagle	363,961,646	4.4%	4.3%	0.1%		
Artisan Global Opportunities	396,967,889	4.8%	4.3%	0.5%		
PIMCO/RAE Emerging Markets	382,271,252	4.6%	4.2%	0.4%	5.0%	-0.4%
TT Emerging Markets	357,216,664	4.3%	4.2%	0.1%	5.0%	-0.7%
<b>Total Global &amp; International Equity</b>	<b>2,458,177,276</b>	<b>29.5%</b>	<b>27.4%</b>	<b>2.1%</b>	<b>22.0%</b>	<b>7.5%</b>
<b>Private Equity</b>	851,493,000	10.2%	9.6%	0.6%	12.0%	-1.8%
<b>Private Credit</b>	163,650,000	2.0%	2.4%	-0.4%	12.0%	-10.0%
<b>Real Estate - Value Add</b>	153,927,000	1.8%	4.0%	-2.2%	4.0%	-2.2%
<b>Real Estate - Opportunistic &amp; Distressed</b>	427,825,000	5.1%	4.0%	1.1%	4.0%	1.1%
<b>Real Estate - REIT (Adelante)</b>	63,817,999	0.8%	1.0%	-0.2%	1.0%	-0.2%
<b>High Yield (Allianz)</b>	349,383,894	4.2%	4.3%	-0.1%		
<b>Total Other Growth Assets</b>	<b>2,010,096,893</b>	<b>24.1%</b>	<b>25.3%</b>	<b>-1.2%</b>	<b>33.0%</b>	<b>-8.9%</b>
<b>Total Growth Assets</b>	<b>5,935,735,148</b>	<b>71.2%</b>	<b>69.0%</b>	<b>2.2%</b>	<b>61.0%</b>	<b>10.2%</b>
		<b>Range</b>				
		<b>60% - 80%</b>				
<b>Risk Diversifying</b>						
AFL-CIO	317,804,261	3.8%	3.5%	0.3%	3.0%	0.8%
Diversifying Strategies (Wellington)	187,450,002	2.2%	2.5%	-0.3%	9.0%	-6.8%
<b>Total Risk Diversifying</b>	<b>505,254,263</b>	<b>6.1%</b>	<b>6.0%</b>	<b>0.1%</b>	<b>12.0%</b>	<b>-5.9%</b>
		<b>Range</b>				
		<b>0% - 10%</b>				
<b>Cash and Overlay</b>						
Overlay (Parametric)	50,987,132	0.6%	0.0%	0.6%		
Cash	270,864,707	3.2%	0.0%	3.2%	0.0%	3.2%
<b>Total Cash and Overlay</b>	<b>321,851,839</b>	<b>3.9%</b>	<b>0.0%</b>	<b>3.9%</b>	<b>0.0%</b>	<b>3.9%</b>
<b>Total Fund</b>	<b>8,341,652,178</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>

\*Phase 2b targets and ranges reflect Phase 2b asset allocation targets accepted by the Board on July 12, 2017 (BOR Resolution 2017-6)

**Private Market Investments**  
As of April 30, 2018

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 II	05/30/07	12/31/15	in full liq.			85,000,000	444,000	0.01%	
Invesco IREF III	08/01/13	08/01/20				35,000,000	13,282,000	0.16%	
Invesco IREF IV	12/01/14	12/01/21				35,000,000	18,557,000	0.22%	3,190,000
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	13,192,000	0.16%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	29,789,000	0.36%	17,087,000
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	31,047,000	0.37%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	47,616,000	0.57%	27,449,000
						<b>505,000,000</b>	<b>153,927,000</b>	<b>1.85%</b>	<b>51,672,000</b>
<b>Outstanding Commitments</b>							<b>51,672,000</b>		
<b>Total</b>							<b>205,599,000</b>		

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	28,167,000	0.34%	
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	83,694,000	1.00%	
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	30,684,000	0.37%	36,086,000
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	7,440,000	0.09%	
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	47,423,000	0.57%	5,682,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	9,115,000	0.11%	52,000,000
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	52,191,000	0.63%	7,362,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	51,924,000	0.62%	21,002,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	20,496,000	0.25%	5,217,000
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	22,424,000	0.27%	
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	37,417,000	0.45%	
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	36,850,000	0.44%	27,516,000
						<b>780,000,000</b>	<b>427,825,000</b>	<b>5.13%</b>	<b>154,865,000</b>
<b>Outstanding Commitments</b>							<b>154,865,000</b>		
<b>Total</b>							<b>582,690,000</b>		

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 II	09/28/06	09/30/16	in full liq.			128,000,000	40,375,000	0.48%	
Torchlight Debt Opportunity Fund III	09/30/08	06/30/16	2nd 1 YR	LP	06/30/18	75,000,000	1,273,000	0.02%	
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	40,279,000	0.48%	
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	48,318,000	0.58%	36,037,000
Torchlight Debt Opportunity Fund VI	12/31/17	09/17/24				40,000,000	0	0.00%	40,000,000
CCCERA StepStone	12/01/17	11/30/27				200,000,000	23,345,000	0.28%	176,655,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	10,060,000	0.12%	
						<b>594,500,000</b>	<b>163,650,000</b>	<b>1.96%</b>	<b>252,692,000</b>
<b>Outstanding Commitments</b>							<b>252,692,000</b>		
<b>Total</b>							<b>416,342,000</b>		

**Private Market Investments**  
As of April 30, 2018

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE				180,000,000	123,873,000	1.48%	72,930,000
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	9,304,000	0.11%	12,637,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	23,087,000	0.28%	15,740,000
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	7,163,000	0.09%	67,838,000
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	2,965,000	0.04%	
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	8,615,000	0.10%	
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	4,399,000	0.05%	
EIF USPF I	11/08/02	11/08/15	in full liq.	LP	11/08/15	30,000,000	755,000	0.01%	
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	32,493,000	0.39%	
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	42,072,000	0.50%	
EIF USPF IV	06/28/10	06/28/20				50,000,000	51,018,000	0.61%	
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	8,633,000	0.24%	
Ocean Avenue Fund II	05/07/14	05/07/24				30,000,000	22,913,000	0.27%	5,484,000
Ocean Avenue Fund III	12/09/15	12/09/25				50,000,000	14,579,000	0.07%	34,500,000
Paladin III	08/15/08	08/15/18				25,000,000	18,413,000	0.22%	
Pathway	11/09/98	05/31/21				125,000,000	21,354,000	0.26%	14,246,000
Pathway 2008	12/26/08	12/26/23				30,000,000	20,063,000	0.24%	5,738,000
Pathway 6	05/24/11	05/24/26				40,000,000	32,358,000	0.39%	10,201,000
Pathway 7	02/07/13	02/07/23				70,000,000	50,997,000	0.61%	18,977,000
Pathway 8	11/23/15	11/23/25				50,000,000	22,495,000	0.27%	30,360,000
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	139,739,000	1.68%	72,500,000
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	35,480,000	0.43%	16,069,000
<b>Real Assets</b>									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	81,064,000	0.97%	12,378,000
Aether IV	01/01/16	01/01/28				50,000,000	17,793,000	0.21%	30,656,000
ARES EIF V	09/09/15	11/19/25				50,000,000	13,040,000	0.16%	38,561,000
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	40,422,000	0.48%	12,055,000
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	6,406,000	0.08%	17,625,000
						<b>1,545,000,000</b>	<b>851,493,000</b>	<b>10.24%</b>	<b>488,495,000</b>
<b>Outstanding Commitments</b>							<b>488,495,000</b>		
<b>Total</b>							<b>1,339,988,000</b>		

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

The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.



Meeting Date  
**6/13/18**  
Agenda Item  
**#4f.**

**Contra Costa County Employees' Retirement Association  
Liquidity Report – April 2018**

**April 2018 Performance**

	<b>Cash Flow</b>	<b>Coverage Ratio</b>
Benefit Cash Flow Projected by Model	\$37,750,000	
Liquidity Sub-Portfolio Cash Flow	\$37,750,000	<b>100%</b>
Actual Benefits Paid	\$38,199,596	<b>99%</b>
<i>Next Month's Projected Benefit Payment</i>	<i>\$37,750,000</i>	

**Monthly Manager Positioning – April 2018**

	<b>Beginning Market Value</b>	<b>Liquidity Program Cash Flow</b>	<b>Market Value Change/Other Activity</b>	<b>Ending Market Value</b>
Sit	\$486,026,489	(\$1,000,000)	(\$2,634,284)	\$482,392,205
DFA	\$366,956,381	(\$12,750,000)	(\$475,206)	\$353,731,175
Insight	\$765,466,226	(\$24,000,000)	\$1,221,322	\$742,687,548
<b>Liquidity</b>	<b>\$1,618,449,096</b>	<b>(\$37,750,000)</b>	<b>(\$1,888,168)</b>	<b>\$1,578,810,928</b>
Cash	\$286,494,804	(\$449,596)	(\$15,180,501)	\$270,864,707
<b>Liquidity + Cash</b>	<b>\$1,904,943,900</b>	<b>(\$38,199,596)</b>	<b>(\$17,068,669)</b>	<b>\$1,849,675,635</b>

**Functional Roles**

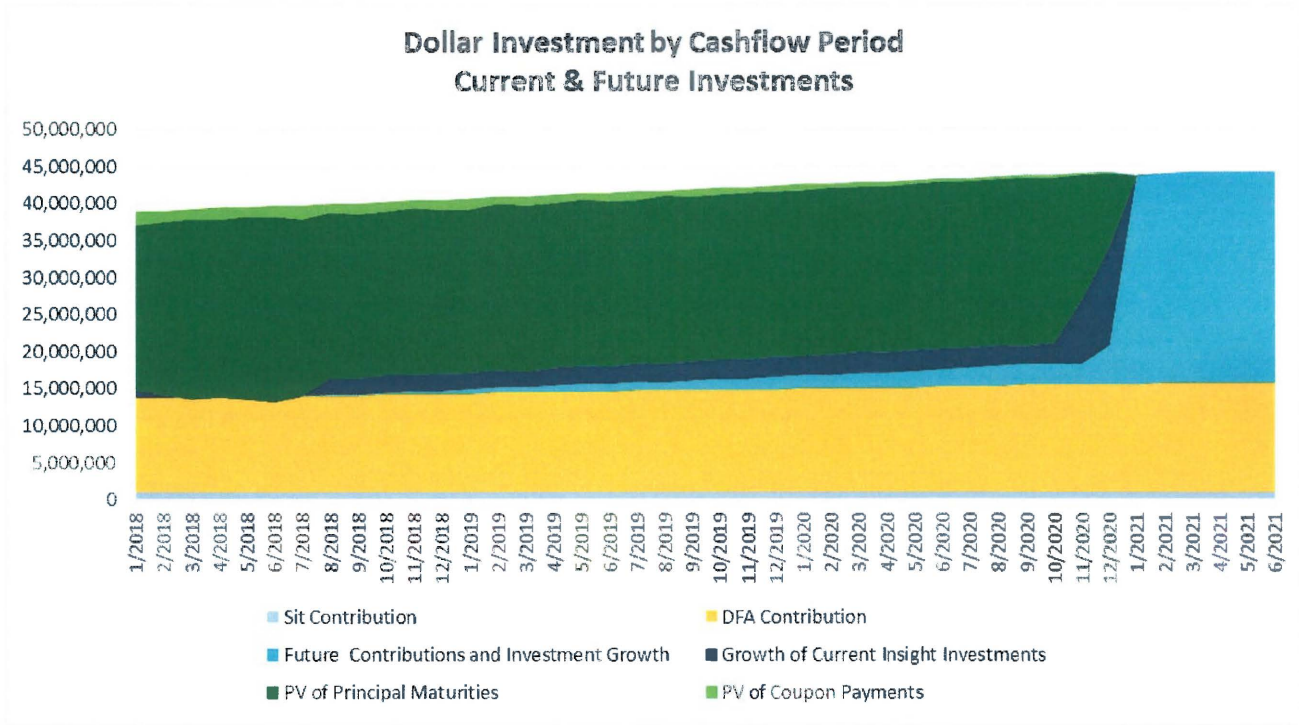
<b>Manager</b>	<b>Portfolio Characteristics</b>	<b>Liquidity Contribution</b>
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays 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 fourth cash flow from the liquidity program for 2018 was completed on April 23 and produced a slightly lower cash flow (\$450 thousand) than our actual benefit payments (which rose by more than \$1.4 mm from the prior month). This is a departure from the past experience where the model was producing slightly higher cash flows than our actual experience would require. We had previously reduced the model cash flows by \$1-1.5 mm monthly. We are currently reviewing the modelled cash flows to determine if further adjustment is warranted in 2018.

**Cash Flow Structure**

The chart below shows the sources of cash flow for the next several 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.



Meeting Date  
**6/13/18**  
Agenda Item  
**#7**



## ***MEMORANDUM***

Date: June 13, 2018

To: CCCERA Board of Retirement

From: Gail Strohl, Chief Executive Officer

Subject: Consider and take possible action to authorize the CEO to terminate a contract with Jackson Walker, LLP for Investment Legal Counsel.

---

### ***Background***

On October 11, 2017, the Board established a pool of firms to provide investment legal counsel services, primarily related to contract negotiations with prospective investment managers. In that pool was the investment practice of Jackson Walker, led by David Parrish. CCCERA executed a letter of agreement with Jackson Walker on January 17, 2018. On March 1, 2018, CCCERA staff was informed that nearly all of the investment group at Jackson Walker, including David Parrish, was leaving to join the larger firm of DLA Piper.

On April 11, 2018, the Board approved an engagement with DLA Piper and added them to the investment legal counsel pool subject to the same terms and billing rates as in the original contract with Jackson Walker. CCCERA executed a letter of engagement with DLA Piper on April 30, 2018.

### ***Recommendation***

Consider and take possible action to authorize the CEO to terminate a contract with Jackson Walker, LLP for Investment Legal Counsel.



## MEMORANDUM

Date: June 13, 2018  
To: Board of Retirement  
Gail Strohl, Chief Executive Officer  
From: Karen Levy, General Counsel  
Subject: Legislative Update

---

### Recommendation

Receive and File.

### Summary of Pending Legislation

The California Legislature reconvened on January 3, 2018 for the second year of the 2017-2018 legislative session. February 16, 2018 was the last day for bills to be introduced. August 31, 2018 is the last day for each house to pass bills, and September 30, 2018 is the last day for the Governor to sign or veto bills passed by the Legislature.

Set forth below is a summary of legislation of interest to CCCERA and its Board of Retirement.

#### **AB 283 (Cooper) – County employees' retirement: permanent incapacity.**

This bill would amend CERL Government Code Section 31720 to require, for purposes of determining permanent incapacity of certain peace officers, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer as described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the bill, except for cases on appeal at that time.

**Status:** Senate Committee on Public Employees, Retirement/Social Security.

#### **AB 1912 (Rodriguez) – Public employees' retirement: joint powers agreements: liability.**

This bill would amend the Joint Exercise of Powers Act to, among other things, specify that if an agency to a joint powers agreement participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to

the retirement system, and would eliminate the authority to those parties to agree otherwise with respect to the retirement liabilities of the agency. The bill would provide that if a judgment is rendered against an agency or a party to the agreement for a breach of its obligations to the retirement system, the time within which a claim for injury may be presented or an action commenced against the other party that is subject to the liability determined by the judgment begins to run when the judgment is entered. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the joint powers agreement. The bill would also amend the PERL in several respects.

**Status:** Assembly Appropriations Committee.

**AB 2076 (Rodriguez) – County employees’ retirement: disability: date of retirement.**

The CERL authorizes the Los Angeles County Employees Retirement Association (LACERA) to adjust retirement payments due to errors or omissions, as specified, permits a member permanently incapacitated for duty to retire for disability only if specified criteria are met, and requires the LACERA board to determine the effective date of retirement in those cases, as specified. This bill would authorize LACERA to correct a prior board decision determining the effective date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provisions become operative.

**Status:** Senate Committee on Public Employment and Retirement

**AB 2085 (Cooley) – Retirement systems: surviving spouse.**

Existing law requires, after a member’s death, any retirement allowance earned but not yet paid to the member to be paid to the member’s designated beneficiary, and authorizes the surviving spouse of a member who did not designate a beneficiary prior to death to file an election with the board, to be deemed the beneficiary. This bill would define surviving spouse, for purposes of CERL, as a person legally married to the member, who is neither divorced nor legally separated from the member at the time of the member’s death and who meets other relevant requirements of the CERL pertaining to the length of the marriage and the person’s age at the time of the member’s death.

**Status:** Assembly Public Employees, Retirement, and Social Security Committee. Hearing canceled at the request of author.

**AB 3084 (Levine) – Public employees: retirement systems: other postemployment benefits: annual report.**

Existing law requires all state and local public retirement systems to submit audited financial statements to the State Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year. This bill would require each governing body of a public agency that provides other postemployment benefits to show that the public agency has met or if it has not met, detail why it has not met, and what the public agency is doing to meet, specified parameters related to the provision of other postemployment benefits, including (a) Making targeted

prefunding contributions on a timely basis; (b) Depositing contributions in an irrevocable qualified trust for the exclusive benefit of plan members; (c) Investing contributions in excess of any pay-as-you-go amounts in a diversified investment portfolio with a defined investment policy; and (d) Ensuring that the discounted rate used to develop the actuarial account liability and normal cost recognizes the expected return of the entire portfolio.

**Status:** Assembly Appropriations Committee.

**AB 3150 (Brough) Public employees' retirement: annual audits.**

Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's Internet Web site no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program.

**Status:** Assembly Public Employees, Retirement and Social Security Committee.

**SB 1031 (Moorlach) – Public employees' retirement: cost-of-living adjustments: prohibitions.**

Existing law, including the CERL, authorizes the application of cost-of-living adjustments to allowances paid to persons retired under, or survivors or beneficiaries of persons retired under, various public retirement systems. The California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with the act and, for its purposes, defines pensionable compensation, establishes limits on benefits, and requires the sharing of normal costs between members and employers for the pension systems to which it applies.

This bill would prohibit a public retirement system, including CCCERA, from making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system, or to any survivor or beneficiary of a member or person retired under the system, for any year beginning on or after January 1, 2019, in which the unfunded actuarial liability of that system is greater than 20%. This bill would require that the determination of unfunded actuarial liability be based on a specified financial report and would apply the prohibition on cost-of-living adjustments, if any, to the calendar year following the fiscal year upon which the report is based.

**Status:** April 23, 2018 set for first hearing. Failed passage in committee. (Ayes 1. Noes 3.)  
Reconsideration granted.

**SB 1270 (Vidak) – County employees' retirement: system personnel.**

The CERL authorizes the retirement boards of five specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules, except as specified. The CERL provides that these administrators and officers are employees of the county, as specified, while serving at the pleasure of the appointing boards, and that they may be dismissed without cause. This bill would

apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county.

**Status:** Assembly Public Employees, Retirement, and Social Security Committee

The following bills apply to CalPERS and/or CalSTRS only:

**SB 1032 (Moorlach) – California Public Employees’ Retirement System: contract members: termination.**

The Public Employees’ Retirement Law (PERL) authorizes any public agency to participate in and make all or part of its employees members of CalPERS by contract, and authorizes a contracting agency to terminate its contract if the contract has been in effect for at least 5 years. Under existing law, the CalPERS board is required to hold the accumulated contributions from a terminated contract in a terminated agency pool, as specified, for the benefit of the members. Existing law requires the terminating contracting agency to contribute to the terminated agency pool the difference between the accumulated contributions and the board’s pension liability for the contracting agency’s members, as provided. This bill would authorize a contracting agency to terminate its contract with the CalPERS board at the agency’s will and would not require the contracting agency to fully fund the pension liability upon termination of the contract. The bill would authorize the CalPERS board to reduce the member’s benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency that terminates its contract with the CalPERS board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency.

**Status:** Failed in Committee; reconsideration granted.

**SB 1033 (Moorlach) Public employees’ retirement: reciprocal benefits: actuarial liability.**

The PERL authorizes retirement systems to enter into agreements to provide certain reciprocal benefits to employees that are employed by other agencies that are parties to the agreement if the employees meet specified requirements, a practice commonly referred to as reciprocity. Reciprocity provides for the application of the final compensation paid by a subsequent employer to service provided to a prior employer. The PERL provides that a public agency that has agreed to reciprocity with CalPERS also has reciprocity with all other agencies that have entered into those agreements with CalPERS, among others. The PERL requires the CalPERS Board to ensure that a contracting agency that creates a significant increase in actuarial liability as a result of increased compensation paid to a nonrepresented employee bears the associated liability, except as specified, including a portion that would otherwise be borne by another contracting agency. The PERL requires the system actuary to assess an increase in liability, in this regard, to the employer that created it at the time the increase is determined and to make adjustments to that employer’s contribution rates to account for the increased liability. This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an

employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2019.

*Status:* In Committee/failed.

**SB 1149 (Glazer) – Public employees’ retirement: defined contribution program.**

PEPRA generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act, and authorizes a public employer to provide a contribution to a defined contribution plan for compensation in excess of certain federal compensation limits applicable to qualified pension trusts, if the plan and contribution meet the requirements set forth in federal law. PEPRA prohibits any of those employer contributions to an employee defined contribution plan from exceeding the employer’s contribution rate, as a percentage of pay, required to fund the defined benefit plan. Existing law establishes an alternate retirement program and provides that certain state employees, as defined, who become new members of CalPERS during their first 24 months of employment, do not make contributions to CalPERS or receive service credit for their service. Under existing law, these members are instead required to contribute either 5% or 6% of their monthly compensation, as specified, to the alternate retirement program.

This bill would create a new optional defined contribution plan for new state employees who are eligible to become members of CalPERS and who choose not to make contributions into the defined benefit program under the PERL. The bill would require state employees who opt to participate in this alternate system to contribute the same percent of compensation as similarly situated employees who contribute to the defined pension program, subject to applicable limits of federal law. The bill would authorize an employee in the defined contribution program, after 5 years, to have the right to continue in the program or switch to the defined benefit plan, subject to certain terms and conditions. The bill would require the Department of Human Resources to administer the defined contribution retirement program established by the bill.

*Status:* Failed in Committee; reconsideration granted.

**AB 1597 (Nazarian)** would prohibit new investments and require liquidation of existing investments of CalPERS and CalSTRS in investment vehicles issued, owned, controlled or managed by the government of Turkey.

**SB 964 (Allen)** would require public reporting on the climate-related financial risk of the system’s public market portfolio, including alignment of each system with a specified climate agreement and California climate policy goals and the exposure of the fund to long-term risks, as specified. The bill would provide that it does not require either board to take action unless the board determines in good faith that the action is consistent with its fiduciary responsibilities.



Meeting Date  
**6/13/18**  
Agenda Item  
**#9**

## **MEMORANDUM**

Date: June 13, 2018  
To: CCCERA Board of Retirement  
From: Christina Dunn, Deputy CEO  
Tim Hoppe, Retirement Services Manager  
Subject: Update on customer service standards

---

### ***Background***

CCCERA continuously looks for ways to improve the service that is provided to members and employers. In December 2017, staff provided an update to the Board regarding steps that were implemented and future steps anticipated to be implemented in order to enhance service to our members.

The following is a summary of some of the process improvements that were previously implemented to enhance our members' experience. Many of these efforts have involved the development of customer service measurement tools, staff training, improved processing periods of key processes, and other outreach efforts.

- Training sessions were provided to staff that focused on customer service.
- Response time to phone calls was reduced from two business days to one business day.
- The response time for retirement estimates was reduced.
- The retirement application process was reduced to an average of 35 business days. This period is measured from the retirement date on the application to the date the option election form is mailed to the retiree. In some cases, the processing time is impacted by missing documents, payroll information, forms and/or a prior divorce. The timing of a retiree being added to payroll is directly aligned with the retiree completing and submitting the option election form to CCCERA.
- An online survey for newly retired members was created to provide feedback on the retirement application process.
- The disability application process was reduced to an average of 9 months. This average timeframe is measured from the point the application is received by CCCERA to the date the application is presented to the Board. The processing time from the date the required information is received by CCCERA to the date the application is presented to the Board

is on average 7 months. The disability application process varies depending upon when and how medical records are received, the volume of medical records submitted, receipt of completed employer questionnaires and the medical advisor's review and report. Cases in which the applicant elects to have a hearing before an Administrative Law Judge take considerably longer.

- Monthly pre-retirement workshops are held for members to receive information related to retirement and meet with Retirement Counselors. To accommodate different work schedules, pre-retirement workshops are presented in the afternoon and in the morning.
- CCCERA hosted an employer on-site training and informational session for participating employers.

*Additional Steps Implemented in the last 6 months*

- Phone coverage hours were extended by an additional 2 hours per day.
- The title of the group counseling sessions was changed to Pre-Retirement Workshop in an effort to clarify member expectations of sessions.
- A member survey was created to measure service level of any in-person member visit.
- Presentations were completed at some employer's locations for new members.
- Surveys were conducted for new member presentations (average rating of 4.7 out of 5) and Pre-Retirement Workshops (average rating of 4.4 out of 5).
- A feature was added to the website to provide an additional communication option for beneficiaries to notify CCCERA when a member passes away.
- Outgoing letter templates were reviewed for consistency and content.
- On-going training was provided to staff on letter formatting and consistency.
- Handout was created for members attending the Pre-Retirement Workshop that provides additional information to them including – contact information for the Social Security Administration, Medicare, Mass Mutual contact information, and retiree health benefits contact information.
- Created Form 109: Reciprocity Affidavit, which provides new members the opportunity to affirm reciprocity in order to be placed in the retirement tier based on their reciprocity, prior to confirmation from the other reciprocal system. This allows CCCERA to collect the correct contributions sooner and alleviates the need for a large payment from the member months after their membership date. (Rolled out June 1, 2018)

# SAVE THE DATE



Meeting Date  
**6/13/18**  
Agenda Item  
**#10a.**

## 2018 ANNUAL LIMITED PARTNERS MEETING

### DATE

TUESDAY, JULY 17

SESSION: 10 AM – 2:30 PM

ADVISORY BOARD MEETING: 3:00 PM – 4:00 PM

### LOCATION

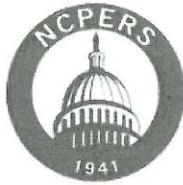
EVERLY HOTEL

1800 ARGYLE AVENUE, LOS ANGELES

INVITATION AND ADDITIONAL INFORMATION TO FOLLOW



Meeting Date  
**6/13/18**  
Agenda Item  
**#10b.**



**National Conference on Public Employee Retirement Systems**  
*The Voice for Public Pensions*

## **Public Pension Funding Forum**

---

### **ABOUT THIS CONFERENCE**

The issue of pension funding gap, real or not, is often used to change pension plans as we know them. The most common solutions revolve around increasing employee and employer contributions, reducing benefits, and converting lifetime guarantee of defined benefit pensions into do it yourself pension schemes. Regardless of whether these fixes will work in the long run, they do have serious consequences for all stake holders, including employees, employers, taxpayers, local businesses and economies. Analysis of empirical data suggests that undermining pensions increases income inequality which in turn puts a drag on the economy, and in the end everyone suffers.

The Public Pension Funding Forum will examine the obstacles that stand in the way of closing public pension funding gap and explore new solutions to overcome such obstacles, including better risk management in economic cycles, use of new and improved debt instruments, and closing tax loopholes.

The overarching goal of the Forum is to inject some new thinking that might solve the funding challenges without dismantling public pensions, and hence enhance prosperity for all.

### **WHO SHOULD ATTEND?**

\*\*\*\*\*

#### **2018 Public Pension Funding Forum**

**September 16 - 18**

**Royal Sonesta Boston Hotel**

**Boston, MA**

### **WHO SHOULD ATTEND?**

- Trustees of state and local pension funds
- Administrators of state and local pension funds
- Officials of state and local finance department/treasurer's office
- Legislators
- Members of Municipal Bond Community
- Members of Investment Community
- Members of Public Pension Advocacy Community
- Academic and Pension Research Community

**This conference is open to members and non-NCPERS members.**