



AGENDA

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING
July 23, 2015
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.

CLOSED SESSION

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

Agency designated representatives:
Gail Strohl, Retirement Chief Executive Officer
Christina Dunn, Retirement Admin/HR Manager
Joe Wiley, CCCERA's Chief Negotiator

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

OPEN SESSION

4. Consider and take possible action to adopt the Memorandum of Understanding between Contra Costa County Employees' Retirement Association and United Clerical, Technical & Specialized Employees (AFSCME), Local 2700, for the period of July 1, 2013 through December 31, 2016 and authorize Retirement CEO to execute said MOU.
5. Presentation from staff and Commonfund regarding proposed Commonfund Natural Resources Fund commitment.
6. Consider and take possible action to commit to Commonfund Natural Resources Fund.
7. Presentation from Verus on Current Assessment Review of CCCERA.
8. Consider and take possible action on revised Board meeting schedule for 2015.

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.

9. Presentation of revised annual member benefit statement.
10. Consider authorizing the attendance of Board and/or staff:
 - a. Alternative Investment Strategies, IFEBP, July 27-29, 2015, San Francisco, CA.
 - b. Fiduciaries' Forum, Nossaman, September 24-25, 2015, San Francisco, CA.
 - c. 27th Annual Northern California Public Retirement Seminar, Public Retirement Journal, October 1, 2015, Sacramento, CA.
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.



MEMORANDUM

Date: July 23, 2015

To: CCCERA Board of Retirement

From: Christina Dunn, Retirement Admin/HR Manager
Joe Wiley, Riley Price and Radulovich, LLP

Subject: Memorandum of Understanding

Background

AFSCME, Local 2700 has reached a Tentative Agreement with CCCERA and had a successful ratification vote on July 15, 2015. The resulting Memorandum of Understanding (“MOU”), which is attached, provides the same salary and benefit terms which were previously agreed upon between AFSCME, Local 2700 and Contra Costa County.

Recommendation

Consider and take possible action to adopt the Memorandum of Understanding between Contra Costa County Employees' Retirement Association and United Clerical, Technical & Specialized Employees (AFSCME), Local 2700, for the period of July 1, 2013 through December 31, 2016 and authorize Retirement CEO to execute said MOU.

**MEMORANDUM OF UNDERSTANDING
BETWEEN**

**Contra Costa County Employees' Retirement Association
AND
UNITED CLERICAL, TECHNICAL & SPECIALIZED
EMPLOYEES
AFSCME, LOCAL 2700**

This Memorandum of Understanding (MOU) is entered into pursuant to the terms of the Meyers Milius Brown Act between the Contra Costa County Employees' Retirement Association (herein "CCCERA") and AFSCME Local 2700 (herein the "Union").

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DEFINITIONS

Appointing Authority: Retirement Chief Executive Officer unless otherwise provided by statute or ordinance.

Class: A group of positions sufficiently similar with respect to the duties and responsibilities that similar selection procedures and qualifications may apply and that the same descriptive title may be used to designate each position allocated to the group.

Class Title: The designation given to a class, to each position allocated to the class, and to the employees allocated to the class.

Demotion: The change of a permanent employee to another position in a class allocated to a salary range for which the top step is lower than the top step of the class which the employee formerly occupied except as provided for under "Transfer" or as otherwise provided for in this MOU, in the Personnel Policies, or in specific resolutions.

Eligible: Any person whose name is on an employment or reemployment or layoff list for a given class.

Employee: A person who is an incumbent of a position or who is on leave of absence in accordance with provisions of this MOU and whose position is held pending his/her return.

Employment List: A list of persons who have been found qualified for employment in a specific class.

Layoff List: A list of persons who have occupied positions allocated to a class and who have been involuntarily separated by layoff or displacement, or demoted by displacement, or have voluntarily demoted in lieu of layoff or displacement, or have transferred in lieu of layoff or displacement.

Permanent-Intermittent Position: Any position which requires the services of an incumbent for an indefinite period but on an intermittent basis, as needed, paid on an hourly basis.

Permanent Part-Time Position: Any position which will require the services of an incumbent for an indefinite period but on a regularly scheduled less than full time basis.

Permanent Position: Any position which has required, or which will require, the services of an incumbent without interruption, for an indefinite period.

Project Employee: An employee who is engaged in a time limited program or service, by reason of limited, or restricted funding. Such positions are typically funded from outside sources but may be funded from CCCERA revenues.

Promotion: The change of a permanent employee to another position in a class allocated to a salary range for which the top step is higher than the top step of the class which the employee formerly occupied, except as provided for under "Transfer" or as otherwise provided for in this MOU or in the Personnel Policies.

SECTION 1 - UNION RECOGNITION

Position: The assigned duties and responsibilities calling for the regular full time, part-time or intermittent employment of a person.

Reallocation: The act of reassigning an individual position from one class to another class at the same range of the salary schedule or to a class which is allocated to another range that is within five percent (5%) of the top step, except as otherwise provided for in the Personnel Policies or other ordinances.

Reclassification: The act of changing the allocation of a position by raising it to a higher class or reducing it to a lower class on the basis of significant changes in the kind, difficulty or responsibility of duties performed in such position.

Resignation: The voluntary termination of permanent employment with CCCERA.

Temporary Employment: Any employment which will require the services of an incumbent for a limited period of time, paid on an hourly basis, not in an allocated position or in permanent status.

Transfer: The change of an employee who has permanent status in a position to another position in the same class in a different department, or to another position in a class which is allocated to a range on the salary plan that is within five percent (5%) at top step as the class previously occupied by the employee.

Union: American Federation of State County and Municipal Employees (AFSCME) Local 2700

SECTION 1 - UNION RECOGNITION

SECTION 1 - UNION RECOGNITION

The Union is the formally recognized employee organization for the representation unit listed below.

General Clerical Unit

SECTION 2 - UNION SECURITY

2.1 Dues Deduction.

Only a majority representative may have dues deduction and as such the Union has the exclusive privilege of dues deduction or agency fee deduction for all employees in its unit.

2.2 Agency Shop.

A. The Union agrees that it has a duty to provide fair and non-discriminatory representation to all employees in all classes in the units for which this section is applicable regardless of whether they are members of the Union.

B. All employees employed in a representation unit on or after the effective date of this MOU and continuing until the termination of the MOU, shall as a condition of employment either:

1. Become and remain a member of the Union or;
2. pay to the Union, an agency shop fee in an amount which does not exceed an amount which may be lawfully collected under applicable constitutional, statutory, and case law, which under no circumstances shall exceed the monthly dues, initiation fees and general assessments made during the duration of this MOU. It shall be the sole responsibility of the Union to determine an agency shop fee which meets the above criteria; or
3. do both of the following:
 - a. Execute a written declaration that the employee is a member of a bona fide religion, body or sect which has historically held a conscientious objection to joining or financially supporting any public employee organization as a condition of employment; and
 - b. pay a sum equal to the agency shop fee described in Section 2.2.B.2 to a non-religious, non-labor, charitable fund chosen by the employee from the following charities: Family and Children's Trust Fund, Child Abuse Prevention Council and Battered Women's Alternative.

C. The Union shall provide CCCERA with a copy of the Union's Hudson Procedure for the determination and protest of its agency shop fees. The Union shall provide a copy of said Hudson Procedure to every fee payer covered by this MOU within one (1) month from the date it is approved and annually thereafter, and as a condition to any

SECTION 2 - UNION SECURITY

change in the agency shop fee. Failure by an employee to invoke the Union's Hudson Procedure within one (1) month after actual notice of the Hudson Procedure shall be a waiver by the employee of their right to contest the amount of the agency shop fee.

D. The provisions of Section 2.2.B.2 shall not apply during periods that an employee is separated from the representation unit but shall be reinstated upon the return of the employee to the representation unit. The term separation includes transfer out of the unit, layoff, and leave of absence with a duration of more than thirty (30) days.

E. The Union shall provide the Administrative/Human Resources Manager with copies of a financial report patterned after Form LM-2 pursuant to the Labor Management Disclosure Act of 1959. Such report shall be available to employees in the unit. Failure to file such a report not later than June 1st of each calendar year shall result in the termination of all agency shop fee deductions without jeopardy to any employee, until said report is filed.

F. Compliance.

1. An employee employed in or hired into a job class represented by the Union shall be provided with an "Employee Authorization for Payroll Deduction" form by Human Resources.

2. If the form authorizing payroll deduction is not returned within thirty (30) calendar days after notice of this agency shop fee provision and the union dues, agency shop fee, initiation fee or charitable contribution required under Section 2.2.B.3 are not received, the Union may, in writing, direct that CCCERA withhold the agency shop fee and the initiation fee from the employee's salary, in which case the employee's monthly salary shall be reduced by an amount equal to the agency shop fee and CCCERA shall pay an equal amount to the Union.

G. The Union shall indemnify, defend, and save CCCERA harmless against any and all claims, demands, suits, orders, or judgments, or other forms of liability that arise out of or by reason of this union security section, or action taken or not taken by CCCERA under this Section. This includes, but is not limited to, CCCERA's Attorneys' fees and costs. The provisions of this subsection shall not be subject to the grievance procedure.

H. The Human Resources Department shall monthly furnish a list of all new hires to the Union.

I. In the event that employees in a bargaining unit represented by the Union vote to rescind Agency Shop, the provisions of Section 2.3 and 2.4 shall apply to dues-paying members of the Union.

2.3 Maintenance of Membership.

All employees in units represented by the Union who are currently paying dues to the Union and all employees in such units who hereafter become members of the Union shall as a condition of continued employment pay dues to the Union for the duration of

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this MOU and each year thereafter so long as the Union continues to represent the position to which the employee is assigned, unless the employee has exercised the option to cease paying dues in accordance with Section 2.5.

2.4 Union Dues Form.

Employees hired into classifications represented by the Union shall, as a condition of employment, complete a Union dues authorization card provided by the Union and shall have deducted from their paychecks the membership dues of the Union. Said employees shall have thirty (30) days from the date of hire to decide if he/she does not want to become a member of the Union. Such decision not to become a member of the Union must be made in writing to CCCERA Human Resources within said thirty (30) day period. If the employee decides not to become a member of the Union, any Union dues previously deducted from the employee's paycheck shall be returned to the employee and said amount shall be deducted from the next dues deduction check sent to the Union. If the employee does not notify CCCERA in writing of the decision not to become a member within the thirty (30) day period, he/she shall be deemed to have voluntarily agreed to pay the dues of the Union.

Each such dues authorization form referenced above shall include a statement that the Union and CCCERA have entered into a MOU, that the employee is required to authorize payroll deductions of Union dues as a condition of employment, and that such authorization may be revoked within the first thirty (30) days of employment upon proper written notice by the employee within said thirty (30) day period as set forth above. Each such employee shall, upon completion of the authorization form, receive a copy of said authorization form which shall be deemed proper notice of his/her right to revoke said authorization.

2.5 Withdrawal of Membership.

By notifying CCCERA Human Resources in writing, between August 1 and August 31 any employee may withdraw from Union membership and discontinue paying dues as of the payroll period, commencing September 1; discontinuance of dues payments to then be reflected in the October 10. Immediately upon close of the above mentioned thirty (30) day period, CCCERA Human Resources shall submit to the Union a list of the employees who have rescinded their authorization for dues deduction.

2.6 Communicating With Employees.

The Union shall be allowed to use designated portions of bulletin boards or display areas in public portions of offices in which there are employees represented by the Union, provided the communications displayed have to do with matters within the scope of representation and further provided that the employee organization appropriately posts and removes the information. CCCERA reserves the right to remove objectionable materials after consultation with the Union.

Representatives of the Union, not on CCCERA time, shall be permitted to place a supply of employee literature at specific locations in CCCERA buildings if arranged through CCCERA Human Resources or designated representative; said representatives

SECTION 2 - UNION SECURITY

may distribute employee organization literature in work areas (except work areas not open to the public) if the nature of the literature and the proposed method of distribution are compatible with the work environment and work in progress. Such placement and/or distribution shall not be performed by on-duty employees.

The Union shall be allowed access to work locations in which it represents employees for the following purposes:

- a. to post literature on bulletin boards;
- b. to arrange for use of a meeting room;
- c. to leave and/or distribute a supply of literature as indicated above;
- d. to represent an employee on a grievance, and/or to contact a union officer on a matter within the scope of representation.

In the application of this provision, it is agreed and understood that in each such instance advance arrangements, including disclosure of which of the above purposes is the reason for the visit, will be made with the CCCERA representative in charge of the work area, and the visit will not interfere with CCCERA services.

2.7 Use of CCCERA Facilities.

- A. Exclusively recognized employee organizations shall be allowed to use specific meeting areas at CCCERA facilities for official business of the employee organizations. Such use shall not occur during regular business hours, shall not result in additional cost to CCCERA, and shall not interfere with CCCERA operations. An exclusively recognized employee organization desiring to use CCCERA's facilities shall apply for such use on a form approved by the Chief Executive Officer or his/her designee at least one business day prior to the date of the requested use. This provision does not limit the employee organization from using CCCERA's facility for day-to-day meetings with employees to investigate or enforce provisions of the MOU or Personnel Policies, or to meet with employees to update them regarding bargaining status.
- B. Exclusively recognized employee organizations may use designated bulletin board space to post official business of the employee organization. Inappropriate or offensive material will not be permitted. Material that is deemed inappropriate shall be removed from the bulletin board, and the recognized employee organization shall be immediately notified. CCCERA agrees to discuss with the recognized employee organization the reason(s) that the material was inappropriate. CCCERA shall not act unreasonably in deciding if material is appropriate.
- C. The authorized representative of an exclusively recognized employee organization shall have the right to come onto CCCERA's premises to ensure that the terms of the MOU are being followed. The authorized representative shall notify the Chief Executive Officer or his/her designee at the time he or she comes onto CCCERA's premises for the purpose of ensuring that the terms of the MOU are being followed. The authorized representative shall not meet with or otherwise disrupt employees

SECTION 3 - NO DISCRIMINATION/HARASSMENT

during their work time without the approval of the Chief Executive Officer or his/her designee.

D. Nothing in this section shall be interpreted as permitting any employee organization or any unit employee to use CCCERA's internal mail system, its facsimile machines, or CCCERA's voice or electronic mail systems for any purpose other than the normal business of CCCERA.

2.8 Advance Notice.

The Union shall, except in cases of emergency, have the right to reasonable notice of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the CCCERA and to meet with the CCCERA regarding this matter.

The listing of an item on a public agenda, or the mailing of a copy of a proposal at least seventy-two (72) hours before the item will be heard, or the delivery of a copy of the proposal at least twenty-four (24) hours before the item will be heard, shall constitute notice.

In cases of emergency when CCCERA, determines it must act immediately without such notice or meeting, it shall give notice and opportunity to meet as soon as practical after its action.

2.9 Written Statement for New Employees.

CCCERA will provide a written statement to each new employee hired into a classification in any of the bargaining units represented by the Union, that the employee's classification is represented by the Union and the name of a representative of the Union. CCCERA will provide the employee with a packet of information which has been supplied by the Union and approved by CCCERA.

2.10 P.E.O.P.L.E.

Employees in classifications represented by United Clerical, Technical & Specialized Employees, Local 2700, AFSCME may make a voluntary, monetary monthly contribution to P.E.O.P.L.E., said contributions to be deducted from employees' pay by CCCERA and remitted to AFSCME, P.E.O.P.L.E. (Public Employees Organized to Promote Legislative Equality).

SECTION 3 - NO DISCRIMINATION/HARASSMENT

There shall be no discrimination because of sex, race, creed, color, national origin, sexual orientation or union activities against any employee or applicant for employment by CCCERA or by anyone employed by CCCERA; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age. There shall be no discrimination against any disabled person solely because of such disability. There shall be no discrimination because of Union membership or

SECTION 4 - SHOP STEWARDS / OFFICIAL REPRESENTATIVES

legitimate Union activity against any employee or applicant for employment by CCCERA or anyone employed by CCCERA.

CCCERA agrees to abide by its Anti-Harassment Policy.

3.1 Americans With Disabilities Act (ADA).

CCCERA and the Union recognize that CCCERA has an obligation to reasonably accommodate disabled employees. If by reason of the aforesaid requirement CCCERA contemplates actions to provide reasonable accommodation to an individual employee in compliance with the ADA which are in conflict with any provision of this MOU, the Union will be advised of such proposed accommodation. Upon request, CCCERA will meet and confer with the Union on the impact of such accommodation. If CCCERA and the Union do not reach agreement, CCCERA may implement the accommodation if required by law without further negotiations. Nothing in this MOU shall preclude CCCERA from taking actions necessary to comply with the requirements of ADA.

SECTION 4 - SHOP STEWARDS / OFFICIAL REPRESENTATIVES

4.1 Attendance at Meetings.

Employees designated as shop stewards or official representatives of the Union shall be allowed to attend meetings held by CCCERA during regular working hours on CCCERA time as follows:

- a. if their attendance is required by CCCERA at a specific meeting, including meetings of the Board of Retirement.
- b. if their attendance is sought by a hearing body or presentation of testimony or other reasons;
- c. if their attendance is required for a meeting necessary for settlement of grievances filed pursuant to Section 22 - Grievance Procedure of this MOU and scheduled at reasonable times agreeable to all parties;
- d. if they are designated as a shop steward, in which case they may utilize a reasonable time at each level of the proceedings to assist an employee to present a grievance provided the meetings are scheduled at reasonable times agreeable to all parties;
- e. if they are designated as spokesperson or representative of the Union and as such make representations or presentations at meetings or hearings on wages, salaries and working conditions provided in each case advance arrangements for time away from the employee's work station or assignment are made with the appropriate Department Manager, and CCCERA calling the meeting is

responsible for determining that the attendance of the particular employee(s) is required;

- f. to attend examination appeal board hearings to assist an employee in making a presentation.

4.2 Union Representatives.

Official representatives of the Union shall be allowed time off on CCCERA time for meetings during regular working hours when formally meeting and conferring in good faith or consulting with the Administrative/Human Resources Manager or other management representatives on matters within the scope of representation, provided that advance arrangements for the time away from the work station or assignment are made with the appropriate Department Manager.

Shop stewards and union officials shall advise, as far in advance as possible, their immediate supervisor, or his/her designee, of their intent to engage in Union business. All requests for release time shall include the location, the estimated time needed and the general nature of the Union business involved (e.g., grievance meeting, Skelly hearing).

4.3 Release Time For Training.

CCCERA shall provide the Union a maximum of 320 total hours per year of release time for union designated stewards or officers to attend union-sponsored training programs. Requests for release time shall be provided in writing to CCCERA at least fifteen (15) days in advance of the time requested. CCCERA will reasonably consider each request and notify the affected employee whether such request is approved, within one (1) week of receipt.

SECTION 5 – SALARIES

5.1 General Wages.

A.

1. Effective on June 1, 2014, the base rate of pay for all classifications represented by the Union will be increased by four percent (4%).

Contra Costa County will make a lump sum wage payment to each eligible employee, without back interest, for the period of June 1, 2014, through and including July 31, 2014. Eligible employees are those who are employed by the Contra Costa County in a classification represented by the Union between June 1, 2014, and July 31, 2014, including employees who retire, terminate, or promote during that time period.

The lump sum wage payment will be determined by taking the employee's regular pay and hourly-based earnings (including overtime pay and other earnings that are computed as a percentage of base pay) added together for each applicable pay period

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to determine an appropriate pay base amount. This pay base amount then will be multiplied by four percent (4%). The product of that calculation will be added to the employee's September 10, 2014, paycheck where it will be listed separately as "Lump Sum Pay." The lump sum wage pay amount will then be included in the calculation of the employee's required deductions such as taxes, wage garnishments, and retirement.

2. Effective July 1, 2015, the base rate of pay for all classifications represented by the Union will be increased by three percent (3%).
3. Effective July 1, 2016, the base rate of pay for all classifications represented by the Union will be increased by three percent (3%).
4. Lump Sum Ratification Payments:

Permanent Employees. Permanent full-time employees, including project employees, who meet all of the following criteria will be paid lump sum ratification payments of seven hundred and fifty dollars (\$750) each on August 8, 2014, and on June 10, 2015, and five hundred dollars (\$500) on July 10, 2016. Permanent part-time employees, including project employees, who meet all of the following criteria will be paid a prorated lump sum ratification payment. The prorated lump sum payment for permanent part-time employees will be calculated by multiplying the lump sum amount by the employee's approved position hours over forty hours (for example: $\$750 \times (20/40) = \375).

Criteria:

- i. For the payment on August 8, 2014: The employee must be employed by Contra Costa County in a classification represented by the Union on July 1, 2014.
 - ii. For the June 10, 2015 payment: The employee must be employed by CCCERA in a classification represented by the Union on May 1, 2015.
 - iii. For the July 10, 2016 payment: The employee must be employed by CCCERA in a classification represented by the Union on June 1, 2016.
 - iv. Temporary, employees are not eligible for the lump sum payments.
- B. Longevity Pay: Employees at ten (10) years of Contra Costa County/CCCERA service shall receive a two and one-half percent (2.5%) longevity pay differential.

5.2 Entrance Salary.

New employees shall generally be appointed at the minimum step of the salary range established for the particular class of position to which the appointment is made. However, the appointing authority may fill a particular position at a step above the minimum of the range.

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5.3 Anniversary Dates. Anniversary dates will be set as follows:

- A. New Employees. The anniversary date of a new employee is the first day of the calendar month after the calendar month when the employee successfully completes six (6) months service provided however, if an employee began work on the first regularly scheduled workday of the month the anniversary date is the first day of the calendar month when the employee successfully completes six (6) months service.
- B. Promotions. The anniversary date of a promoted employee is determined as for a new employee in Subsection 5.4.A above.
- C. Demotions. The anniversary of a demoted employee is the first day of the calendar month after the calendar month when the demotion was effective.
- D. Transfer, Reallocation and Reclassification. The anniversary date of an employee who is transferred to another position or one whose position has been reallocated or reclassified to a class allocated to the same salary range or to a salary range which is within five percent (5%) of the top step of the previous classification, remains unchanged.
- E. Reemployments. The anniversary of an employee appointed from a reemployment list to the first step of the applicable salary range and not required to serve a probation period is determined in the same way as the anniversary date is determined for a new employee who is appointed the same date, classification and step and who then successfully completes the required probationary period.

5.4 Increments Within Range.

The performance of each employee, except those of employees already at the maximum salary step of the appropriate salary range, shall be reviewed on the anniversary date as set forth in Section 5.3 to determine whether the salary of the employee shall be advanced to the next higher step in the salary range. Advancement shall be granted on the affirmative recommendation of the appointing authority, based on satisfactory performance by the employee. The appointing authority may recommend denial of the increment or denial subject to one additional review at some specified date before the next anniversary, such date to be set at the time the original report is returned. This decision may be appealed through the Grievance Procedure.

Except as herein provided, increments within range shall not be granted more frequently than once a year, nor shall more than one (1) step within-range increment be granted at one time. In case an appointing authority recommends denial of the within range increment on some particular anniversary date, but recommends a special salary review at some date before the next anniversary the special salary review shall not affect the regular salary review on the next anniversary date. Nothing herein shall be construed to make the granting of increments mandatory on CCCERA. If a department verifies in

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writing that an administrative or clerical error was made in failing to submit the documents needed to advance an employee to the next salary step on the first of the month when eligible, said advancement shall be made retroactive to the first of the month when eligible.

5.5 Part-Time Compensation.

A part-time employee shall be paid a monthly salary in the same ratio to the full time monthly rate to which the employee would be entitled as a full time employee under the provisions of this Section 5 as the number of hours per week in the employee's part-time work schedule bears to the number of hours in the full time work schedule of the department.

5.6 Compensation for Portion of Month.

Any employee who works less than any full calendar month, except when on earned vacation or authorized sick leave, shall receive as compensation for services an amount which is in the same ratio to the established monthly rate as the number of days worked is to the actual working days in such employee's normal work schedule for the particular month; but if the employment is intermittent, compensation shall be on an hourly basis, which is calculated on the number of hours in the month worked plus five percent (5%) above the salary step earned.

5.7 Position Reclassification.

An employee who is an incumbent of a position which is reclassified to a class which is allocated to the same range of the basic salary schedule as is the class of the position before it was reclassified, shall be paid at the same step of the range as the employee received under the previous classification.

An incumbent of a position which is reclassified to a class which is allocated to a lower range of the basic salary schedule shall continue to receive the same salary as before the reclassification, but if such salary is greater than the maximum of the range of the class to which the position has been reclassified, the salary of the incumbent shall be reduced to the maximum salary for the new classification. The salary of an incumbent of a position which is reclassified to a class which is allocated to a range of the basic salary schedule greater than the range of the class of the position before it was reclassified shall be governed by the provisions of Section 5.9 - Salary on Promotion.

5.8 Salary Reallocation & Salary on Reallocation.

A. In a general salary increase or decrease, an employee in a class which is reallocated to a salary range above or below that to which it was previously allocated, when the number of steps remain the same, shall be compensated at the same step in the new salary range the employee was receiving in the range to which the class was previously allocated. If the reallocation is from one salary range with more steps to a range with fewer steps or vice versa, the employee

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shall be compensated at the step on the new range which is in the same percentage ratio to the top step of the new range as was the salary received before reallocation to the top step of the old range, but in no case shall any employee be compensated at less than the first step of the range to which the class is allocated.

- B. In the event that a classification is reallocated from a salary range with more steps to a salary range with fewer steps on the salary schedule, apart from the general salary increase or decrease described in Section 5.8.A above, each incumbent of a position in the reallocated class shall be placed upon the step of the new range which equals the rate of pay received before the reallocation. In the event that the steps in the new range do not contain the same rates as the old range, each incumbent shall be placed at the step of the new range which is next above the salary rate received in the old range, or if the new range does not contain a higher step, at the step which is next lower than the salary received in the old range.

- C. In the event an employee is in a position which is reallocated to a different class which is allocated to a salary range the same as, or above or below the salary range of the employee's previous class, the incumbent shall be placed at the step in the new class which equals the rate of pay received before reallocation. In the event that the steps in the range for the new class do not contain the same rates as the range for the old class, the incumbent shall be placed at the step of the new range which is next above the salary rate received in the old range; or if the new range does not contain a higher step, the incumbent shall be placed at the step which is next lower than the salary received in the old range.

5.9 Salary on Promotion.

Any employee who is appointed to a position of a class allocated to a higher salary range than the class previously occupied, except as provided under Section 5.12, shall receive the salary in the new salary range which is next higher than the rate received before promotion. In the event this increase is less than five percent (5%), the employee's salary shall be adjusted to the step in the new range which is at least five percent (5%) greater than the next higher step; provided, however, that the next step shall not exceed the maximum salary for the higher class. In the event of the appointment of a laid off employee from the layoff list to the class from which the employee was laid off, the employee shall be appointed at the step which the employee had formerly attained in the higher class unless such step results in a decrease in which case the employee is appointed to the next higher step. If however, the employee is being appointed into a class allocated to a higher salary range than the class from which the employee was laid off, the salary will be calculated from the highest step the employee achieved prior to layoff, or from the employee's current step, whichever is higher.

5.10 Salary on Involuntary Demotion.

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Any employee who is demoted, except as provided under Section 5.11, shall have his/her salary reduced to the monthly salary step in the range for the class of position to which he/she has been demoted next lower than the salary received before demotion. In the event this decrease is less than five percent (5%), the employee's salary shall be adjusted to the step in the new range which is five percent (5%) less than the next lower step; provided, however, that the next step shall not be less than the minimum salary for the lower class.

Whenever the demotion is the result of layoff, cancellation of positions or displacement by another employee with greater seniority rights, the salary of the demoted employee shall be that step on the salary range which he/she would have achieved had he/she been continuously in the position to which he/she has been demoted, all within-range increments having been granted.

5.11 Salary on Voluntary Demotion.

Whenever any employee voluntarily demotes to a position in a class having a salary range lower than that of the class from which he or she demotes, his or her salary shall remain the same if the steps in his or her new (demoted) salary range permit, and if not, the new salary shall be set at the step next below former salary.

5.12 Transfer.

An employee who is transferred from one position to another as described under "Transfer" shall be placed at the step in the salary range of the new class which equals the rate of pay received before the transfer. In the event that the steps in the range for the new class do not contain the same rates as the range for the old class, the employee shall be placed at the step of the new range which is next above the salary rate received in the old range; or if the new range does not contain a higher step, the employee shall be placed at the step which is next lower than the salary received in the old range.

5.13 Pay for Work in Higher Classification.

When an employee in a permanent position is required to work in a classification for which the compensation is greater than that to which the employee is regularly assigned, the employee shall receive compensation for such work at the rate of pay established for the higher classification pursuant to Subsection 5.9 - Salary on Promotion of this Memorandum, at the start of the second full day in the assignment, under the following conditions. Payment shall be made retroactive after completing the first forty (40) consecutive hours worked in the higher classification.

- A. The employee is assigned to a program, service, or activity established by CCCERA which is reflected in an authorized position which has been classified and assigned to the Salary Schedule.

SECTION 5 – SALARIES

- B. The nature of the departmental assignment is such that the employee in the lower classification performs a majority of the duties and responsibilities of the position of the higher classification.
- C. Employee selected for the assignment will normally be expected to meet the minimum qualifications for the higher classification.
- D. CCCERA shall make reasonable efforts to offer out of class assignments to all interested employees on a voluntary basis. Pay for work in a higher classification shall not be utilized as a substitute for regular promotional procedures provided in this MOU.
- E. Higher pay assignments shall not exceed six (6) months except through reauthorization.
- F. If approval is granted for pay for work in a higher classification and the assignment is terminated and later re-approved for the same employee within one-hundred-eighty (180) days, no additional waiting period will be required.
- G. Any incentives (e.g., the education incentive) and special differentials (e.g., bilingual differential and hazardous duty differential) accruing to the employee in his/her permanent position shall continue.
- H. During the period of work for higher pay in a higher classification, an employee will retain his/her permanent classification, and anniversary and salary review dates will be determined by time in that classification; except that if the period of work for higher pay in a higher classification exceeds one year continuous employment, the employee, upon satisfactory performance in the higher classification, shall be eligible for a salary review in that class on his/her next anniversary date. Notwithstanding any other salary regulations, the salary step placement of employees appointed to the higher class immediately following termination of the assignment shall remain unchanged.
- I. Allowable overtime pay, shift differential and/or work location differentials will be paid on the basis of the rate of pay for the higher class.

5.14 Deferred Compensation Plan

- A. **Special Benefit for Hires after January 1, 2010.** Commencing April 1, 2010 and for the duration of this Agreement, CCCERA will contribute one hundred fifty dollars (\$150) per month to an employee's account in the Contra Costa County Deferred Compensation Plan or other designated tax qualified savings vehicle, for employees who meet all of the following qualifications:

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1. The employee was first hired by Contra Costa County/CCCERA on or after January 1, 2010 and,
2. The employee is not eligible for a monthly premium subsidy for health and/or dental upon retirement as set forth in Section 17.3.
3. The employee is a permanent full-time or permanent part-time employee regularly scheduled to work at least twenty (20) hours per week and has been so employed for at least ninety (90) calendar days; and,
4. The employee defers a minimum of twenty-five dollars (\$25) per month to the Contra Costa County Deferred Compensation Plan or other designated tax qualified savings vehicle; and,
5. The employee has completed, signed, and submitted to CCCERA, the required enrollment form for the account, e.g., the Enrollment Form 457(b).
6. The annual maximum contribution as defined under the relevant Internal Revenue Code provision has not been exceeded for the employee's account for the calendar year.

Employees who discontinue deferral or who defer less than the amount required by this provision for a period of one (1) month or more will no longer be eligible to receive CCCERA contribution. To re-establish eligibility, employees must resume deferring the amount required by this provision.

No amount deferred by the employee or contributed by CCCERA in accordance with this provision will count towards the "Base Contribution Amount" or the "Monthly Base Contribution Amount for Maintaining Program Eligibility" required for CCCERA's Deferred Compensation Incentive in any other provision in this agreement. No amount deferred by the employee or contributed by CCCERA in accordance with any other provision in this Agreement will count toward the minimum required deferral required by this provision. CCCERA's contribution amount in accordance with this provision will be in addition to CCCERA contribution amount for which the employee may be eligible in accordance with any other provision in this contract.

Both the employee deferral and CCCERA contribution to the Contra Costa County Deferred Compensation Plan under this provision, as well as any amounts deferred or contributed to the Contra Costa County Deferred Compensation Plan in accordance with any other provision of this contract, will be added together for the purpose of ensuring that the annual Plan maximum contributions as defined under IRS Code Section 457(b), or other tax qualified designated savings vehicle, are not exceeded.

B. Loan Provision: The Deferred Compensation Plan Loan Program is effective September 1, 2012. The following is a summary of the provisions of the loan program:

1. The minimum amount of the loan is \$1,000
2. The maximum amount of the loan is the lesser of 50% of the employee's

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- balance or \$50,000, or as otherwise provided by law.
3. The maximum amortization period of the loan is five (5) years.
4. The loan interest is fixed at the time the loan is originated and for the duration of the loan. The loan interest rate is the prime rate plus one percent (1%).
5. There is no prepayment penalty if an employee pays the balance of the loan plus any accrued interest before the original amortization period for the loan.
6. The terms of the loan may not be modified after the employee enters into the loan agreement, except as provided by law.
7. An employee may have only one loan at a time.
8. Payment for the loan is made by monthly payroll deduction.
9. An employee with a loan who is not in paid status (e.g. unpaid leave of absence) may make his/her monthly payments directly to the Plan Administrator by some means other than payroll deduction each month the employee is in an unpaid status (e.g. by a personal check or money order).
10. The Loan Administrator (MassMutual Life Insurance Company or its successor) charges a one-time \$50 loan initiation fee. This fee is deducted from the employee's Deferred Compensation account.
11. CCCERA charges a one-time \$25 loan initiation fee and a monthly maintenance fee of \$1.50. These fees are paid by payroll deduction.

Contra Costa County's website provides employees with additional information on the deferred compensation loan program.

5.15 Payment.

- A. Through December 2015 (or so long as the County continues to process payroll) payment shall be as follows:

On the tenth (10th) day of each month, CCCERA pay to each employee the amount of salary due the employee for the preceding month; provided, however, that each employee (except those paid on an hourly rate) may choose to receive an advance on the employee's monthly salary, in which case CCCERA shall, on the twenty-fifth (25th) day of each month, pay to that employee an advance as set forth below.

The advance shall be in an amount equal to one-third (1/3) or less, at the employee's option, of the employee's basic salary of the previous month except that it shall not exceed the amount of the previous month's basic salary less all requested or required deductions.

An election to receive or discontinue an advance shall not be made more than twice in any calendar year or during the first month of employment by filing forms prepared by CCCERA.

Each election shall become effective on the first day of the month following the deadline for filing the notice and shall remain effective until revoked.

SECTION 6 – DAYS AND HOURS OF WORK

In the case of an election made pursuant to this Section, all required or requested deductions from salary shall be taken from the second installment, which is payable on the tenth (10th) day of the following month.

- B. Effective January 2016 (or when CCCERA begins to process its own payroll), payments will be provided on a semi-monthly basis for a total of 24 payments annually. Payment will be based on actual hours worked and any accruals charged. Deductions will be divided in half each month. Retirement contributions will be based on the employee's monthly salary plus retirement compensable differentials.

5.16 Pay Warrant Errors.

If an employee observes an error on his or her check, they should report it immediately to the payroll contact. If it is determined that an improper deduction has occurred or an error has been made, the employee will be promptly reimbursed for any improper deductions. Payment errors shall be made retroactive for a maximum of two years immediately preceding discovery of the payment error.

When CCCERA notifies an employee of an overpayment and a proposed repayment schedule, the employee may accept the proposed repayment schedule or may request a meeting through Human Resources. If requested, a meeting shall be held to determine a repayment schedule that shall be no longer than one and one-half times the length of time the overpayment occurred.

5.17 Compensation Complaints.

All complaints involving or concerning the payment of compensation shall be initially filed in writing with CCCERA Human Resources. Only complaints which allege that employees are not being compensated in accordance with the provisions of this MOU shall be considered as grievances. Any other matters of compensation are to be resolved in the meeting and conferring process, if not detailed in the MOU which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next opened for such discussion. No adjustment shall be retroactive for more than two (2) years from the date upon which the complaint was filed.

SECTION 6 – DAYS AND HOURS OF WORK

6.1 Definitions

- A. **Regular Work Schedule.** A regular work schedule is eight (8) hours per day, Monday through Friday, inclusive, for a total of forty (40) hours per week.
- B. **Flexible Work Schedule.** A flexible work schedule is any schedule that is not a regular, alternate, or 4/10 work schedule and where the employee is not

SECTION 6 – DAYS AND HOURS OF WORK

scheduled to work more than 40 hours in the “workweek” as defined in Subsections E. and F., below.

- C. **4/10 Work Schedule.** A 4/10 work schedule is four (4) ten hour days in a seven (7) day period, for a total of forty (40) hours per week.
- D. **Workweek for Employees on Regular, Flexible, and 4/10 Work Schedules.** For employees on regular, alternate, flexible, and 4/10 work schedules, the workweek begins at 12:01 a.m. on Monday and ends at 12 midnight on Sunday.

6.2 Four/Ten (4/10) Shifts.

If CCCERA wants to eliminate any existing 4/10 shift and substitute a 5/40 shift or to institute a 4/10 shift which does not allow for three (3) consecutive days off (excluding overtime days or a change of shift assignment), or change existing work schedules or existing hours of work, it will meet and confer with the Union prior to implementing said new shift or hours change. This obligation does not apply where there is an existing system for reassigning employees to different shifts or different starting/stopping times. Nothing herein prohibits affected employees and their supervisor from mutually agreeing on a change in existing hours of work provided other employees are not adversely impacted.

The following represents guidelines of a 4-10 Work Schedule Plan.

Office hours will remain 8 a.m. to 5 p.m.

The 5-40 schedule currently in effect will be maintained; i.e., start times, end times and meal periods.

If there are not sufficient employee volunteers for the 5-40 plan – employees will be assigned on the basis of inverse seniority, except that once assigned or volunteered to the 5-40 plan no employee may bump another employee on basis of seniority.

Supervisors are responsible for providing adequate coverage in their section, and will, therefore, be responsible for approval or denial of employees’ work schedules. The supervisor is also responsible for recommending an employee’s return to the 5-40 schedule if an employee’s performance becomes a concern because of the 4-10 plan. It is understood that any individual employee’s schedule may be changed due to the needs of the department. In addition, in the event coverage within a department becomes temporarily reduced; an employee’s schedule may need to be temporarily changed. The union will be notified of any changes to an employee’s work schedule when initiated by the employee’s supervisor.

All employees will receive a copy of the 4-10 Plan guidelines prior to its implementation.

The 4-10 Plan will have schedules with a start time of 7:00 a.m and an end time of 5:30 p.m. All must include at least ½ hour for lunch.

SECTION 7 – OVERTIME AND COMPENSATORY TIME

Schedules are to be established two months in advance if possible to allow for adequate planning.

Any switch back to the 5-40 schedule from the 4-10 Plan should occur after the completion of a 4-10 cycle.

If a holiday falls on an employee's scheduled day off the employee is entitled to take 8 hours off in recognition of the holiday without a loss in pay. The employee is also entitled to receive flexible compensatory time or pay at the rate of 1.0 times his/her base rate of pay.

If a holiday falls on a ten-hour workday, the employee will be charged two hours of vacation or personal holiday time. If the employee does not have any vacation/personal holiday accruals, a deduction will be made from the employee's pay. At the supervisor's discretion, this time may be made up.

Time spent on sick leave and vacation leave will be charged on an hour-for-hour basis; i.e., if an employee takes leave on a scheduled ten-hour day, he/she will be charged ten hours of leave time.

Participants in the 4-10 Plan may not use accruals on their scheduled day off.

Participants in the 4-10 Plan will receive an alternate day-off within the same work week for approved voluntary training on their scheduled day off.

6.3 Written Schedules.

CCCERA shall prepare written schedules in advance to support all deviations and encompassing the complete operational cycle contemplated.

6.4 Flex-Time.

Flex-time may be applied to CCCERA clerical employees. Nothing contained in this MOU prohibits CCCERA from implementing a flex-time system for clerical employees. The CEO or designee prior to implementation shall discuss the implementation of any flex-time system involving employees represented by the Union with the Union. Then CCCERA shall determine if said flex-time is feasible following a trial period. Upon written request to the CEO or designee the Union may request to meet with CCCERA for the purpose of proposing an alternate flexible work schedule.

SECTION 7 – OVERTIME AND COMPENSATORY TIME

7.1 Overtime.

A. Permanent full-time and part-time employees are eligible to receive overtime pay or overtime compensatory time off for any authorized work performed:

SECTION 7 – OVERTIME AND COMPENSATORY TIME

1. in excess of forty (40) hours per week; or
2. in excess of eight (8) hours per day and that exceed the employee's daily number of scheduled hours. For example, an employee who is scheduled to work ten (10) hours per day and who works eleven (11) hours on a particular day would be entitled to one (1) hour of overtime.

Work performed does not include non-worked hours. Overtime pay is compensated at the rate of one and one-half (1-1/2) times the employee's base rate of pay. Any special differentials that are applicable during overtime hours worked will be computed on the employee's base rate of pay, not on the overtime rate of pay.

Overtime for permanent employees is earned and credited in a minimum of one-half hour increments and is compensated by either pay or compensatory time off.

- B. Temporary employees are eligible to receive overtime pay for any authorized work performed in excess of forty (40) hours per week or in excess of eight (8) hours per day. Work performed does not include non-worked hours. Overtime pay is compensated at the rate of one and one-half (1.5) times the employee's hourly base rate of pay (not including shift or any other special differentials). Any special differentials that are applicable during overtime hours worked will be computed on the employee's base hourly rate of pay, not on the overtime rate of pay.
- C. Overtime Distribution: Overtime will be offered on a rotational basis beginning with the most senior qualified person and will rotate down the list of all employees in the classification who normally perform the work in the Department or Division as determined by the appointing authority or designee. If the assignment requiring overtime is continuous, the overtime will be offered on the above-described rotational basis to permit all eligible employees the opportunity to work overtime. If there are no volunteers, overtime will be assigned in inverse order of seniority and will rotate up the list of employees.

7.2 Compensatory Time.

Employees may periodically elect to accrue compensatory time off in lieu of overtime pay. Eligible employees must notify CCCERA in advance of the intention to accrue compensatory time off rather than receive overtime pay

- A. Compensatory time off shall be accrued at the rate of one and one-half (1-1/2) times the actual authorized overtime hours worked by the employee.
- B. Employees may not accrue a compensatory time off balance that exceeds one hundred twenty (120) hours (i.e., eighty (80) hours at time and one-half). Once the maximum balance has been attained, authorized straight time and overtime hours will be paid at the applicable straight time or overtime rate. If the employee's balance falls below one hundred twenty (120) hours, the employee shall again accrue compensatory time off for authorized straight time and overtime hours

SECTION 7 – OVERTIME AND COMPENSATORY TIME

worked until the employee's balance again reaches one hundred twenty (120) hours.

- C. Accrued compensatory time off shall be carried over for use in the next fiscal year; however, as provided in d. above, accrued compensatory time off balances may not exceed one hundred twenty (120) hours.
- D. Employees may not use more than one hundred twenty (120) hours of compensatory time off in any year period (January 1 – December 31).
- E. The use of accrued compensatory time off shall be by mutual agreement between CCCERA and the employee. Compensatory time off shall not be taken when the employee would be replaced by another employee who would be eligible to receive, for time worked, either overtime payment or compensatory time accruals as provided for in this Section. This provision may be waived at the discretion of CCCERA.
- F. When an employee promotes, demotes or transfers from one classification eligible for compensatory time off to another classification eligible for compensatory time off, the employee's accrued compensatory time off balance will be carried forward with the employee.
- G. Compensatory time accrual balances will be paid off when an employee moves from one classification eligible for compensatory time off to a classification that is not eligible for compensatory time off. Said payoff will be made in accordance with the provisions and salary of the class from which the employee is promoting, demoting or transferring as set forth below.
- H. CCCERA will establish timekeeping procedures to administer this Section.

7.3 Fair Labor Standards Act Provisions.

The Fair Labor Standards Act, as amended, may govern certain terms and conditions of the employment of employees covered by this MOU. It is anticipated that compliance with the Act may require changes in some of CCCERA policies and practices currently in effect or agreed upon. If it is determined by CCCERA that certain working conditions, including but not limited to work schedules, hours of work, method of computing overtime, overtime pay, and compensatory time off entitlements or use, must be changed to conform with the Fair Labor Standards Act, such terms and conditions of employment shall not be controlled by this MOU but shall be subject to modification by CCCERA to conform to the Federal Law without further meeting and conferring. CCCERA shall notify the Union (employee organizations) and will meet and confer with said organization regarding the implementation of such modifications.

SECTION 8 – FLEXIBLY STAFFED

SECTION 8 – FLEXIBLY STAFFED

CCCERA shall continue to provide for flexible staffing for all positions in the following classes:

Flexibly Staffed Positions

- Retirement Accounting Specialist I
- Retirement Accounting Specialist II
- Retirement Accounting Specialist III
- Retirement Counselor I
- Retirement Counselor II
- Retirement Counselor III

SECTION 9 - SENIORITY, WORKFORCE REDUCTION, LAYOFF, & REASSIGNMENT

9.1 Workforce Reduction.

In the event that funding reductions or shortfalls in funding occur in a department or are expected, which may result in layoffs, CCCERA will notify the union and take the following actions:

- A. Identify the classification(s) in which position reductions may be required due to funding reductions or shortfalls.
- B. Advise employees in those classifications that position reductions may occur in their classifications.
- C. Accept voluntary leaves of absence from employees in those classifications which do not appear to be potentially impacted by possible position reductions when such leaves can be accommodated by CCCERA.
- D. Consider employee requests to reduce their position hours from full time to part time to alleviate the impact of the potential layoffs.
- E. Approve requests for reduction in hours, lateral transfers, and voluntary demotions to vacant, funded positions in classes not scheduled for layoffs within CCCERA.
- F. When it appears to CCCERA that it may take action which will result in the layoff of employees in the representation unit, CCCERA shall notify the Union of the possibility of such layoffs and shall meet and confer with it regarding the implementation of the action.

SECTION 9 - SENIORITY, WORKFORCE REDUCTION, LAYOFF, & REASSIGNMENT

9.2 Separation Through Layoff.

- A. Grounds for Layoff. Any employee(s) having permanent status in position(s) may be laid off when the position is no longer necessary, or for reasons of economy, lack of work, lack of funds or for such other reason(s) as the Board of Retirement deems sufficient for abolishing the position(s).
- B. Order of Layoff. The order of layoff in a department shall be based on inverse seniority in the class of positions, the employee in that department with least seniority being laid off first and so on.
- C. Layoff By Displacement.
1. In the Same Class. A laid off permanent full time employee may displace an employee having less seniority in the same class who occupies a permanent part-time position, the least senior employee being displaced first.
 2. In the Same Level or Lower Class. A laid off or displaced employee who had achieved permanent status in a class at the same or lower salary level as determined by the salary schedule in effect at the time of layoff may displace within the department and in the class of an employee having less seniority; the least senior employee being displaced first, and so on with senior displaced employees displacing junior employees.
- D. Particular Rules on Displacing.

Permanent part-time employees may displace only employees holding permanent positions of the same type respectively.

A permanent full time employee may displace any intermittent or part-time employee with less seniority 1) in the same class or, 2) in a class of the same or lower salary level if no full time employee in a class at the same or lower salary level has less seniority than the displacing employees.

Former permanent full time employees who have voluntarily become permanent part-time employees for the purpose of reducing the impact of a proposed layoff with the written approval of the Administrative/Human Resources Manager or designee retain their permanent full time employee seniority rights for layoff purposes only and may in a later layoff displace a full time employee with less seniority as provided in these rules.

- E. Seniority. An employee's seniority within a class for layoff and displacement purposes shall be determined by adding the employee's length of service in the particular class in question to the employee's length of service in other classes at the same or higher salary levels as determined by the salary schedule in effect at the time of layoff. Employees reallocated or transferred without examination from

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one class to another class having a salary within five percent (5%) of the former class, shall carry the seniority accrued in the former class into the new class.

Approved leaves of absence as provided for in these rules and regulations shall not constitute a period of separation. In the event of ties in seniority rights in the particular class in question, such ties shall be broken by length of last continuous permanent CCCERA employment. If there remain ties in seniority rights, such ties shall be broken by counting total time in the department in permanent employment. Any remaining ties shall be broken by random selection among the employees involved.

- F. Eligibility for Layoff List. Whenever any person who has permanent status is laid off, has been displaced, has been demoted by displacement or has voluntarily demoted in lieu of layoff or displacement, or has transferred in lieu of layoff or displacement, the person's name shall be placed on the layoff list for the class of positions from which that person has been removed.
- G. Order of Names on Layoff. First, layoff lists shall contain the names of persons laid off, displaced, or demoted as a result of a layoff or displacement, or who have voluntarily demoted in lieu of layoff or displacement. Names shall be listed in order of layoff seniority in the class from which laid off, displaced or demoted or transferred on the date of layoff, the most senior person listed first. In case of ties in seniority, the seniority rules shall apply, except, that where there is a class seniority tie between persons laid off from different departments, the tie(s) shall be broken by length of last continuous permanent CCCERA employment with remaining ties broken by random selection among the employees involved.
- H. Duration of Layoff & Reemployment Rights. The name of any person granted reemployment privileges shall continue on the layoff list for a period of two (2) years. Persons placed on layoff lists shall continue on the appropriate list for a period of four (4) years.
- I. Recall of Persons From Layoff Lists. . Prior to hiring a person from outside CCCERA, if an active Layoff/Recall list exists, CCCERA shall recall employees from the list in reverse order of layoff. A person employed from a layoff list shall be appointed at the same step of that salary range the employee held on the day of layoff.
- J. Removal of Names From Reemployment & Layoff Lists. CCCERA may remove the name of any eligible from a reemployment or layoff list for any reason listed below:
 - 1. For any cause stipulated in the Personnel Policies.
 - 2. On evidence that the eligible cannot be located by postal authorities.

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3. On receipt of a statement from the appointing authority or eligible that the eligible declines certification or indicates no further desire for appointment in the class.
4. An offer of a permanent appointment to the class from which the eligible list was established has been declined by the eligible.
5. If the eligible fails to respond to Human Resources or the appointing authority within ten (10) days to written notice of certification mailed to the person's last known address.

If the person on the reemployment or layoff list is appointed to another position in the same or lower classification, the name of the person shall be removed. However, if the first permanent appointment of a person on a layoff list is to a lower class which has a top step salary lower than the top step of the class from which the person was laid off, the name of the person shall not be removed from the layoff list.

- K. Removal of Names from Reemployment & Layoff Certifications. Human Resources may remove the name of any eligible from a reemployment or layoff certification if the eligible fails to respond within five (5) days to a written notice of certification mailed to the person's last known address.

9.3 Notice.

CCCERA will give employees scheduled for layoff at least ten (10) work days notice prior to their last day of employment.

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10.1 Holidays Observed and Personal Holiday Credit.

CCCERA will observe the following holidays:

- A. January 1st, known as New Year's Day
Third Monday in January known as Dr. Martin Luther King, Jr. Day
Third Monday in February, known as Presidents Day
The last Monday in May, known as Memorial Day
July 4th known as Independence Day
First Monday in September, known as Labor Day
November 11th, known as Veterans Day
Fourth Thursday in November, known as Thanksgiving Day
The Friday after Thanksgiving Day
December 25th, known as Christmas Day

Such other days as the Board of Retirement may designate as holidays. Any holiday observed by CCCERA that falls on a Saturday is observed on the preceding Friday, and

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any holiday observed by CCCERA that falls on a Sunday is observed on the following Monday.

- B. Effective January 1, 2012, each full-time employee shall accrue four (4) hours of personal holiday credit per month. Such personal holiday time may be taken in one (1) minute increments, and preference of personal holidays shall be given to employees according to their seniority in their department as reasonably as possible. No employee may accrue more than forty (40) hours of personal holiday credit. On separation from CCCERA service, an employee will be paid for any unused personal holiday credits at the employee's then current pay rate.

10.2 Holiday is NOT WORKED

A. Full-Time Employees:

1. Holidays Observed – Full-Time Employees: Full-time employees on regular, 4/10, and flexible work schedules are entitled to observe a holiday (eight (8) hours off), without a reduction in pay, whenever a holiday is observed by CCCERA.
2. Holidays Observed on Regular Day off of Full Time Employees on 4/10 and Flexible Work Schedule: When a holiday is observed by CCCERA on the regularly scheduled day off of an employee who is on a 4/10 or flexible work schedule, the employee is entitled to take eight (8) hours off, without reduction in pay, in recognition of the holiday. The employee is also entitled to receive eight (8) hours of flexible pay at the rate of 1.0 times his/her base rate of pay (not including differentials) or flexible compensatory time in recognition of his/her regularly scheduled day off.
3. Holiday Observed – Full Time Employees Scheduled in Excess of Eight (8) Hours: When a holiday falls on an employee's regularly scheduled workday, the employee is entitled to only eight (8) hours off without a reduction in pay. If the workday is a ten (10) hour day, the employee must use two (2) hours of non-sick leave accruals. If the employee does not have any non-sick leave accrual balances, leave without pay (AWOP) will be authorized.
4. Holiday Observed – Full Time Employees Scheduled for Less Than Eight (8) Hours: When a full time employee is scheduled to work less than eight (8) hours on a holiday and the employee observes the holiday, the employee is also entitled to receive flexible pay at the rate of 1.0 times his/her base rate of pay (not including differentials) for the difference between eight (8) hours and the hours the employee was schedule to work on the holiday.

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B. Part Time Employees:

1. Holidays Observed – Part-Time Employees. When a holiday is observed by CCCERA, each part-time employee is entitled to observe the holiday in the same ratio as his/her number of position hours bears to forty (40) hours, multiplied by eight (8) hours, without a reduction in pay. For example, a part time employee whose position hours are 24 per week is entitled to 4.8 hours off work on a holiday ($24/40 \times 8 = 4.8$). Hereafter, the number of hours produced by this calculation will be referred to as the “part time employee’s holiday hours.”
2. Holiday Observed on Regular Day Off of Part Time Employees: When a holiday is observed by CCCERA on the regularly scheduled day off of a part time employee, the part time employee is entitled to observe the holiday in the amount of the “part time employee’s holiday hours,” without a reduction in pay, in recognition of the holiday. The employee is also entitled to receive flexible pay at the rate of 1.0 times his/her base rate of pay (not including differentials) or compensatory time, in the amount of the “part time employee’s holiday hours” in recognition of his/her scheduled day off.
3. Holiday Observed – Part Time Employees Scheduled to Work in Excess of “Part Time Employee’s Holiday Hours”: When the number of hours in a part time employee’s scheduled work day that falls on a holiday is more than the employee’s “part time employee’s holiday hours”, the employee must use non-sick leave accruals for the difference between the employee’s scheduled work hours and the employee’s “part time employee’s holiday hours.” If the employee does not have any non-sick leave accrual balances, leave without pay (AWOP) will be authorized.
4. Holiday Observed – Part Time Employees Scheduled to Work Less Than “Part Time Employee’s Holiday Hours”: When the number of hours in a part time employee’s scheduled work day that fall on a holiday is less than the employee’s “part time employee’s holiday hours”, the employee is also entitled to receive flexible pay at the rate of 1.0 times his/her rate of pay (not including differentials) for the difference between the employee’s schedule work hours and the employee’s “part time employee’s holiday hours.”

10.3 Holiday is WORKED

A. Full Time Employees:

1. Holiday Falls on Regularly Scheduled Work Day of Full-Time Employees on Regular, 4/10, Flexible, and Alternate Work Schedules: When a full time employee works on a holiday that falls on the employee’s regularly scheduled work day, the employee is entitled to receive his/her regular salary. The employee is also entitled to receive holiday pay at the rate of one and one half (1.5) times his/her base rate of pay (not including differentials) or holiday compensation time at the same rate, for all hours worked up to a maximum of

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eight (8) hours. This provision applies to the regular, 4/10, flexible, and alternate work schedules.

2. Holiday Worked - Full Time Employee Scheduled less than Eight (8) hours on Regularly Scheduled Work Day: When a full time employee is scheduled to work less than eight (8) hours on a holiday (hereafter referred to as “full time employee short shift”), and the employee works that full time employee short shift, the employee is also entitled to receive flexible pay at the rate of 1.0 times his/her base rate of pay (not including differentials) or flexible compensatory time for the difference between eight (8) hours and the employee’s scheduled full time employee short shift hours.
3. Holiday Falls on Regularly Scheduled Day Off of Full-Time Employees on 4/10, Flexible, and Alternate Work Schedules. When a full-time employee works on a holiday that falls on the employee’s regularly scheduled day off, the employee is entitled to receive his/her regular salary. The employee is also entitled to receive overtime pay at the rate of one and one half (1.5) times his/her base rate of pay (not including differentials) or compensation time at the same rate for all hours worked on the holiday. The employee is also entitled to receive eight (8) hours of flexible compensatory time or pay, at the rate of 1.0 times his/her base rate of pay, in recognition of his/her scheduled day off. This provision only applies to employees on 4/10, flexible, and alternate work schedules.

B. Part Time Employees

1. Holiday Falls on Regularly Scheduled Work Day: When a part time employee works on a holiday that falls on the employee’s scheduled work day, the part time employee is entitled to receive his/her regular salary. The part time employee is also entitled to receive holiday pay at the rate of one and one half (1.5) times his/her base rate of pay (not including differentials) or holiday compensatory time for all hours worked on the holiday, up to a maximum of the “part time employee’s holiday hours.”
2. Holiday Worked- Part Time Employee Scheduled for Less than “Part Time Employee’s Holiday Hours” on Regularly Scheduled Work Day: When a part time employee is scheduled to work less than the employee’s “part time employee’s holiday hours” on a holiday (hereafter referred to as “part time employee short shift”), and the employee works that part time employee short shift, the employee is also entitled to receive flexible pay at the rate of 1.0 times his/her base rate of pay (not including differentials) or flexible compensatory time for the difference between the “part time employee’s holiday hours” and the part time employee short shift hours.

10.4 Holiday and Compensatory Time Provisions.

- A. Maximum Accruals of Holiday Compensatory Time. Holiday compensatory time may not be accumulated in excess of two hundred eighty-eight (288) hours. After

two hundred eighty-eight (288) hours are accrued by an employee, the employee will receive holiday pay at the rate of one and one half (1.5) times his/her base rate of pay. Holiday compensatory time may be taken at those dates and times determined by mutual agreement of the employee and the Department Manager or designee.

- B. **Pay Off of Holiday Compensatory Time.** Holiday compensatory time will be paid off only upon a change in status. A change in status includes separation, reassignment to a permanent-intermittent position, or transfer, assignment, promotion, or demotion into a position that is not eligible for holiday compensatory time.
- C. **Maximum Accruals of Flexible Compensatory Time.** Flexible compensatory time may not be accumulated in excess of two hundred eighty-eight (288) hours. After two hundred eighty-eight (288) hours are accrued by an employee, the employee will receive flexible pay at the rate of 1.0 times his/her base rate of pay. Flexible compensatory time may be taken on those dates and times determined by mutual agreement of the employee and the Department Manager or designee.
- D. **Pay Off of Flexible Compensatory Time.** Flexible compensatory time will be paid off only upon a change in status. A change in status includes separation, reassignment to a permanent-intermittent position, or transfer assignment, promotion, or demotion into a position that is not eligible for flexible compensatory time.

SECTION 11 - VACATION LEAVE

11.1 Vacation Allowance.

Employees in permanent positions are entitled to vacation with pay. Accrual is based upon straight time hours of working time per calendar month of service and begins on the date of appointment to a permanent position. Increased accruals begin on the first of the month following the month in which the employee qualifies. Accrual for portions of a month shall be in minimum amounts of one (1) hour calculated on the same basis as for partial month compensation pursuant to Section 5.6 of this MOU. Vacation credits may be taken in one (1) minute increments. Vacation may not be taken during the first six (6) months of employment (not necessarily synonymous with probationary status) except where sick leave has been exhausted.

11.2 Vacation Allowance for Separated Employees.

On separation from CCCERA service, an employee shall be paid for any unused vacation credits at the employee's then current pay rate.

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11.3 Vacation Requests.

The Department Manager or his/her designee will approve or deny an employee's vacation leave request that is submitted outside of the vacation bid process, within ten (10) work days of receipt. Vacations may only be taken with approval of the Department Manager or designee.

11.4 Preference.

Preference of vacation shall be given to employees according to their seniority in their department as reasonably as possible.

11.5 Vacation Accrual Rates.

<u>Length of Service</u>	<u>Monthly Accrual Hours</u>	<u>Maximum Cumulative Hours</u>
Under 15 years	10	240
15 through 19 years	13-1/3	320
20 through 24 years	16-2/3	400
25 through 29 years	20	480
30 years and up	23-1/3	560

A. Vacation Accrual Increases for Employees Hired by Contra Costa County on and before June 30, 2009.

Employees with a first of the month Service Award Date. Each employee with a Service Award Date that is on the first day of a month is eligible to accrue increased vacation hours on his/her Service Award Date.

Example One:

1. The employee's Service Award Date is January 1, 1988.
2. The employee reaches 20 years of service on January 1, 2008.
3. January 1, 2008 is the date on which the employee is eligible to begin accruing 16.66 hours of vacation time each month.
4. The increased vacation hours will first appear on the employee's February 10, 2008 pay warrant.

Employees NOT with a first of the month Service Award Date. Each employee whose Service Award Date is NOT on the first day of a month is eligible to accrue increased vacation hours on the first day of the month following the employee's Service Award Date.

Example Two:

1. An employee's Service Award Date is February 24, 1987.

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2. The employee reached 20 years of service on February 24, 2007.
3. March 1, 2007 is the date on which the employee is eligible to begin accruing 16.66 hours of vacation time each month.
4. The increased vacation hours will first appear on the employee's April 10, 2007 pay warrant.

B. Vacation Accrual Increases for Employees Hired on and after July 1, 2009.

Each employee hired on and after July 1, 2009 is eligible to accrue increased vacation hours on the first day of the month following the employee's Service Award Date.

Example One:

1. The employee's Service Award Date is January 1, 1988.
2. The employee reached 20 years of service on January 1, 2008.
3. February 1, 2008 is the date on which the employee is eligible to begin accruing 16.66 hours of vacation time each month.
4. The increased vacation hours will appear on the employee's March 10, 2008, pay warrant.

Example Two:

1. An employee's Service Award Date is February 24, 1987.
2. The employee reached 20 years of service on February 24, 2007.
3. March 1, 2007 is the date on which the employee is eligible to begin accruing 16.66 hours of vacation time each month.
4. The increased vacation hours will appear on the employee's April 10, 2007, pay warrant.

C. Service Award Date Defined.

An employee's Service Award Date is the first day of his/her temporary, provisional, or permanent appointment to a position in CCCERA. If an employee is first appointed to a temporary or provisional position and then later appointed to a permanent position, the Service Award Date for that employee is the date of the first day of the temporary or provisional appointment.

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11.6 Prorated Accruals.

Employees in a permanent part-time position shall accrue vacation benefits on a prorated basis

11.7 Accrual During Leave Without Pay.

No employee who has been granted a leave without pay or unpaid military leave shall accrue any vacation credit during the time of such leave, nor shall an employee who is absent without pay accrue vacation credit during the absence.

11.8 Vacation Leave on Reemployment from a Layoff List.

Employees with six (6) months or more service in a permanent position prior to their layoff and who are employed from a layoff list shall be considered as having completed six (6) months tenure in a permanent position for the purpose of vacation leave.

SECTION 12 - SICK LEAVE

12.1 Purpose of Sick Leave.

The primary purpose of paid sick leave is to ensure employees against loss of pay for temporary absences from work due to illness or injury. It is a benefit extended by CCCERA and may be used only as authorized; it is not paid time off which employees may use for personal activities.

12.2 Credits To and Charges Against Sick Leave.

Sick leave credits accrue at the rate of eight (8) working hours credit for each completed month of service. Employees who work a portion of a month are entitled to a pro rata share of the monthly sick leave credit computed on the same basis as is partial month compensation.

Credits to and charges against sick leave are made in minimum amounts of one (1) minute.

Unused sick leave credits accumulate from year to year. When an employee is separated other than through retirement, accumulated sick leave credits shall be canceled, unless the separation results from layoff, in which case the accumulated credits shall be restored if reemployed in a permanent position within the period of lay off eligibility. As of the date of retirement, an employee's accumulated sick leave is converted to retirement on the basis of one day of retirement service credit for each day of accumulated sick leave credit.

12.3 Policies Governing the Use of Paid Sick Leave.

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As indicated above, the primary purpose of paid sick leave is to ensure employees against loss of pay for temporary absences from work due to illness or injury. The following definitions apply:

Immediate Family: Includes only the spouse, son, stepson, daughter, stepdaughter, father, stepfather, mother, stepmother, brother, sister, grandparent, grandchild, niece, nephew, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, foster children, aunt, uncle, cousin, stepbrother, stepsister, or domestic partner of an employee and/or includes any other person for whom the employee is the legal guardian or conservator, or any person who is claimed as a "dependent" for IRS reporting purposes by the employee.

Employee: Any person employed by CCCERA in an allocated position in CCCERA service.

Paid Sick Leave Credits: Sick leave credits provided for by Personnel Policies and memoranda of understanding.

Condition/Reason: With respect to necessary verbal contacts and confirmations which occur between the department and the employee when sick leave is requested or verified, a brief statement in non-technical terms from the employee regarding inability to work due to injury or illness is sufficient.

Accumulated paid sick leave credits may be used, subject to appointing authority approval, by an employee in pay status, but only in the following instances:

- A. Temporary Illness or Injury of an Employee. Paid sick leave credits may be used when the employee is off work because of a temporary illness or injury.
- B. Permanent Disability Sick Leave. Permanent disability means the employee suffers from a disabling physical injury or illness and is thereby prevented from engaging in any CCCERA occupation for which the employee is qualified by reason of education, training or experience. Sick leave may be used by permanently disabled employees until all accruals of the employee have been exhausted or until the employee is retired by the Retirement Board, subject to the following conditions:
 1. An application for retirement due to disability has been filed with the Retirement Board.
 2. Satisfactory medical evidence of such disability is received by the appointing authority within thirty (30) days of the start of use of sick leave for permanent disability.
 3. The appointing authority may review medical evidence and order further examination as deemed necessary, and may terminate use of sick leave when such further examination demonstrates that the employee is not disabled, or when the appointing authority determines that the medical evidence submitted

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by the employee is insufficient, or where the above conditions have not been met.

- C. Communicable Disease. An employee may use paid sick leave credits when under a physician's order to remain secluded due to exposure to a communicable disease.
- D. Sick Leave Utilization for Pregnancy Disability. Employees whose disability is caused or contributed to by pregnancy, miscarriage, abortion, childbirth, or recovery therefrom, shall be allowed to utilize sick leave credit to the maximum accrued by such employee during the period of such disability under the conditions set forth below:
 - 1. Application for such leave must be made by the employee to the appointing authority accompanied by a written statement of disability from the employee's attending physician. The statement must address itself to the employee's general physical condition having considered the nature of the work performed by the employee, and it must indicate the date of the commencement of the disability as well as the date the physician anticipates the disability to terminate.
 - 2. If an employee does not apply for leave and the appointing authority believes that the employee is not able to properly perform her work or that her general health is impaired due to disability caused or contributed to by pregnancy, miscarriage, abortion, childbirth or recovery therefrom the employee shall be required to undergo a physical examination by a physician selected by CCCERA. Should the medical report so recommend, a mandatory leave shall be imposed upon the employee for the duration of the disability.
 - 3. Except as set forth in Section 12.3 h. Baby/Child Bonding, sick leave may not be utilized after the employee has been released from the hospital unless the employee has provided CCCERA with a written statement from her attending physician stating that her disability continues and the projected dates of the employee's recovery from such disability.
- E. Medical and Dental Appointments. An employee may use paid sick leave credits:
 - 1. For working time used in keeping medical and dental appointments for the employee's own care; and
 - 2. For working time used by an employee for pre-scheduled medical and dental appointments for an immediate family member.
- F. Emergency Care of Family. An employee may use paid sick leave credits for working time used in cases of illness or injury to an immediate family member.
- G. Death of Family Member. An employee may use paid sick leave credits for working time used because of a death in the employee's immediate family or of the employee's domestic partner, but this shall not exceed three (3) working days, plus

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up to two (2) days of work time for necessary travel. Use of additional accruals including sick leave, when appropriate, may be authorized in conjunction with the bereavement leave at the discretion of the appointing authority.

- H. Baby/Child Bonding. Upon the birth or adoption of a child, an employee eligible for baby-bonding leave pursuant to the California Family Rights Act may use sick leave credits for such baby-bonding leave.
- I. Accumulated paid sick leave credits may not be used in the following situations:
 - 1. Vacation. Paid sick leave credits may not be used for an employee's illness or injury which occurs while he is on vacation but the CCCERA CEO may authorize it when extenuating circumstances exist.
 - 2. Not in Pay Status. Paid sick leave credits may not be used when the employee would otherwise be eligible to use paid sick leave credits but is not in pay status.

12.4 Administration of Sick Leave.

The proper administration of sick leave is a responsibility of the employee and the department manager. The following procedures apply:

A. Employee Responsibilities

- 1. Employees are responsible for notifying their department of an absence prior to the commencement of their work shift or as soon thereafter as possible. Notification shall include the reason and possible duration of the absence.
- 2. Employees are responsible for keeping their department informed on a continuing basis of their condition and probable date of return to work.
- 3. Employees are responsible for obtaining advance approval from their supervisor for the scheduled time of pre-arranged personal or family medical and dental appointments.
- 4. Employees are encouraged to keep the department advised of (1) a current telephone number to which sick leave related inquiries may be directed, and (2) any condition(s) and/or restriction(s) that may reasonably be imposed regarding specific locations and/or persons the department may contact to verify the employee's sick leave.

- B. CCCERA Responsibilities. The use of sick leave may properly be denied if these procedures are not followed. Abuse of sick leave on the part of the employee is cause for disciplinary action.

Departmental approval of sick leave is a certification of the legitimacy of the sick leave claim. The Department Manager or designee may make reasonable inquiries about employee absences. The department may require medical verification for an

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absence of three (3) or more consecutive working days. The department may also require medical verification for absences of less than three (3) consecutive working days for probable cause if the employee had been notified in advance in writing that such verification was necessary. Inquiries may be made in the following ways:

1. Calling the employee's residence telephone number or other contact telephone number provided by the employee if telephone notification was not made in accordance with departmental sick leave call-in guidelines. These inquiries shall be subject to any restrictions imposed by the employee under Section 12.4.A.
2. Obtaining the employee's signature on the Absence/Overtime Record or on another form established for that purpose, as employee certification of the legitimacy of the claim.
3. Obtaining the employee's written statement of explanation regarding the sick leave claim.
4. Requiring the employee to obtain a physician's certificate or verification of the employee's illness, date(s) the employee was incapacitated, and the employee's ability to return to work, as specified above.
5. In absences of an extended nature, requiring the employee to obtain from their physician a statement of progress and anticipated date on which the employee will be able to return to work, as specified above.

CCCERA will establish timekeeping procedures which will insure the submission of a time card covering each employee absence in accordance with these policies and with clarifying regulations issued by the CEO.

To help assure uniform policy application, Human Resources should be contacted with respect to sick leave determinations about which the department is in doubt.

12.5 Disability.

- A. An employee physically or mentally incapacitated for the performance of duty is subject to dismissal, suspension or demotion, subject to the County Employees Retirement Law of 1937. An appointing authority after giving notice may place an employee on leave if the appointing authority has filed an application for disability retirement for the employee, or whom the appointing authority believes to be temporarily or permanently physically or mentally incapacitated from the performance of the employee's duties.
- B. An appointing authority who has reasonable cause to believe that there are physical or mental health conditions present in an employee which endanger the health or safety of the employee, other employees, or the public, or which impair the employee's performance of duty, may order the employee to undergo at CCCERA

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expense and on the employee's paid time, a physical, medical examination by a licensed physician and/or psychiatric examination by a licensed physician or psychologist, and receive a report of the findings on such examination. If the examining physician or psychologist recommends that treatment for physical or mental health problems, including leave, are in the best interests of the employee or CCCERA in relation to the employee overcoming any disability and/or performing his or her duties the appointing authority may direct the employee to take such leave and/or undergo such treatment.

- C. Leave due to temporary or permanent disability shall be without prejudice to the employee's right to use sick leave, vacation, or any other benefit to which the employee is entitled other than regular salary. The Administrative/Human Resources Manager may order lost pay restored for good cause and subject to the employee's duty to mitigate damages.
- D. Before an employee returns to work from any absence for illness or injury, other leave of absence or disability leave, exceeding two (2) weeks in duration, the appointing authority may order the employee to undergo at CCCERA expense a physical, medical, and/or psychiatric examination by a licensed physician, and may consider a report of the findings on such examination. If the report shows that such employee is physically or mentally incapacitated for the performance of duty, the appointing authority may take such action as he deems necessary in accordance with appropriate provisions of this MOU.
- E. Before an employee is placed on an unpaid leave of absence or suspended because of physical or mental incapacity under (A) or (B) above, the employee shall be given notice of the proposed leave of absence or suspension by letter or memorandum, delivered personally or by certified mail, containing the following:
 - 1. a statement of the leave of absence or suspension proposed;
 - 2. the proposed dates or duration of the leave or suspension which may be indeterminate until a certain physical or mental health condition has been attained by the employee;
 - 3. a statement of the basis upon which the action is being taken
 - 4. a statement that the employee may review the materials upon which the action is taken;
 - 5. a statement that the employee has until a specified date (not less than seven (7) work days from personal delivery or mailing of the notice) to respond to the appointing authority orally or in writing.
- F. Pending response to the notice the appointing authority for cause specified in writing may place the employee on a temporary leave of absence, with pay.

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- G. The employee to whom the notice has been delivered or mailed shall have seven (7) work days to respond to the appointing authority either orally or in writing before the proposed action may be taken.
- H. After having complied with the notice requirements above, the appointing authority may order the leave of absence or suspension in writing stating specifically the basis upon which the action is being taken, delivering the order to the employee either personally or by certified mail, effective either upon personal delivery or deposit in the U.S. Postal Service.
- I. An employee who is placed on leave or suspended under this section may, within ten (10) calendar days after personal delivery or mailing to the employee of the order, appeal the order in writing through the CEO or designee.
- J. In the event of an appeal the employee has the burden of proof to show that either:
 - 1. the physical or mental health condition cited by the appointing authority does not exist, or
 - 2. the physical or mental health condition does exist, but it is not sufficient to prevent, preclude, or impair the employee's performance of duty, or is not sufficient to endanger the health or safety of the employee, other employees, or the public.
- K. If the appeal is to a Disability Review Arbitrator, the employee (and his representative) will meet with CCCERA's representative to mutually select the Disability Review Arbitrator, who may be a de facto arbitrator, or a physician, or a rehabilitation specialist, or some other recognized specialist mutually selected by the parties. The arbitrator shall hear and review the evidence. The decision of the Disability Review Arbitrator shall be binding on both CCCERA and the employee.

Scope of the Arbitrator's Review.

- 1. The arbitrator may affirm, modify or revoke the leave of absence or suspension.
- 2. The arbitrator may make his decision based only on evidence submitted by CCCERA and the employee.
- 3. The arbitrator may order back pay or paid sick leave credits for any period of leave of absence or suspension if the leave or suspension is found not to be sustainable, subject to the employee's duty to mitigate damages.
- 4. The arbitrator's fees and expenses shall be paid one-half by CCCERA and one-half by the employee or employee's association.

SECTION 12 - SICK LEAVE

- L. It is understood that the benefits specified in Section 12 – Sick Leave and Section 14 – Workers' Compensation, shall be coordinated with the rehabilitation program as determined by the labor-management committee.

12.6 Accrual During Leave Without Pay.

No employee who has been granted a leave without pay or an unpaid military leave shall accrue any sick leave credits during the time of such leave nor shall an employee who is absent without pay accrue sick leave credits during the absence.

12.7 Integration of State Disability Benefits with CCCERA Sick Leave Benefit Program.

Employees eligible for State Disability benefits and sick leave benefits for any portion of disability shall be required to make application for both benefits. The State Disability benefits shall be returned to CCCERA to be credited to the employee's sick leave balance on the following basis:

- A. Integration with State Disability is automatic and cannot be waived.
- B. The amount credited to the employee's sick leave balance shall be converted to sick leave hours by dividing the amount received from State Disability Insurance by the employee's straight time hourly rate, at the time of payment, as determined by the appropriate salary schedule for the employee's class of employment.
- C. If the employee is eligible for State Disability Insurance benefits, application must be made and the benefits returned to CCCERA for sick leave credits so that the principle of integration is completed.
- D. In the event an employee is not eligible for sick leave credits from CCCERA, there will be no integration and the employee shall not return State Disability Insurance benefits to CCCERA.
- E. In the event an employee receives sick leave benefits for a portion of the disability period, State Disability benefits must be utilized to restore only those sick leave hours used during the period of disability.
- F. Restoration of sick leave balances shall be rounded to the nearest one-half (1/2) hour.
- G. In no instance will an employee be allowed to purchase sick leave not accrued.
- H. CCCERA will provide separate accounting for the purchase sick leave to insure that State Disability Insurance benefits are not taxable.

SECTION 13 - STATE DISABILITY INSURANCE (SDI)

12.8 Confidentiality of Information/Records.

Any use of employee medical records will be governed by the Confidentiality of Medical Information Act (Civil Code Sections 56 to 56.26).

SECTION 13 - STATE DISABILITY INSURANCE (SDI)

Employees eligible for SDI benefits will be required to make application for SDI benefits and to have those benefits integrated with the use of their sick leave accruals on the following basis:

13.1 General Provisions.

The California SDI program provides disability benefits beginning on the eighth (8) calendar day of a qualifying disability. The maximum period of state disability payments is up to one year. Determination of SDI payments and eligibility to receive payments is at the sole discretion of the State of California.

Integration means that employees will be required to use sick leave accruals to supplement the difference between the amount of the SDI payment and the employee's base monthly salary. Integration of sick leave with the SDI benefit is automatic and cannot be waived. Integration applies to all SDI benefits paid. For employees off on SDI, the department will make appropriate integration adjustments, including retroactive adjustments if necessary. Employees must inform their department of hospitalization in a timely manner in order for the department to make appropriate integration adjustments.

State Disability benefit payments will be sent directly to the employees at their home address by the State of California.

When there are insufficient sick leave accruals available to fully supplement the difference between the SDI payment and the employee's base monthly salary, accruals other than sick leave may be used. These accruals may be used only to the extent that total payments do not exceed the employee's base monthly salary.

13.2 Procedures.

Employees with more than 1.2 hours of sick leave accruals at the beginning of the disability integration period must integrate their sick leave accrual usage with their SDI benefit to the maximum extent possible.

When employees have 1.2 hours or less of sick leave accruals at the beginning of the disability integration period, the department shall automatically use 0.1 hour of sick leave per month for the duration of their SDI benefit.

When sick leave accruals are totally exhausted, integration with the SDI benefit terminates. An employee may use any other accruals without reference to or integration with the SDI benefit.

When the SDI benefit is exhausted, sick leave integration terminates. Then the employee may use sick leave or other accruals.

SECTION 13 - STATE DISABILITY INSURANCE (SDI)

Employees with no sick leave balance at the beginning of the disability integration period may use any other accruals without reference to or integration with the SDI benefit.

Employees whose SDI claims are denied must present a copy of their claim denial to their department. The department will then authorize use of unused sick leave and shall authorize the use of other accruals as appropriate.

Employees may contact the Human Resources Department, Benefits Division, for assistance in resolving problems.

13.3 Method of Integration.

Employee must notify State of California, Employment Development Department if under a doctor's care for more than seven days (forms provided on the EDD website, www.edd.ca.gov/Disability/). Except for the 7-day waiting period, an employee is paid SDI/PFL payments every day they are eligible for benefits, including weekends.

CCCERA Integrates/Coordinates benefits

Integration or coordination of SDI/PFL benefits is a process in which the full SDI/PFL weekly benefit amount is paid to the employee and in addition the employee is being paid wages by CCCERA. With this process the employee could potentially receive up to 100% of his/her normal gross weekly wages (except for 7-day waiting period) for the benefit period. **PROVIDED THE EMPLOYEE HAS LEAVE BALANCES AVAILABLE.**

Example: An employee's current gross weekly wage is \$500.00. The weekly benefit amount from PFL is \$275.00. The \$500 minus \$275 equals \$225 per week wage loss. Consequently, CCCERA can coordinate/integrate a maximum amount of \$225.00 per week in gross wages, resulting in the employee receiving 100% of their normal weekly gross pay.

Procedures for SDI/PFL payments

Employee will need to mail, fax, or drop off a copy of the SDI/PFL statement that shows the amount and period employee was paid to CCCERA. **The SDI/PFL payment is yours to keep, however we will deduct the SDI amount from the next CCCERA pay check.** It is the responsibility of the employee to ensure that the employee is not receiving more than 100% of his/her normal gross wages. Remember that SDI/PFL payments are not intended to pay additional wages, it is used to reinstate leave balances and the employees' next CCCERA paycheck will be reduced by the SDI/PFL payment.

Calculating leave balance reinstatement

To determine number of leave hours to reinstate, we divide the amount of SDI/PFL payment by the employee's hourly rate of pay. We apply this amount of hours to

SECTION 14 - WORKERS' COMPENSATION

reinstate the leave hours used during the same period the employee is receiving SDI/PFL.

Example: An employee receives a SDI/PFL check for \$550.00 and their regular hourly rate of pay is \$10.00. During that period the employee used 80 hours of sick leave. ($\$550.00/\$10.00 = 55$) sick hours reinstated to his/her accrued balance.

13.4 Definition.

"Base Monthly Salary" for purposes of sick leave integration is defined as the salary amount for the employee's step on the salary schedule for the employee's permanent classification as shown in the "Salary" field on the On-Line Payroll Time Reporting System used by departments for payroll reporting purposes.

SECTION 14 - WORKERS' COMPENSATION

A permanent non-safety employee shall continue to receive the appropriate percent of regular monthly salary for all accepted claims filed before January 1, 2000, during any period of compensable temporary disability absence not to exceed one year. For all accepted claims filed with CCCERA, the percentage of pay for employees entitled to Workers' Compensation shall be 75%. If Workers' Compensation becomes taxable, CCCERA agrees to restore the original benefit level (100% of monthly salary) and the parties shall meet and confer with respect to funding the increased cost.

- A. Waiting Period. There is a three (3) calendar day waiting period before Workers' Compensation benefits commence. If the injured worker loses any time on the day of injury, that day counts as day one (1) of the waiting period. If the injured worker does not lose time on the date of injury, the waiting period will be the first three (3) calendar days the employee does not work as a result of the injury. The time the employee is scheduled to work during this waiting period will be charged to the employee's sick leave and/or vacation accruals. In order to qualify for Workers' Compensation the employee must be under the care of a physician. Temporary compensation is payable on the first three (3) days of disability when the injury necessitates hospitalization, or when the disability exceeds fourteen (14) days.
- B. Continuing Pay. Permanent employees shall continue to receive the appropriate percent as outlined above of their regular monthly salary during any period of compensable temporary disability not to exceed one year. Payment of continuing pay and/or temporary disability compensation is made in accordance with Part 2, Article 3 of the Workers' Compensation Laws of California. "Compensable temporary disability absence" for the purpose of this Section, is any absence due to work connected disability which qualifies for temporary disability compensation as set forth in Part 2, Article 3 of the Workers' Compensation Laws of California.

When any disability becomes medically permanent and stationary and/or reaches maximum medical improvement, the salary provided in this Section shall terminate. No charge shall be made against sick leave or vacation for these salary payments. Sick leave and vacation rights shall not accrue for those periods during which continuing pay is received.

Employees shall be entitled to a maximum of one (1) year of continuing pay benefits for any one injury or illness.

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- C. Continuing pay begins at the same time that temporary Workers' Compensation benefits commence and continues until either the member is declared medically permanent/stationary and/or reaches maximum medical improvement, or until one (1) year of continuing pay, whichever comes first provided the employee remains in an active employed status. Continuing pay is automatically terminated on the date an employee is separated from County service by resignation, retirement, layoff, or the employee is no longer employed by CCCERA. In these instances, employees will be paid Workers' Compensation benefits as prescribed by Workers' Compensation laws. All continuing pay will be cleared through CCCERA.

Whenever an employee who has been injured on the job and has returned to work is required by an attending physician to leave work for treatment during working hours the employee shall be allowed time off up to three (3) hours for such treatment without loss of pay or benefits provided the employee notifies his/her supervisor of the appointment at least three (3) working days prior to the appointment or as soon as the employee becomes aware the appointment has been made. Said visits are to be scheduled contiguous to either the beginning or end of the scheduled work day whenever possible. This provision applies only to injuries/illnesses that have been accepted by CCCERA as work related.

- D. Full Pay Beyond One Year. If an injured employee remains eligible for temporary disability beyond one year, the employee's applicable salary will continue by integrating sick leave and/or vacation accruals with Workers' Compensation benefits. If salary integration is no longer available, Workers' Compensation benefits will be paid directly to the employee as prescribed by Workers' Compensation laws.
- E. Rehabilitation Integration. An injured employee who is eligible for Workers' Compensation Rehabilitation Temporary Disability benefits and whose disability is medically permanent and stationary and/or reaches maximum medical improvement, will continue to receive his/her applicable salary by integrating sick leave and/or vacation accruals with Workers' Compensation Rehabilitation Temporary Disability benefits until those accruals are exhausted. Thereafter, the Rehabilitation Temporary Disability benefits will be paid directly to the employee.
- F. Health Insurance. CCCERA's contribution to the employee's group insurance plan(s) continues during the continuing pay period and during integration of sick leave or vacation with Workers' Compensation benefits.
- G. Method of Integration. An employee's sick leave and/or vacation charges shall be calculated as follows:

$$C = 8 [1 - (W \div S)]$$

C = Sick leave or vacation charge per day
(in hours)

W = Statutory Workers' Compensation for a month

S = Monthly salary

SECTION 15 - LEAVE OF ABSENCE

SECTION 15 - LEAVE OF ABSENCE

15.1 Leave Without Pay.

Any employee who has permanent status may be granted a leave of absence without pay upon written request, approved by the appointing authority; provided, however, that leaves for pregnancy, pregnancy disability, serious health conditions, and family care shall be granted in accordance with applicable state and federal law.

15.2 General Administration - Leave of Absence.

Requests for leave without pay shall be made upon forms prescribed by Human Resources and shall state specifically the reason for the request, the date when it is desired to begin the leave, and the probable date of return.

- A. Leave without pay may be granted for any of the following reasons:
1. Illness or disability;
 2. pregnancy;
 3. parental;
 4. to take a course of study such as will increase the employee's usefulness on return to the position.
 5. for other reasons or circumstances acceptable to the appointing authority.
- B. An employee must request family care leave at least thirty (30) days before the leave is to begin if the need for the leave is foreseeable. If the need is not foreseeable, the employee must provide written notice to the employer within five (5) days of learning of the event by which the need for family care leave arises.
- C. A leave without pay may be for a period not to exceed one (1) year, provided the appointing authority may extend such leave for additional periods. The procedure in granting extensions shall be the same as that in granting the original leave, provided that the request for extension must be made not later than thirty (30) calendar days before the expiration of the original leave.
- D. Nevertheless, a leave of absence for the employee's serious health condition or for family care (FMLA) shall be granted to an employee who so requests it for up to eighteen (18) weeks during a "rolling" twelve (12) month period measured backward from the date the employee uses his/her FMLA leave in accordance with Section 15.5 below.
- E. Whenever an employee who has been granted a leave without any pay desires to return before the expiration of such leave, the employee shall submit a request to the appointing authority in writing at least fifteen (15) days in advance of the

SECTION 15 - LEAVE OF ABSENCE

proposed return. Early return is subject to prior approval by the appointing authority. The Human Resources Department shall be notified promptly of such return.

- F. Except in the case of leave of absence due to family care, pregnancy, pregnancy disability, illness, disability, or serious health condition, the decision of the appointing authority on granting or denying leave or early return from leave shall be subject to appeal to the Administrative/Human Resources Manager and not subject to appeal through the grievance procedure set forth in this MOU.

15.3 Military Leave.

Any employee who is ordered to serve as a member of the State Militia or the United States Army, Navy, Air Force, Marine Corps, Coast Guard or any division thereof shall be granted a military leave for the period of such service, plus ninety (90) days. Additionally, any employee who volunteers for service during a mobilization under Executive Order of the President or Congress of the United States and/or the State Governor in time of emergency shall be granted a leave of absence in accordance with applicable federal or state laws. Upon the termination of such service or upon honorable discharge, the employee shall be entitled to return to his/her position in the classified service provided such still exists and the employee is otherwise qualified, without any loss of standing of any kind whatsoever.

An employee who has been granted a military leave shall not, by reason of such absence, suffer any loss of vacation, holiday, or sick leave privileges which may be accrued at the time of such leave, nor shall the employee be prejudiced thereby with reference to salary adjustments or continuation of employment. For purposes of determining eligibility for salary adjustments or seniority in case of layoff or promotional examination, time on military leave shall be considered as time in County service.

Any employee who has been granted a military leave, may upon return, be required to furnish such evidence of performance of military service or of honorable discharge as the appointing authority may deem necessary.

15.4 Family Care Leave or Medical Leave.

Upon request to the appointing authority, in a "rolling" twelve (12) month period measured backward from the date the employee uses his/her FMLA leave, any employee who has permanent status shall be entitled to at least eighteen (18) weeks leave (less if so requested by the employee) for:

- A. medical leave of absence for the employee's own serious health condition which makes the employee unable to perform the functions of the employee's position; or
- B. family care leave of absence without pay for reason of the birth of a child of the employee, the placement of a child with an employee in connection with the

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adoption or foster care of the child by the employee, or the serious illness or health condition of a child, parent, spouse, or domestic partner of the employee.

15.5 Certification.

The employee may be asked to provide certification of the need for family care leave or medical leave. Additional period(s) of family care or medical leave may be granted by the appointing authority.

15.6 Intermittent Use of Leave.

The eighteen (18) week entitlement may be in broken periods, intermittently on a regular or irregular basis, or may include reduced work schedules depending on the specific circumstances and situations surrounding the request for leave. The eighteen (18) week may include use of appropriate available paid leave accruals when accruals are used to maintain pay status, but use of such accruals is not required beyond that specified in Section 15.12 below. When paid leave accruals are used for a medical or family care leave, such time shall be counted as a part of the eighteen (18) week entitlement.

15.7 Aggregate Use for Spouses.

In the situation where husband and wife are both employed by CCCERA, the family care of medical leave entitlement based on the birth, adoption or foster care of a child is limited to an aggregate for both employees together of eighteen (18) weeks during a "rolling" twelve (12) month period measured backward from the date the employee uses his/her FMLA leave. Employees requesting family care leave are required to advise their appointing authority(ies) when their spouse is also employed by CCCERA.

15.8 Definitions.

For medical and family care leaves of absence under this section, the following definitions apply:

- A. Child: A biological, adopted, or foster child, stepchild, legal ward, conservatee or a child who is under eighteen (18) years of age for whom an employee stands in loco parentis or for whom the employee is the guardian or conservator, or an adult dependent child of the employee.
- B. Parent: A biological, foster, or adoptive parent, a step-parent, legal guardian, conservator, or other person standing in loco parentis to a child.
- C. Spouse: A partner in marriage as defined in California Civil Code Section 4100.
- D. Domestic Partner: An unmarried person, eighteen (18) years or older, to whom the employee is not related and with whom the employee resides and shares the common necessities of life.

SECTION 15 - LEAVE OF ABSENCE

- E. Serious Health Condition: An illness, injury, impairment, or physical or mental condition which warrants the participation of a family member to provide care during a period of treatment or supervision and involves either inpatient care in a hospital, hospice or residential health care facility or continuing treatment or continuing supervision by a health care provider (e.g. physician or surgeon) as defined by state and federal law.
- F. Certification for Family Care Leave: A written communication to the employer from a health care provider of a person for whose care the leave is being taken which need not identify the serious health condition involved, but shall contain:
1. the date, if known, on which the serious health condition commenced;
 2. the probable duration of the condition;
 3. an estimate of the amount of time which the employee needs to render care or supervision;
 4. a statement that the serious health condition warrants the participation of a family member to provide care during period of treatment or supervision;
 5. if for intermittent leave or a reduced work schedule leave, the certification should indicate that the intermittent leave or reduced leave schedule is necessary for the care of the individual or will assist in their recovery, and its expected duration.
- G. Certification for Family Medical Leave: A written communication from a health care provider of an employee with a serious health condition or illness to the employer, which need not identify the serious health condition involved, but shall contain:
1. the date, if known, on which the serious health condition commenced;
 2. the probable duration of the condition;
 3. a statement that the employee is unable to perform the functions of the employee's job;
 4. if for intermittent leave or a reduced work schedule leave, the certification should indicate the medical necessity for the intermittent leave or reduced leave schedule and its expected duration.
- H. Comparable Positions: A position with the same or similar duties and pay which can be performed at the same or similar geographic location as the position held prior to the leave. Ordinarily, the job assignment will be the same duties in the

SECTION 15 - LEAVE OF ABSENCE

same program area located in the same city, although specific clients, caseload, co-workers, supervisor(s), or other staffing may have changed during an employee's leave.

15.9 Pregnancy Disability Leave.

Insofar as pregnancy disability leave is used under Section 12.3.D - Sick Leave Utilization for Pregnancy Disability, that time will not be considered a part of the eighteen (18) week family care leave period.

15.10 Group Health Plan Coverage.

Employees who were members of one of the group health plans prior to commencement of their leave of absence can maintain their health plan coverage with CCCERA contribution by maintaining their employment in pay status as described in Section 12.3.D – Sick Leave Utilization for Pregnancy Disability. During the eighteen (18) weeks of an approved medical or family care leave under Section 15.5 above, CCCERA will continue its contribution for such health plan coverage even if accruals are not available for use to maintain pay status as required under Section 15.12. In order to maintain such coverage, employees are required to pay timely the full employee contribution to maintain their group health plan coverage, either through payroll deduction or by paying CCCERA directly.

15.11 Leave Without Pay - Use of Accruals.

- A. All Leaves of Absence. During the first twelve (12) month period of any leave of absence without pay, an employee may elect to maintain pay status each month by using available sick leave (if so entitled under Section 12.3 - Policies Governing the Use of Paid Sick Leave), vacation, floating holiday, compensatory time off or other accruals or entitlements; in other words, during the first twelve (12) months, a leave of absence without pay may be "broken" into segments and accruals used on a monthly basis at the employee's discretion. After the first twelve (12) months, the leave period may not be "broken" into segments and accruals may not be used, except when required by LTD Benefit Coordination or SDI/Sick Leave Integration or as provided in the sections below.
- B. Family Care or Medical Leave (FMLA). During the eighteen (18) weeks of an approved medical or family care leave, if a portion of that leave will be on a leave of absence without pay, the employee will be *required* to use *at least* 0.1 hour of sick leave (if so entitled under Section 12.3 - Policies Governing the Use of Paid Sick Leave), vacation floating holiday, compensatory time off or other accruals or entitlements if such are available, although use of additional accruals is permitted under subsection A. above.
- C. Leave of Absence/Long Term Disability (LTD) Benefit Coordination. An eligible employee who files an LTD claim and concurrently takes a leave of absence without pay will be required to use accruals as provided in Section B herein during the eighteen (18) weeks entitlement period of a medical leave specified above. If an eligible employee continues beyond the eighteen (18) weeks entitlement period

SECTION 15 - LEAVE OF ABSENCE

on a concurrent leave of absence/LTD claim, the employee may choose to maintain further pay status only as allowed under subsection A. herein.

- D. Sick leave accruals may not be used during any leave of absence, except as allowed under Section 12.3 - Policies Governing the Use of Paid Sick Leave.

15.12 Leave of Absence Replacement and Reinstatement.

Any permanent employee who requests reinstatement to the classification held by the employee in the same department at the time the employee was granted a leave of absence, shall be reinstated to a position in that classification and department and then only on the basis of seniority. In case of severance from service by reason of the reinstatement of a permanent employee, the provisions of Section 9 - Seniority, Workforce Reduction, Layoff & Reassignment shall apply.

15.13 Reinstatement From Family Care Medical Leave.

In the case of a family care or medical leave, an employee on a 5/40 schedule shall be reinstated to the same or comparable position if the return to work is after no more than ninety (90) work days of leave from the initial date of a continuous leave, including use of accruals, or within the equivalent on an alternate work schedule. A full time employee taking an intermittent or reduced work schedule leave shall be reinstated to the same or comparable position if the return to work on a full schedule is after no more than 720 hours, including use of accruals, of intermittent or reduced schedule leave. At the time the original leave is approved, the appointing authority shall notify the employee in writing of the final date to return to work, or the maximum number of hours of leave, in order to guarantee reinstatement to the same or comparable position. An employee on a schedule other than 5/40 shall have the time frame for reinstatement to the same or comparable position adjusted on a pro rata basis.

15.14 Salary Review While on Leave of Absence.

The salary of an employee who is on leave of absence from a CCCERA position on any anniversary date and who has not been absent from the position on leave without pay more than six (6) months during the preceding year, shall be reviewed on the anniversary date. Employees on military leave shall receive salary increments that may accrue to them during the period of military leave.

15.15 Unauthorized Absence.

An unauthorized absence from the work site or failure to report for duty after a leave request has been disapproved, revoked, or canceled by the appointing authority, or at the expiration of a leave, shall be without pay. Such absence may also be grounds for disciplinary action.

SECTION 16 – RETIREMENT CONTRIBUTION

15.16 Time Off to Vote.

Employees represented by the Union who do not have sufficient time outside of working hours to vote at a statewide election, may, without loss of pay, take off enough working time which will enable the employee to vote.

No more than two (2) hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from the regular working shift.

Any employee seeking time off to vote under the provisions of this Section, must submit a written request, at least two (2) working days in advance, to his or her immediate supervisor, stating the following: name, job classification, department, a statement "I am a registered voter", geographic location and address of the employee's polling place, amount of time off requested and whether it is to be at the beginning or end of the employee's regular workday, and a clear statement as to why the employee is unable to vote during the regular hours that the polls are open.

15.17 Non-Exclusivity.

Other MOU language on this subject, not in conflict with this MOU, shall remain in effect.

SECTION 16 – RETIREMENT CONTRIBUTION

16.1 Contribution.

Effective on January 1, 2012, employees are responsible for the payment of one hundred percent (100%) of the employees' basic retirement benefit contributions determined annually by the Board of Retirement of the Contra Costa County Employees' Retirement Association without CCCERA paying any part of the employees' contribution. Employees are also responsible for the payment of the employees' contributions to the retirement cost of living program as determined annually by the Board of Retirement, without CCCERA paying any part of the employees' contributions. CCCERA is responsible for one hundred percent (100%) of the employer's retirement contributions determined annually by the Board of Retirement.

SECTION 17 - HEALTH, LIFE & DENTAL CARE

17.1 Health Plan Coverages.

CCCERA will provide the medical and dental coverage for permanent employees regularly scheduled to work twenty (20) or more hours per week and for their eligible family members, expressed in one of the Health Plan contracts and one of the Dental Plan contracts between CCCERA and the following providers:

SECTION 17 - HEALTH, LIFE & DENTAL CARE

- A. Contra Costa Health Plans (CCHP)
- B. Kaiser Permanente Health Plan
- C. Health Net
- D. Delta Dental
- E. DeltaCare (PMI)

Employee Co-pays for these plans are shown on Attachment C.

17.2 Monthly Premium Subsidy.

- A. For each health and/or dental plan, CCCERA's monthly premium subsidy is a set dollar amount and is not a percentage of the premium charged by the plan. CCCERA will pay the following monthly premium subsidy:

1. Contra Costa Health Plans (CCHP), Plan A
Single: \$ 509.92
Family: \$1,214.90
2. Contra Costa Health Plans (CCHP), Plan B
Single: \$ 528.50
Family: \$1,255.79
3. Kaiser Permanente Health Plan
Single: \$ 478.91
Family: \$1,115.84
4. Health Net HMO
Single: \$ 627.79
Family: \$1,540.02
5. Health Net PPO
Single: \$ 604.60
Family: \$1,436.25
6. Delta Dental with CCHP A or B
Single: \$41.17
Family: \$93.00
7. Delta Dental with Kaiser or Health Net
Single: \$34.02
Family: \$76.77
8. Delta Dental without a Health Plan
Single: \$43.35
Family: \$97.81
9. DeltaCare (PMI) with CCHP A or B
Single: \$25.41

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Family: \$54.91

10. DeltaCare (PMI) with Kaiser or Health Net

Single: \$21.31

Family: \$46.05

11. DeltaCare (PMI) without a Health Plan

Single: \$27.31

Family: \$59.03

- B. If CCCERA contracts with a health and/or dental plan provider not listed in above, the amount of the premium subsidy that CCCERA will pay to that health and/or dental plan provider for employees and their eligible family members shall not exceed the amount of the premium subsidy that CCCERA would have paid to the former plan provider.
- C. In the event that CCCERA premium subsidy amounts are greater than one hundred percent (100%) of the applicable premium of any health and/or dental plan, for any plan year, CCCERA's contribution will not exceed one hundred percent (100%) of the applicable plan premium.

17.3 Retirement Coverage.

A. Upon Retirement:

Subject to the provisions of Section 17.3 below and upon retirement and for the term of the Agreement employees are eligible to receive the benefits provided.

1. Any CCCERA retiree or their eligible dependent who becomes age 65 on or after January 1, 2010 and who is eligible for Medicare must immediately enroll in Medicare Parts A and B.
2. "Eligible dependents" who become survivors of employees or retirees are not eligible for any monthly premium subsidy.
3. For employees hired by Contra Costa County or CCCERA on or after January 1, 2010 and their eligible dependents, are eligible for retiree health/dental coverage upon completion of fifteen (15) years of service of which five (5) of those years must be as an active employee of CCCERA with no monthly premium subsidy paid by CCCERA for any health or dental plan after they separate from CCCERA employment. However, any such eligible employee who retires from CCCERA may retain continuous coverage of a CCCERA health and/or dental plan provided that:
 - i. he or she begins to receive a monthly retirement allowance from CCCERA within 120 days of separation from CCCERA employment and
 - ii. he or she pays the full premium cost under the health and/or

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dental plan without any CCCERA premium subsidy.

4. Employees hired by Contra Costa County on January 1, 2007 to December 31, 2009 and their eligible dependents, are eligible for retiree health/dental coverage premium subsidy upon completion of fifteen (15) years of service of which five (5) of those years must be as an active employee of CCCERA. For purposes of retiree health eligibility, one year of service is defined as one thousand (1,000) hours worked within one anniversary year.
5. Employees hired by Contra Costa County on or before December 31, 2006 and their eligible dependents, may remain in their CCCERA health/dental plan, but without CCCERA-paid life insurance coverage, if immediately before their proposed retirement the employees and dependents are either active subscribers to one of the CCCERA contracted health/dental plans or if while on authorized leave of absence without pay, they have retained continuous coverage during the leave period. CCCERA will pay the health/dental plan monthly premium established by the Board of Retirement for eligible retirees and their eligible dependents.
6. All periods of benefit eligible employment will be included in the fifteen (15) years of service calculation for purposes of health and dental coverage upon retirement.
7. Employees, who resign and file for a deferred retirement and their eligible dependents, may continue in their CCCERA group health and/or dental plan under the following conditions and limitations:
 - i. Health and dental coverage during the deferred retirement period is totally at the expense of the employee, without any CCCERA contributions.
 - ii. Life insurance coverage is not included.
 - iii. To continue health and dental coverage, the employee must:
 - a. be qualified for a deferred retirement under the 1937 Retirement Act provisions;
 - b. be an active member of a CCCERA group health and/or dental plan at the time of filing their deferred retirement application and elect to continue plan benefits;
 - c. be eligible for a monthly allowance from the Retirement System and direct receipt of a monthly allowance within twenty-four (24) months of application for deferred retirement; and
 - d. file an election to defer retirement and to continue health

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benefits hereunder with the Contra Costa County Human Resources Benefits Service Unit within thirty (30) days before separation from CCCERA service.

- iv. Deferred retirees who elect continued health benefits hereunder and their eligible dependents may maintain continuous membership in their CCCERA health and/or dental plan group during the period of deferred retirement by paying the full premium for health and dental coverage on or before the 10th of each month, to the Contra Costa County Auditor-Controller. When the deferred retirees begin to receive retirement benefits, they will qualify for the same health and/or dental coverage pursuant to section 7 above, as similarly situated retirees who did not defer retirement.
- v. Deferred retirees may elect retiree health benefits hereunder without electing to maintain participation in their CCCERA health and/or dental plan during their deferred retirement period. When they begin to receive retirement benefits, they will qualify for the same health and/or dental coverage pursuant to section 7 above, as similarly situated retirees who did not defer retirement, provided reinstatement to a CCCERA group health and/or dental plan will only occur following a three (3) full calendar month waiting period after the month in which their retirement allowance commences.
- vi. Employees who elect deferred retirement will not be eligible in any event for CCCERA health and/or dental plan subvention unless the member draws a monthly retirement allowance within twenty-four (24) months after separation from CCCERA employment.
- vii. Deferred retirees and their eligible dependents are required to meet the same eligibility provisions for retiree health/dental coverage as similarly situated retirees who did not defer retirement.

17.4 Health Plan Coverages and Provisions.

The following provisions are applicable regarding County Health and Dental Plan participation:

- A. Health, Dental and Life Participation by Other Employees: Permanent part-time employees working nineteen (19) hours per week or less may participate in CCCERA Health and/or Dental plans (with the associated life insurance benefit) at the employee's full expense.
- B. Coverage Upon Separation: An employee who separates from CCCERA employment is covered by his/her CCCERA health and/or dental plan through the last day of the month in which he/she separates. Employees who separate

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from CCCERA employment may continue group health and/or dental plan coverage to the extent provided by the COBRA laws and regulations.

17.5 Family Member Eligibility Criteria.

The following persons may be enrolled as the eligible Family Members of a medical and/or dental plan Subscriber:

A. Health Insurance

1. Eligible Dependents:

- a. Employee's Legal Spouse
- b. Employee's qualified domestic partner
- c. Employee's child to age 26
- d. Employee's Disabled Child who is:
 1. over age 26,
 - i. Unmarried; and,
 - ii. Incapable of sustaining employment due to a physical or mental disability that existed prior to the child's attainment of age 19.

2. "Employee's child" includes natural child, child of a qualified domestic partner, step-child, adopted child and a child specified in a Qualified Medical Child Support Order (QMCSO) or similar court order.

B. Dental Insurance

1. Eligible Dependents:

- a. Employee's Legal Spouse
- b. Employee's qualified domestic partner
- c. Employee's unmarried child who is:
 1. Under age 19; or
 2. Age 19, or above, but under age 24; and,
 - i. Resides with the Employee for more than 50% of the year excluding time living at school; and,
 - ii. Receives at least 50% of support from Employee; and,
 - iii. Is enrolled and attends school on a full-time basis, as defined by the school.
- d. Employee's Disabled Child who is:
 1. Over age 19,
 - i. Unmarried; and,
 - ii. Incapable of sustaining employment due to a physical or mental disability that existed prior to the child's attainment of age 19.

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2. "Employee's child" includes natural child, child of a qualified domestic partner, step-child, adopted child and a child specified in a Qualified Medical Child Support Order (QMCSO) or similar court order.

17.6 Dual Coverage.

- A. Each employee and retiree may be covered only by a single CCCERA health (and/or dental) plan. For example, a CCCERA employee may be covered under a single CCCERA health and/or dental plan as either the primary insured or the dependent of another CCCERA employee or retiree, but not as both the primary insured and the dependent of another CCCERA employee or retiree.
- B. All dependents, as defined in Section 17.5, Family Member Eligibility Criteria, may be covered by the health and/or dental plan of only one spouse or one domestic partner. For example, when both husband and wife are CCCERA employees, all of their eligible children may be covered as dependents of either the husband or the wife, but not both.

17.7 Life Insurance Benefit Under Health and Dental Plans.

For employees who are enrolled in CCCERA's program of medical or dental coverage as either the primary or the dependent, term life insurance in the amount of ten thousand dollars (\$10,000) will be provided by CCCERA.

17.8 Supplemental Life Insurance.

In addition to the life insurance benefits provided by this agreement, employees may subscribe voluntarily and at their own expense for supplemental life insurance. Employees may subscribe for an amount not to exceed five hundred thousand dollars (\$500,000), of which one hundred thousand (\$100,000) is a guaranteed issue, provided the election is made within the required enrollment periods.

17.9 Health Care Spending Account.

After six (6) months of permanent employment, full time and part time (20/40 or greater) employees may elect to participate in a Health Care Spending Account (HCSA) Program designed to qualify for tax savings under Section 125 of the Internal Revenue Code, but such savings are not guaranteed. The HCSA Program allows employees to set aside a predetermined amount of money from their pay, not to exceed the maximum amount authorized by federal law, per calendar year, of before tax dollars, for health care expenses not reimbursed by any other health benefit plans. HCSA dollars may be expended on any eligible medical expenses allowed by Internal Revenue Code Section 125. Any unused balance is forfeited and cannot be recovered by the employee.

SECTION 17 - HEALTH, LIFE & DENTAL CARE

17.10 PERS Long-Term Care.

CCCERA will deduct and remit monthly premiums to the PERS Long-Term Care Administrator for employees who are eligible and voluntarily elect to purchase long-term care at their personal expense through the PERS Long-Term Care Program.

17.11 Dependent Care Assistance Program.

CCCERA offers the option of enrolling in a Dependent Care Assistance Program (DCAP) designed to qualify for tax savings under Section 129 of the Internal Revenue Code, but such savings are not guaranteed. The program allows employees to set aside up to five thousand dollars (\$5,000) of annual salary (before taxes) per calendar year to pay for eligible dependent care (child and elder care) expenses. Any unused balance is forfeited and cannot be recovered by the employee.

17.12 Premium Conversion Plan.

CCCERA offers the Premium Conversion Plan (PCP) designed to qualify for tax savings under Section 125 of the Internal Revenue Code, but tax savings are not guaranteed. The program allows employees to use pre-tax dollars to pay health and dental premiums.

17.13 Prevailing Section.

To the extent that any provision of this Section (Section 17 Health, Life & Dental Care) is inconsistent with any provision of any other CCCERA enactment or policy, including but not limited to the Personnel Policies, or any other agreement or order of the Board of Retirement, the provision(s) of this Section (Section 17 - Health, Life & Dental Care) will prevail.

17.14 Rate Information.

CCCERA Human Resources will make health and dental plan rate information available upon request to employees and departments. In addition, CCCERA Human Resources will publish and distribute to employees and departments information about rate changes as they occur during the year.

17.15 Partial Month.

CCCERA's contribution to the health plan premium is payable for any month in which the employee is paid. If an employee is not paid enough compensation in a month to pay the employee share of the premium, the employee must make up the difference by remitting the amount delinquent to Human Resources. The responsibility for this payment rests with the employee. If payment is not made, the employee shall be dropped from the health plan.

SECTION 18 - PROBATIONARY PERIOD

17.16 Coverage During Absences.

Employees shall be allowed to maintain their health plan coverage at CCCERA group rate for twelve (12) months if on approved leave of absence provided that the employee shall pay the entire premium (i.e. both employer and employee share) for the health plan during said leave. Said payment shall be made by the employee at a time and place specified by CCCERA. Late payment shall result in cancellation of health plan coverage.

An employee on leave in excess of twelve (12) months may continue group coverage subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) provided the employee pays the entire cost of coverage, plus any administrative fees, for the option selected. The entire cost of coverage shall be paid at a place and time specified by CCCERA. Late payment may result in cancellation of health plan coverage with no reinstatement allowed.

17.17 Health Plan Re-Opener.

The parties have agreed to reopen this provision consistent with the side letter agreement attached hereto.

SECTION 18 - PROBATIONARY PERIOD

18.1 Duration.

All appointments from officially promulgated employment lists for original entrance or promotion shall be subject to a probationary period. For original entrance appointments, the probationary period shall be nine (9) months. For promotional appointments, the probation period shall be six (6) months.

18.2 Revised Probationary Period.

When the probationary period for a class is changed, only new appointees to positions in the classification shall be subject to the revised probationary period.

18.3 Criteria.

The probationary period shall date from the time of appointment to a permanent position after certification from an eligible list. It shall not include time served under provisional appointment or under appointment to limited term positions or any period of continuous leave of absence without pay or period of work connected disability exceeding fifteen (15) calendar days.

18.4 Rejection During Probation.

An employee who is rejected during the probation period and restored to the eligible list shall begin a new probationary period if subsequently certified and appointed.

SECTION 18 - PROBATIONARY PERIOD

- A. **Appeal From Rejection.** Notwithstanding any other provisions of this section, an employee (probationer) shall have the right to appeal from any rejection during the probationary period based on political, or religious, or union activities, or race, color, national origin, sex, age, disability, or sexual orientation. Such appeal must be in writing and to the CEO or designee. The CEO or designee shall consider the appeal and shall upon request meet with the employee and his/her representative. The CEO or designee shall issue a final decision on the appeal within ten business days of receipt of the appeal.

18.5 Regular Appointment.

The regular appointment of a probationary employee will begin on the day following the end of the probationary period. A probationary employee may be rejected at any time during the probation period without regard to the Skelly provisions of this MOU, without notice and without right of appeal or hearing, except as provided in Section 18.4.A.

Notwithstanding any other provisions of the MOU, an employee rejected during the probation period from a position to which the employee had been promoted or transferred from an eligible list, shall be restored to the position from which the employee was promoted or transferred.

18.6 Layoff During Probation.

An employee who is laid off during probation, if reemployed in the same class by the same department, shall be required to complete only the balance of the required probation.

If reemployed in another classification, the employee shall serve a full probationary period. An employee appointed to a permanent position from a layoff or reemployment list is subject to a probation period if the position is in a department other than the department from which the employee separated, displaced, or voluntarily demoted in lieu of layoff. An appointment from a layoff or reemployment list is not subject to a probation period if the position is in the department from which the employee separated, displaced or voluntarily demoted in lieu of layoff.

18.7 Rejection During Probation of Layoff Employee.

An employee who has achieved permanent status in the class before layoff and who subsequently is appointed from the layoff list and then rejected during the probation period shall be automatically restored to the layoff list, unless discharged for cause, if the person is within the period of layoff eligibility. The employee shall begin a new probation period if subsequently certified and appointed in a different department or classification than that from which the employee was laid off.

SECTION 19 – PROMOTION/EXAMINATIONS

SECTION 19 – PROMOTION/EXAMINATIONS

19.1 Competitive Exam.

Promotion shall be by competitive examination unless otherwise provided in this MOU.

19.2 Promotion Policy.

Human Resources, upon request of an appointing authority, shall determine whether an examination is to be called on a promotional basis.

19.3 Open Exams.

If an examination for one of the classes represented by the Union is proposed to be announced on an open only basis, Human Resources shall give five (5) days prior notice of such proposed announcement and shall meet at the request of the Union to discuss the reasons for such open announcement.

19.4 Disqualification From Taking Examination.

If an employee is disqualified from taking an examination, the employee may appeal in writing to the CEO or designee within three working days. The CEO or designee shall consider the appeal and upon request meet with the employee and his or her representative.

19.5 Release Time for Examinations.

Permanent employees shall be granted release time from work without loss of pay to take CCCERA examinations or take interviews for a CCCERA position provided the employee gives their Department sufficient notice of the need for time off. Managers conducting interviews should provide an adequate and appropriate schedule for the interview to ensure that any operational impact that may be caused by an employee's absence to attend the interview will be minimized.

19.6 Promotion Via Reclassification Without Exam.

Notwithstanding other provisions of this Section, an employee may be promoted from one classification to a higher classification and his/her position reclassified at the request of the appointing authority and under the following conditions:

- A. An evaluation of the position(s) in question must show that the duties and responsibilities have significantly increased and constitute a higher level of work.
- B. The incumbent of the position must have performed at the higher level for six (6) months.
- C. The incumbent must meet the minimum education and experience requirements for the higher class.

SECTION 20 – PERFORMANCE EVALUATIONS

- D. The action must have approval of the appointing authority.
- E. The Union approves such action.
- F. Except in unique situations approved by the appointing authority, the employee must have passed the examination, if any, for the classification and be on the eligible list.

The appropriate rules regarding probationary status and salary on promotion are applicable.

19.7 Requirements for Promotional Standing.

In order to qualify for an examination called on a promotional basis, an employee must have probationary or permanent status and must possess the minimum qualifications for the class. Applicants will be admitted to promotional examinations only if the requirements are met on or before the final filing date. If an employee who is qualified on a promotional employment list is separated from CCCERA, except by layoff, the employee's name shall be removed from the promotional list.

19.8 Promotion Preference.

CCCERA agrees to include on all job announcements the wording “Preference will be granted to applicants with experience in the County Employees’ Retirement Law of 1937 (CERL or 1937 Act).”

SECTION 20 – PERFORMANCE EVALUATIONS

- A. **Goal:** A basic goal of the employee evaluation is to help each employee perform his/her job more effectively to the mutual benefit of the employee and CCCERA. The evaluation process provides an ongoing means of evaluating an employee's job performance and promoting the improvement of the job performance. The evaluation process also provides the opportunity to recognize and document outstanding service as well as service that has been unsatisfactory to CCCERA.
- B. **Frequency of Evaluation.**
 - 1. Probationary employees must be evaluated at least once during their probationary period.
 - 2. Permanent employees may be evaluated every calendar year.
- C. **Procedure.**
 - 1. An employee will generally be evaluated by the first level management supervisor above the employee.

SECTION 21 - DISMISSAL, SUSPENSION, TEMPORARY REDUCTION IN PAY, AND DEMOTION

2. It will be necessary in some cases for a supervisor to consult with the employee's immediate work director in order to make a comprehensive evaluation.
3. Where feasible, evaluations will be based primarily on observation by the evaluator of the employee in the performance of his/her duties.
4. An employee will be informed in advance of a meeting with his/her supervisor to discuss the employee's evaluation.
5. The employee will be provided his/her evaluation in writing on the CCCERA evaluation form.
6. The employee has the right to prepare and have attached to the evaluation form any written comments that the employee wishes to make.
7. When an employee is rated below satisfactory on any factor, the evaluation will give the reasons for such rating and include specific recommendations for improvement in writing.
8. Any rating below average or unsatisfactory must be supported by explanation received by the employee prior to the evaluation presentation.
9. The employee's signing of an evaluation form does not mean that the employee agrees with the evaluation, but it does mean that the employee has had the opportunity to discuss the evaluation with his/her evaluator.
10. The employee will be given a copy of his/her completed evaluation form at the time the form is signed by the employee.
11. Nothing may be added by management to an evaluation after the employee has signed and received a copy of the evaluation, without the employee's written acknowledgment.

Failure to follow the foregoing procedure is subject to the grievance procedure. However, disputes over the actual content or ratings themselves in individual evaluations are not grievable,

SECTION 21 - DISMISSAL, SUSPENSION, TEMPORARY REDUCTION IN PAY, AND DEMOTION

21.1 Sufficient Cause for Action.

The appointing authority may dismiss, suspend, temporarily reduce pay, or demote any employee for cause. A temporary reduction in pay is not to exceed more than five percent (5%) for a period of up to three (3) months. Suspensions without pay shall not exceed thirty (30) calendar days unless ordered by an arbitrator or an adjustment board.

The following are sufficient causes for such action; the list is indicative rather than inclusive of restrictions and dismissal, suspension, temporary reduction in pay, or demotion may be based on reasons other than those specifically mentioned:

SECTION 21 - DISMISSAL, SUSPENSION, TEMPORARY REDUCTION IN PAY, AND DEMOTION

- A. absence without leave,
- B. conviction of any criminal act involving moral turpitude,
- C. disorderly or immoral conduct,
- D. incompetence or inefficiency,
- E. insubordination,
- F. being at work under the influence of liquor or drugs, carrying onto the premises liquor or drugs or consuming or using liquor or drugs during work hours and/or on CCCERA premises,
- G. neglect of duty, i.e. non-performance of assigned responsibilities,
- H. negligent or willful damage to public property or waste of public supplies or equipment,
- I. violation of any lawful or reasonable regulation or order given by a supervisor or Department Manager,
- J. willful violation of any of the provisions of the Personnel Policies,
- K. material and intentional misrepresentation or concealment of any fact in connection with obtaining employment,
- L. misappropriation of CCCERA funds or property,
- M. unreasonable failure or refusal to undergo any physical, medical and/or psychiatric exam and/or treatment authorized by this MOU,
- N. dishonesty or theft,
- O. excessive or unexcused absenteeism and/or tardiness.
- P. sexual harassment, including but not limited to unwelcome sexual advances, requests for sexual favors, and other verbal, or physical conduct of a sexual nature, when such conduct has the purpose or effect of affecting employment decisions concerning an individual, or unreasonably interfering with an individual's work performance, or creating an intimidating and hostile working environment.

21.2 Skelly Requirements - Notice of Proposed Action (Skelly Notice).

Before taking a disciplinary action to dismiss, suspend for more than three (3) work days, temporarily reduce the pay of, or demote an employee, the appointing authority

SECTION 21 - DISMISSAL, SUSPENSION, TEMPORARY REDUCTION IN PAY, AND DEMOTION

shall cause to be served personally or by certified mail, on the employee, a Notice of Proposed Action, which shall contain the following:

- A. A statement of the action proposed to be taken.
- B. A copy of the charges, including the acts or omissions and grounds upon which the action is based.
- C. If it is claimed that the employee has violated a rule or regulation of CCCERA,, a copy of said rule shall be included with the notice.
- D. A statement that the employee may review and request copies of materials upon which the proposed action is based.
- E. A statement that the employee has seven (7) calendar days to respond to the appointing authority either orally or in writing.

21.3 Skelly Requirements - Notice to Union.

In addition to the Notice of Proposed Action, the appointing authority will serve the employee with a document that gives the employee the option of authorizing CCCERA to provide his/her union with a copy of the Notice of Proposed Action. If the employee signs the authorization document and returns it to the appointing authority, the appointing authority will thereafter, within one work day, provide a copy of the employee's Notice of Proposed Action to his/her union, as authorized.

21.4 Employee Response.

The employee upon whom a Notice of Proposed Action has been served shall have seven (7) calendar days to respond to the appointing authority either orally or in writing before the proposed action may be taken. Upon request of the employee and for good cause, the appointing authority may extend in writing the period to respond. If the employee's response is not filed within seven (7) calendar days or during any extension, the right to respond is lost.

21.5 Leave Pending Employee Response.

Pending response to a Notice of Proposed Action within the first seven (7) calendar days or extension thereof, the appointing authority for cause specified in writing may place the employee on temporary leave of absence, with pay.

21.6 Order and Notice of Action.

- A. In any disciplinary action to dismiss, suspend, temporarily reduce pay, or demote an employee having permanent status in a position in the Merit System, after having complied with the Skelly requirements where applicable, the appointing authority shall make an order in writing stating specifically the causes for the action.

SECTION 22 - GRIEVANCE PROCEDURE

- B. **Service of Order.** Said order of dismissal, suspension, temporary reduction of pay, or demotion shall be filed with the Administrative/Human Resources Manager, showing by whom and the date a copy was served upon the employee to be dismissed, suspended or demoted, either personally or by certified mail to the employee's last known mailing address. The order shall be effective either upon personal service or deposit in the U. S. Postal Service.
- C. **Employee Appeals from Order.** The employee may appeal an order of dismissal, suspension, temporary reduction of pay, or demotion through the procedures of Section 22 - Grievance Procedure of this MOU provided that such appeal is filed in writing with the Administrative/Human Resources Manager within ten (10) calendar days after service of said order.

21.7 Order and Notice of Action – Notice to Union.

- A. In addition to the Order and Notice, the appointing authority will serve the employee with a document that gives the employee the option of authorizing CCCERA to provide his/her union with a copy of the Order and Notice. If the employee signs the authorization document and returns it to the appointing authority, the appointing authority will thereafter, within one work day, provide a copy of the employee's Order and Notice to his/her union, as authorized.

21.8 Disciplinary Actions.

If the employee so requests in writing a copy of any written disciplinary action affecting an employee, it shall be furnished to the Union.

21.9 Weingarten Rights.

CCCERA recognizes an employee's right to representation during an investigatory interview or meeting that may result in discipline. CCCERA shall not interfere with the representative's right to assist an employee to clarify the facts during the interview. If the employee requests a union representative, the investigatory interview shall be temporarily recessed for a reasonable period of time until a union representative can be present. For those interviews, which by nature of the incident must take place immediately, the union will take reasonable steps to make a union representative immediately available.

The employer shall inform the employee of the general nature of the investigation at the time the employer directs the employee to be interviewed.

SECTION 22 - GRIEVANCE PROCEDURE

22.1 Definition and Procedure.

A grievance is any dispute which involves the interpretation or application of any provision of this MOU excluding, however, those provisions of this MOU which

SECTION 22 - GRIEVANCE PROCEDURE

specifically provide that the decision of any CCCERA official shall be final, the interpretation or application of those provisions not being subject to the grievance procedure. The Union may represent the grievant at any stage of the process.

Grievances must be filed within thirty (30) calendar days of the incident or occurrence about which the grievant claims to have a grievance and shall be processed in the following manner:

Step 1. Any employee or group of employees who believes that a provision of this MOU has been misinterpreted or misapplied to his or her detriment shall discuss the complaint with the grievant's immediate supervisor or designee, who shall meet with the grievant within five (5) work days of receipt of a written request to hold such meeting. Grievances challenging suspensions, reductions in pay, demotions and terminations may be filed at Step 3 within the time frame set forth above.

Step 2. If a grievance is not satisfactorily resolved in Step 1 above, the grievant may submit the grievance in writing within ten (10) work days to such management official as the Department Manager may designate. This formal written grievance shall state which provision of the MOU has been misinterpreted or misapplied, how misapplication or misinterpretation has affected the grievant to the grievant's detriment, and the redress he or she seeks. A copy of each written communication on a grievance shall be filed with the Administrative/ Human Resources Manager. The Department Manager or his or her designee shall have ten (10) work days in which to respond to the grievance in writing.

Step 3. If a grievance is not satisfactorily resolved in Step 2 above, the union may appeal in writing within ten (10) work days to the Administrative/Human Resources Manager. The Administrative/Human Resources Manager shall have twenty (20) work days in which to investigate the merits of the complaint and to meet together at the same time with the Department Manager or his/her designee, the grievant, and the union. For grievances involving interpretation of this MOU, the Administrative/Human Resources Manager will decide the grievance on its merits and provide the grievant, the union, and the Department with a written decision within fifteen (15) workdays of the date of the Step 3 Meeting, unless more time is granted by mutual agreement.

For grievances involving appeals from disciplinary action, the Administrative/Human Resources Manager will attempt to resolve the grievance. In the event that the grievance is not resolved, the Administrative/Human Resources Manager will provide written notice of that fact to the grievant, the union, and the Department within twenty (20) workdays of the date of the Step 3 meeting, unless more time is granted by mutual agreement.

Step 4 Mediation. No grievance may be processed under this Section which has not first been filed and investigated in accordance with Step 3 above. If the parties are unable to reach a mutually satisfactory accord on any grievance that is presented at Step 3 the union may appeal the grievance and request mediation in writing to the Administrative/Human Resources Manager within ten (10) work days of the date of the written response at Step 3. This step of the grievance procedure may be waived by the written mutual agreement of the parties.

SECTION 22 - GRIEVANCE PROCEDURE

Step 5. If the parties are unable to reach a resolution of the grievance at Step 4, either the Union or CCCERA, whichever is the moving party, may require that the grievance be referred to an impartial arbitrator who shall be designated by mutual agreement between the Union and the Administrative/Human Resources Manager. Such request shall be submitted within twenty (20) work days of the completion of mediation at Step 4. Within twenty (20) work days of the request for arbitration the parties shall mutually select an arbitrator who shall render a decision within thirty (30) work days from the date of final submission of the grievance including receipt of the court reporter's transcript and post-hearing briefs, if any. The fees and expenses of the arbitrator and of the Court Reporter shall be shared equally by the Union and CCCERA. Each party, however, shall bear the costs of its own presentation, including preparation and post hearing briefs, if any.

22.2 Scope of Arbitration Decisions.

- A. Decisions of Arbitrators, on matters properly before them, are final and binding on the parties hereto, to the extent permitted by law.
- B. No Arbitrator may entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union which has been certified as the recognized employee organization for such unit and under such dispute falls within the definition of a grievance as set forth in Subsection 22.1 above.
- C. Proposals to add to or change this MOU or to change written agreements supplementary hereto shall not be arbitrable and no proposal to modify, amend, or terminate this MOU, nor any matter or subject arising out of or in connection with such proposals, may be referred to arbitration under this Section. No Arbitrator has the power to amend or modify this MOU or written agreements supplementary hereto or to establish any new terms or conditions of employment.
- D. If the Administrative/Human Resources Manager, pursuant to the procedures outlined in Step 3 above or Step 4 above resolves a grievance which involves suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time.
- E. No change in this MOU or interpretations thereof (except interpretations resulting from arbitration) will be recognized unless agreed to by CCCERA and the Union.

22.3 Time Limits.

The time limits specified above may be waived by mutual agreement of the parties to the grievance. If CCCERA fails to meet the time limits specified in Steps 1 through 3 above, the grievance will automatically move to the next step. If a grievant fails to meet the time limits specified in Steps 1 through 3 above, the grievance will be deemed to have been settled and withdrawn.

SECTION 23 – PERSONNEL FILES

22.4 Union Notification.

An official, with whom a formal grievance is filed by a grievant who is included in a unit represented by the Union, but is not represented by the Union in the grievance, shall give the Union a copy of the formal presentation.

22.5 Filing by Union.

The Union may file a grievance at Step 3 on behalf of affected employees when action by the CCCERA CEO or Board violates a provision of this MOU.

22.6 Disputes Over Existence of Grievance.

Disputes over whether a grievance exists as defined in Section 22.1 shall be resolved through the grievance procedure.

SECTION 23 – PERSONNEL FILES

CCCERA shall maintain only one official personnel file per employee. Employees shall have the right to inspect and review any official record(s) relating to his or her performance as an employee or to a grievance concerning the employee which is kept or maintained by CCCERA in the employee's personnel file in the Human Resources Department. The employee's union representative, with written authorization by the employee, shall also have the right to inspect and review any official record(s) described above. The contents of such records shall be made available to the employee and/or the employee's union representative for inspection and review at reasonable intervals during the regular business hours of CCCERA.

Letters of reprimand are subject to the grievance procedure but shall not be processed past Step 3 unless said letters are used in a subsequent discharge, suspension or demotion of the employee, in which case an appeal of the letters of reprimand may be considered at the same time as the appeal of the disciplinary action. Copies of written reprimands or memoranda pertaining to an employee's unsatisfactory performance which are to be placed in the employee's personnel file shall be given to the employee who shall have the right to respond in writing to said documents.

Derogatory material in an employee's personnel file (such as warning letters) over two (2) years old will not be used in a subsequent disciplinary action unless directly related to the action upon which the discipline is taken. Derogatory material does not include prior suspensions, demotions or dismissals for cause.

CCCERA shall provide an opportunity for the employee to respond in writing to any information which is in the employee's personnel file about which he or she disagrees. Such response shall become a permanent part of the employee's personnel record. The employee shall be responsible for providing the written responses to be included as part of the employee's permanent personnel record.

Counseling memos, which are not disciplinary in nature, are to be retained in the file maintained by the employee's supervisor or the person who issued the counseling memo and are not to be transferred to the employee's central file which is normally retained by the Human Resources

SECTION 24 – RESIGNATIONS

Department unless such memos are subsequently used in conjunction with a disciplinary action such as a letter of reprimand.

This section does not apply to the records of an employee relating to the investigation of a possible criminal offense, medical records and information or letters of reference.

Employees have the right to review their official personnel files which are maintained in the Human Resources Department during their work hours. For those employees whose work hours do not coincide with CCCERA's business hours, management shall provide a copy of the employee's personnel file for their review. The Custodian of records will certify that the copy is a true and correct copy of the original file. In a case involving a grievance or disciplinary action, the employee's designated representative may also review his/her personnel file with specific written authorization from the employee.

SECTION 24 – RESIGNATIONS

An employee's voluntary termination of service is a resignation. Written resignations shall be forwarded to the Human Resources Department by the appointing authority immediately on receipt, and shall indicate the effective date of termination. Oral resignation shall be immediately confirmed by the appointing authority in writing to the employee and to the Human Resources Department and shall indicate the effective date of termination.

24.1 Resignation in Good Standing.

A resignation giving the appointing authority written notice at least two (2) weeks in advance of the last date of service (unless the appointing authority requires a longer period of notice, or consents to the employee's terminating on shorter notice) is a resignation in good standing.

24.2 Constructive Resignation.

A constructive resignation occurs and is effective when:

- A. An employee has been absent from duty for five (5) consecutive working days without leave; and
- B. Five (5) more consecutive working days have elapsed without response by employee after the mailing of a notice of resignation by the appointing authority to the employee at the employee's last known address.
- C. The letter to the employee will include a document that gives the employee the option of authorizing CCCERA to provide his/her union with a copy of the constructive resignation letter. If the employee signs the authorization document and returns it to the appointing authority, the appointing authority will thereafter, within one work day, provide a copy of the constructive resignation letter to the employee's union, as authorized.

SECTION 24 – RESIGNATIONS

24.3 Effective Resignation.

A resignation is effective when delivered or spoken to the appointing authority, operative either on that date or another date specified.

24.4 Revocation.

A resignation that is effective is revocable only by written concurrence of the employee and the appointing authority, except that an oral resignation that is rescinded in writing and delivered to the appointing authority by the end of the workday following the oral resignation must be accepted by the appointing authority.

24.5 Coerced Resignations.

- A. **Time Limit.** A resignation which the employee believes has been coerced by the appointing authority may be revoked within seven (7) calendar days after its expression, by serving written notice on the Administrative/Human Resources Manager and a copy on the appointing authority.
- B. **Reinstatement.** If the appointing authority acknowledges that the employee could have believed that the resignation was coerced, it shall be revoked and the employee returned to duty effective on the day following the appointing authority's acknowledgment without loss of seniority or pay.
- C. **Contest.** Unless, within seven (7) days of the receipt of the notice, the appointing authority acknowledges that the resignation could have been believed to be coerced, this question should be handled as an appeal to the Board. In the alternative, the employee may file a written election with the Administrative/Human Resources Manager waiving the employee's right of appeal to the Board in favor of the employee's appeal rights under the grievance procedure contained in Section 22 – Grievance Procedure of the MOU beginning with Step 3.
- D. **Disposition.** If a final decision is rendered that determines that the resignation was coerced, the resignation shall be deemed revoked and the employee returned to duty effective on the day following the decision but without loss of seniority or pay, subject to the employee's duty to mitigate damages.

24.6 Eligibility for Reemployment.

Within one (1) year of resignation in good standing from CCCERA service, a person who has had permanent status which included satisfactory completion of probation may make application by letter to the Administrative/Human Resources Manager for placement on a reemployment list as follows: the class from which the person resigned; or any one class of equal or lesser rank in the occupational series and in which the person had previously attained permanent status; or for any class which has replaced the class in which the person previously had status, provided that the person meets the minimum requirements for the new class. If the appointing authority recommends reemployment the Administrative/Human Resources Manager shall grant reemployment

privileges to the person. Consideration of names from a reemployment list is mandatory if the appointing authority recommended reemployment of the individual(s) listed but is optional for other appointing authorities. Names may be removed from reemployment lists in accordance with the provisions of Section 9.2(J) – Removal of Names from Reemployment & Layoff Lists of this MOU.

SECTION 25 – JURY DUTY AND WITNESS DUTY

25.1 Jury Duty.

For purposes of this Section, jury duty shall be defined as any time an employee is obligated to report to the court.

When called for jury duty, CCCERA employees, like other citizens, are expected to discharge their jury duty responsibilities.

Employees shall advise their department as soon as possible if scheduled to appear for jury duty.

If summoned for jury duty in a Superior, Federal Court, or a Coroner's jury, employees may remain in their regular CCCERA pay status, or they may take paid leave (vacation, floating holiday, etc.) or leave without pay and retain all fees and expenses paid to them.

When an employee is summoned for jury duty selection or is selected as a juror in a Superior or Federal Court, employees may remain in a regular pay status if they waive all fees (other than mileage), regardless of shift assignment and the following shall apply:

- A. If an employee elects to remain in a regular pay status and waive or surrender all fees (other than mileage), the employee shall obtain from the Clerk or Jury Commissioner a certificate indicating the days attended and noting that fees other than mileage are waived or surrendered. The employee shall furnish the certificate to Human Resources where it will be retained. No "Absence/Overtime Record" is required.
- B. An employee who elects to retain all fees must take leave (vacation, floating holiday, etc.) or leave without pay. No court certificate is required but an "Absence/Overtime Record" must be submitted to the payroll clerk.

Employees are not permitted to engage in any employment regardless of shift assignment or occupation before or after daily jury service that would affect their ability to properly serve as jurors.

An employee on short notice standby to report to court, whose job duties make short notice response impossible or impractical, shall be given alternate work assignments for those days to enable them to respond to the court on short notice.

When an employee is required to serve on jury duty, CCCERA will adjust that employee's work schedule to coincide with a Monday to Friday schedule for the remainder of their service, unless the employee requests otherwise. Participants in 4/10 work schedules will not receive overtime or comp. time credit for Jury Duty on their scheduled days off.

Permanent-intermittent employees are entitled to paid jury duty leave only for those days on which they were previously scheduled to work.

25.2 Witness Duty.

Employees called upon as a witness or an expert witness in a case arising in the course of their work or the work of another department may remain in their regular pay status and turn over to CCCERA all fees and expenses/ paid to them, other than mileage allowance, or they may take vacation leave or leave without pay and retain all fees and expenses.

Employees called to serve as witnesses in private cases or personal matters (e.g., accident suits and family relations) shall take vacation leave or leave without pay and retain all witness fees paid to them.

Retention or waiver of fees shall be governed by the same provisions as apply to jury duty as set forth in Section 25 – Jury Duty and Witness Duty of this MOU. Employees shall advise their department as soon as possible if scheduled to appear for witness duty. Permanent-intermittent employees are entitled to paid witness duty only for those days on which they were previously scheduled to work.

SECTION 26 – REIMBURSEMENT

26.1 Training Reimbursement.

CCCERA polices shall govern reimbursement for training and shall limit reimbursement for career development training to seven hundred fifty dollars (\$750) per year, except as otherwise provided in the supplemental sections of this MOU. Registration and tuition fees for career development education may be reimbursed for up to fifty percent (50%) of the employee's net cost. Books necessary for courses taken for career development education may be reimbursed for up to one hundred percent (100%) of the employee's net cost.

26.2 Personal Property Reimbursement.

The loss or damage to personal property of employees is subject to reimbursement under the following conditions:

- A. The loss or damage must result from an event which is not normally encountered or anticipated on the job and which is not subject to the control of the employee.

SECTION 26 – REIMBURSEMENT

- B. Ordinary wear and tear of personal property used on the job is not compensated.
- C. Employee tools or equipment, provided without the express approval of the appointing authority, and automobiles are excluded from reimbursement.
- D. The loss or damage must have occurred in the line of duty.
- E. The loss or damage was not a result of negligence or lack of proper care by the employee.
- F. The personal property was necessarily worn or carried by the employee in order to adequately fulfill the duties and requirements of the job.
- G. The loss or damage to employee's eyeglasses, dentures, or other prosthetic devices did not occur simultaneously with a job connected injury covered by workers' compensation.
- H. The amount of reimbursement shall be limited to the actual cost to repair damages. Reimbursement for items damaged beyond repair shall be limited to the actual value of the item at the time of loss or damage but not more than the original cost.
- I. The burden of proof of loss rests with the employee.

26.3 Reimbursement for Meal Expenses.

Employees shall be reimbursed for meal expenses under the following circumstances and in the amount specified in CCCERA policies:

- A. When the employee is required to be out of his/her regular or normal work area during a meal hour because of a particular work assignment and with prior approval of the department manager or his designee.
- B. When the employee is required to stay over to attend consecutive or continuing afternoon and night sessions of a board or commission.
- C. When the employee is required to incur expenses as host for official guests of CCCERA, work as members of examining boards, official visitors, and speaker or honored guests at banquets or other official functions.

When the employee is required to work three (3) or more hours of overtime, or scheduled to work overtime with less than twenty-four (24) hours notice; in this case he/she may be reimbursed in accordance with the CCCERA Policies.

Meal costs will be reimbursed only when eaten away from home.

SECTION 27 – CLASSIFICATIONS

Procedures and definitions relative to reimbursement for meal expenses shall be in accordance with CCCERA Policies

SECTION 27 – CLASSIFICATIONS

Existing classes of positions may be abolished or changed and new classes may be added to the classification plan by the Administrative/Human Resources Manager subject to approval by the Board. CCCERA will offer to meet and confer with the Union on the minimum qualifications and salary of new classes and on any proposed changes in the minimum qualifications in current classes represented by the Union.

If CCCERA wishes to add duties to classes represented by the Union, the Union shall be notified and upon request of the Union, representatives of CCCERA will meet and consult with the Union over such duties.

SECTION 28 - SAFETY

CCCERA shall expend every effort to see to it that the work performed under the terms and conditions of this MOU is performed with a maximum degree of safety consistent with the requirement to conduct efficient operations. CCCERA is aware of the U.S. Supreme Court "Whirlpool" decision regarding safe working conditions and will continue to comply with all of the provisions of that decision. The Union may recommend safety guidelines, regulations, training programs and necessary corrective actions concerning conditions associated with the work environment. Representatives of the Union may want to discuss the participation of the employees it represents on existing departmental safety committees. If CCCERA agrees, the Union may designate a representative to participate in any established Safety Committee. The Union shall appoint all labor representatives to the Committee. All Safety Committees shall schedule their meetings.

28.1 CVC Users Eye Examination.

CCCERA agrees to provide an annual eye examination on CCCERA time at CCCERA expense provided that the employee regularly uses a video display terminal at least an average of two (2) hours per day as certified by their department.

Employees certified for examination under this program must process their request through Human Resources. Should prescription CVC eyeglasses be prescribed for the employee following the examination, CCCERA agrees to provide, at not cost, the basic coverage which includes a ten dollar (\$10) frame and single vision lenses. Employees may, through individual arrangement between the employee and their doctor and solely at the employee's expense, include bifocal, trifocal or blended lenses and other care, services or materials not covered by the Plan. The basic plan coverage, including the examination, may be credited toward the employee-enhanced benefit.

SECTION 29 - MILEAGE

SECTION 29 - MILEAGE

29.1 Mileage Reimbursement Rate.

Mileage allowance for the use of personal vehicles on CCCERA business shall be paid according to the rates allowed by the Internal Revenue Service and shall be adjusted to reflect changes in this rate on the date it becomes effective or the first of the month following announcement of the changed rate by the Internal Revenue Service, whichever is later.

29.2 Mileage Reimbursement Policy.

Mileage from an employee's home to the normal work location is not reimbursable. The normal work location is the location to which an employee is regularly assigned. An employee with more than one (1) normal work location shall be reimbursed for the mileage traveled in the same work day between those work locations.

When an employee is temporarily reassigned to a different work location, mileage will be reimbursed in excess of the normal mileage between the employee's home and the regular work location.

SECTION 30 - SERVICE AWARDS

CCCERA shall continue its present policy with respect to service awards including time off; provided, however, that the type of award given shall be at the sole discretion of CCCERA.

The following procedures shall apply with respect to service awards:

- A. Presentation Before the Board. An employee with five (5) or more years of service may go before the Board to receive his/her Service Award. The CEO or designee will make arrangements for the presentation ceremony before the Board and notify the employee as to the time and date of the Board meeting.
- B. Service Award Day Off. Employees with fifteen (15) or more years of service are entitled to take a day off with pay at each five (5) year anniversary.

SECTION 31 - LENGTH OF SERVICE DEFINITION

(For Service Awards & Vacation Accruals)

The length of service credits of each employee of CCCERA shall date from the beginning of the last period of continuous County and/or CCCERA employment (including temporary, provisional, and permanent status, and absences on approved leave of absence). When an employee separates from a permanent position in good standing and within two (2) years is reemployed in a permanent CCCERA position, or is reemployed in a permanent CCCERA position from a layoff list within the period of layoff eligibility, service credits shall include all credits accumulated at time of separation, but shall not include the period of separation. The Administrative/Human Resources Manager shall determine these matters based on the employee status records.

SECTION 32- UNFAIR LABOR PRACTICE

SECTION 32- UNFAIR LABOR PRACTICE

Either CCCERA or the Union may file an unfair labor practice charge with the Public Employees Relation Board.

SECTION 33 - PERMANENT PART-TIME EMPLOYEE BENEFITS

Permanent part-time employees receive prorated vacation and sick leave benefits. They are eligible for health, dental and life insurance benefits at corresponding premium rates providing they work at least fifty (50) percent of full time. If the employee works at least fifty (50) percent of full time, CCCERA retirement participation is also included.

SECTION 34 - NOTARY PUBLIC

Employees who are designated by CCCERA to perform duties for CCCERA as a notary public will be allowed time off for testing and will be reimbursed for their application, supplies, bonding, insurance, testing, renewal fees and all other required expenses.

SECTION 35 – STRIKE/WORK STOPPAGE

During the term of this MOU, the Union, its members and representatives, agree that it and they will not engage in, authorize, sanction, or support any strike, slowdown, stoppage of work, sickout, or refusal to perform customary duties.

In the case of a legally declared lawful strike against a private or public sector employer which has been sanctioned and approved by the labor body or council having jurisdiction, an employee who is in danger of physical harm shall not be required to cross the picket line, provided the employee advises his or her supervisor as soon as possible, and provided further that an employee may be required to cross a picket line where the performance of his or her duties is of an emergency nature and/or failure to perform such duties might cause or aggravate a danger to public health or safety.

SECTION 36 - ADOPTION

The provisions of this MOU shall be made applicable on the dates indicated and upon approval by the Board. Resolutions and Ordinances, where necessary, shall be prepared and adopted in order to implement these provisions. It is understood that where it is determined that an Ordinance is required to implement any of the foregoing provisions, said provisions shall become effective upon the first day of the month following thirty (30) days after such Ordinance is adopted.

SECTION 37 - DURATION OF AGREEMENT

This Agreement will continue in full force and effect from July 1, 2013 to and including December 31, 2016. Said Agreement shall automatically renew from year to year thereafter unless either party gives written notice to the other prior to sixty (60) days from the aforesaid termination date of its intention to amend, modify or terminate the agreement.

SECTION 38 - SCOPE OF AGREEMENT AND SEPARABILITY OF PROVISIONS

SECTION 38 - SCOPE OF AGREEMENT AND SEPARABILITY OF PROVISIONS

38.1 Scope of Agreement.

Except as otherwise specifically provided herein, this MOU fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties in any and all matters subject to meet and confer. Neither party shall, during the term of this MOU demand any change herein, provided that nothing herein shall prohibit the parties from changing the terms of this MOU by mutual agreement. Any past side letters or any other agreements that are not incorporated into or attached to this MOU are deemed expired upon approval of this MOU by the Board of Retirement.

38.2 Separability of Provisions.

Should any section, clause or provision of this MOU be declared illegal, unlawful or unenforceable, by final judgment of a court of competent jurisdiction, such invalidation of such section, clause or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this MOU.

38.3 Personnel Policies.

Where a specific provision contained in a section of this MOU conflicts with a specific provision contained in a section of the Personnel Policies the provision of this MOU shall prevail. It is recognized, however, that certain provisions of the Personnel Policies may be supplementary to the provisions of this MOU or deal with matters not within the scope of representation and as such remain in full force and effect.

DATE: _____

CCCERA:

_____, **Retirement CEO**
Gail Strohl

AFSCME, Local 2700:
(Signature/Printed Name)

_____/_____
_____/_____
_____/_____
_____/_____
_____/_____
_____/_____

Side Letter Agreement

Health, Dental and Vision
Re-Opener

Effective August 2015, the parties agree to reopen this agreement for the purpose of meeting and conferring for health, vision and dental benefits including the design, plans offered and the payment of monthly premiums starting in plan year 2016.

CCCERA agrees that for plan year 2016 and 2017 it will not pay less than the amounts being paid by the County of Contra Costa for plan year 2016 and 2017. In the event the County makes a retroactive payment to its employees for plan years prior to 2016, CCCERA will make a similar payment.

commonfund

Solutions for strategic investors™

Contra Costa County Employees'
Retirement Association (CCCERA)

Discussion of Private Real Assets
Custom Account

July 23, 2015



Agenda

Executive summary

Dedicated team for CCCERA

Role of natural resources

Portfolio construction and process

Due diligence

Benefits of our partnership

Appendix – Complete team

Presenters

Greg Jansen

Managing Director
Commonfund Capital, Inc.

Steve Lanzo

Managing Director
Commonfund Securities, Inc.

Kent Scott

Managing Director
Commonfund Capital, Inc.

Tim Yates

Managing Director
Commonfund Capital, Inc.

About Commonfund

Commonfund was founded in 1971 as an independent nonprofit investment firm with a grant from the Ford Foundation. Commonfund today manages customized investment programs for endowments, foundations and pension funds. Among the pioneers in applying the endowment model of investing to institutional investors, Commonfund provides extensive investment flexibility using independent investment sub-advisors for discretionary outsourcing engagements, single strategies and multi-asset solutions. Investment programs incorporate active and passive strategies in equities and fixed income, hedge funds, commodities and private capital. All securities are distributed through Commonfund Securities, Inc., a member of FINRA. For additional information about Commonfund, please visit www.commonfund.org.

For more information, contact us at cciinfo@cfund.org.

CCCERA and Commonfund Capital | Partners in Private Natural Resources Investing

Executive Summary

Commonfund Organization

- Founded in 1971 with \$26 billion in assets under management
- Independently owned
- Over 25 years experience of market leadership in natural resources and private capital investing
- A culture of due diligence and risk management is fundamental to our investment process
- A rich history of innovation, research and education (e.g., Commonfund Forum)

Our Team

- Headquartered in Wilton, CT with investment offices in San Francisco, London and Beijing
- 50 person team dedicated to private investing / Five person investment committee with an average tenure of 15 years
- A dedicated CCCERA team of experienced investment and client service professionals
- Deep and experienced back office support for account information, transactions, audit and more

CCCERA and Commonfund Capital | Partners in Private Natural Resources Investing

Executive Summary

Custom Solution

- Tailored to meet CCCERA's objectives
- Natural Resources investment portfolio of primaries, secondaries and co-investments
- Sector exposure including Oil & Gas, Mining, Power, Infrastructure and Agriculture
- Global focus on opportunistic investments
- Collaborative partnership with a dedicated relationship team

Value Proposition

- Deep technical expertise, industry network and deal sourcing capabilities
- Reviewed 299 natural resources opportunities resulting in 8 investments over the last 12 months
- Long tenured team with a compelling track record
- The Natural Resources program has returned a 2.0x net cash-on-cash multiple¹ and a 14.3% net IRR²
- Investment flexibility across all sectors of natural resources
- Strong alignment with CCCERA
- Attractive fees

Past performance does not guarantee future results.

1. Cash-on-cash return multiple is one measure of private capital performance. It measures the distributions returned to investors divided by the underlying cost basis of those realized investments; the result is a multiple. The multiple reflects realized distributions and their cost basis for all multiple-manager natural resource funds raised since 1995. This multiple does not reflect your specific fund performance and does not reflect future expenses and future Commonfund Capital fees.

2. Composite net IRR on past seven multiple-manager natural resource funds (formed since 1995).

Commonfund Capital | Experienced Investment Partners Since 1988

Our Mission is to provide best in class global investment solutions for private equity, venture capital and natural resources

Seasoned Global Team

- 50 person team¹ with deep experience
- Over 750 investments around the world in more than 40 different investment programs
- Offices in: Wilton, CT, San Francisco, CA, London, U.K. and Beijing, China
- Commonfund is a signatory to the Principles for Responsible Investment

Disciplined Investment Process

- Systematic approach to:
 - Primary managers
 - Secondaries
 - Co-Investments
- Invest with a distinct strategy-specific point of view
- Risk mitigating techniques throughout our process
- SEC registration since 1988

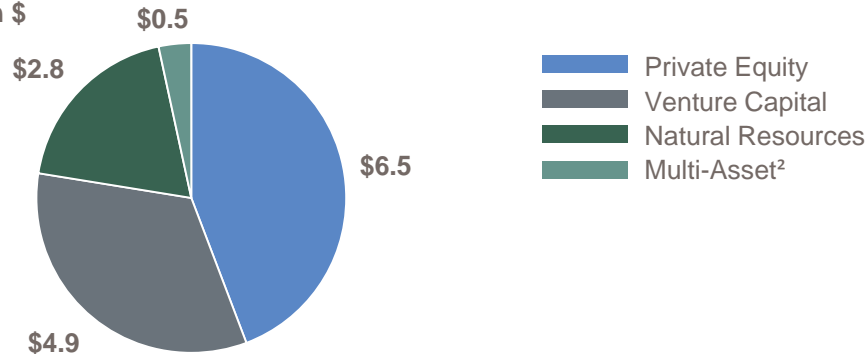
Flexible Approach

- Multiple manager strategy-specific funds in each of: venture capital, private equity and natural resources
- Complete multi-strategy solutions
- Customized solutions

Compelling Value Proposition

- Attractive fees
- Personal investments align interests

\$14.7 Billion Commitments Managed Since Inception through March 31, 2015
Billion \$



1. Includes new open positions.

2. Multi-Asset includes commitments to Commonfund Capital New Leaders and Commonfund Capital Partners series of funds.

Investment & Service Team for CCCERA

Investment



Greg Jansen
Managing Director

- Joined Commonfund in 1995
- Investment Committee member
- HSBC, Chemical Bank, Amoco
- M.B.A. Tulane University
- B.S. Geology, University of New Hampshire



Kent Scott, CFA
Managing Director

- Joined Commonfund in 2002
- Multiple manager advisory boards
- CSFB, UBS, Stanford, Ernst & Young
- S.M. Management, MIT Sloan School of Management
- A.B. Economics, Stanford University



Tim Yates
Managing Director

- Joined Commonfund in 2000
- Fordham Preparatory School
- M.B.A. Fordham University
- B.A. Modern Languages, Trinity College

Service



Anita Hariton
Managing Director

- Joined Commonfund in 1995
- M.B.A. Fairfield University
- B.M. Teaching & Performance, Susquehanna University



Steve Lanzo
Managing Director

- Joined Commonfund in 2003
- Gartmore Global Investments
- Montgomery Asset Management
- J.P. Morgan Investment Management
- B.A. Southern Connecticut State University
- M.B.A. Pace University

Commonfund Capital | Global Natural Resources Investment Team

Commonfund Capital Investment Committee

Don Pascal	Peter Burns	Mark Hoeing	Greg Jansen	Brijesh Jeevarathnam
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- Investment Committee member average tenure 15 years
- Responsible for all Commonfund Capital investment decisions including Natural Resources

				
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;">Greg Jansen Managing Director</td> <td style="width: 50%; text-align: center;">Ethan Levine Director</td> </tr> </table>	Greg Jansen Managing Director	Ethan Levine Director	
Greg Jansen Managing Director	Ethan Levine Director			
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • 32 years Natural Resources experience • 19 years at Commonfund Capital • HSBC and Chemical Banking Corp. (energy finance) • Amoco Production Company (Exploration Geophysicist) • 11 Natural Resources advisory boards • B.S. Geology, M.B.A. </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Nine years Natural Resources experience • Six years at Commonfund Capital • Rockland Capital • Charles River Associates (energy markets consulting) • Four Natural Resources advisory boards • Bachelors and Masters in Engineering, M.B.A. </td> </tr> </table>	<ul style="list-style-type: none"> • 32 years Natural Resources experience • 19 years at Commonfund Capital • HSBC and Chemical Banking Corp. (energy finance) • Amoco Production Company (Exploration Geophysicist) • 11 Natural Resources advisory boards • B.S. Geology, M.B.A. 	<ul style="list-style-type: none"> • Nine years Natural Resources experience • Six years at Commonfund Capital • Rockland Capital • Charles River Associates (energy markets consulting) • Four Natural Resources advisory boards • Bachelors and Masters in Engineering, M.B.A. 	
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	<p>Open Position Associate Director</p>			
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;">Paul Iannone Associate</td> <td style="width: 50%; text-align: center;">Steve Bury Associate</td> </tr> </table>	Paul Iannone Associate	Steve Bury Associate	
Paul Iannone Associate	Steve Bury Associate			
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London Office*

Miriam Schmitter
Director

Deborah Wang
Associate Director

- Sourcing
- Local due diligence
- Referencing
- Advisory Boards



Beijing Office

Jireh Li
Senior Associate

- Sourcing
- Local due diligence
- Referencing

*Commonfund UK Ltd. is a wholly-owned subsidiary of Commonfund Capital, and is authorised and regulated by the UK Financial Conduct Authority.

Role of Natural Resources in a Portfolio

Investment objectives:*

- Attractive Performance
 - Returns principally from capital appreciation
- Diversification Benefit
 - Historically favorable correlations (low and negative) with other asset classes
- Potential Inflation Hedge
 - Private Natural Resources has been a better inflation hedge than conventional strategies

*Of course, no assurance can be made that these objectives will be achieved. Past experience cannot assure future results.

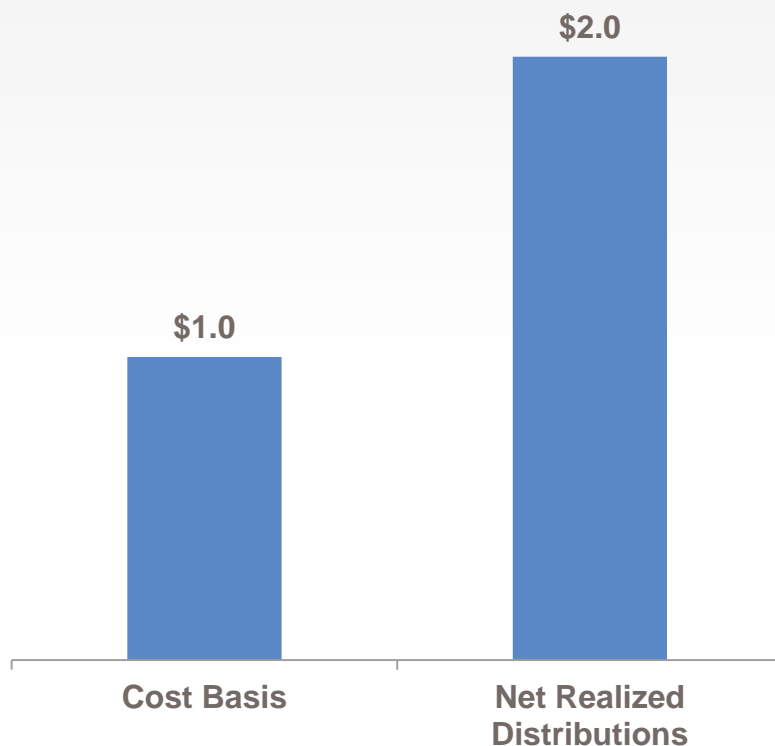
Our Natural Resources Performance

March 31, 2015

Realized Net Distributions to Investors¹

Dollars in Billions

- 2.0x net cash-on-cash multiple²
- 14.3% net IRR³



1. Past performance does not guarantee future results.

2. Cash-on-cash return multiple is one measure of private capital performance. It measures the distributions returned to investors divided by the underlying cost basis of those realized investments; the result is a multiple. The multiple reflects realized distributions and their cost basis for all multiple-manager natural resource funds raised since 1995. This multiple does not reflect your specific fund performance and does not reflect future expenses and future Commonfund Capital fees.

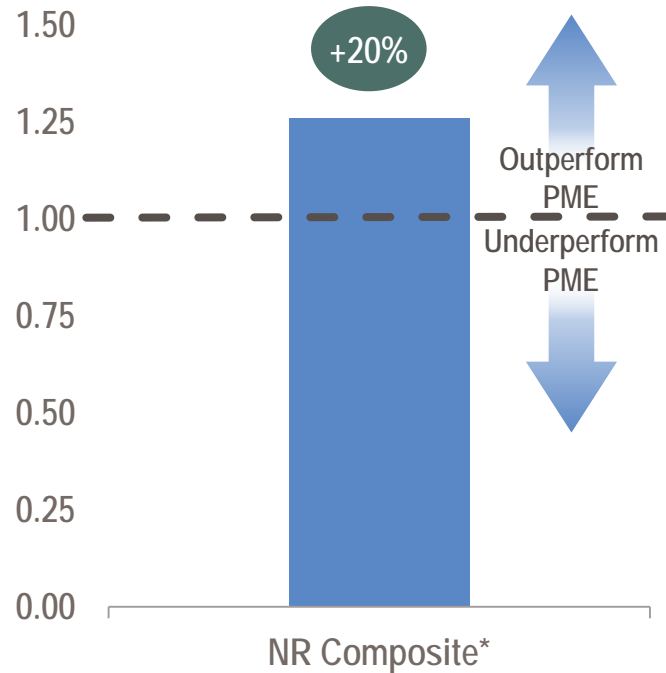
3. Composite net IRR on past seven multiple-manager natural resource funds (formed since 1995).

Competitive Performance

Commonfund Capital NR vs Reference Benchmark Using PME Methodology

Natural Resources Performance vs. CPI + 600 bps | As of March 31, 2015

Performance¹ Relative to Benchmark²



**+20% or +521 bps annually
of outperformance**
vs. CPI + 600 bps²
since inception.

1. Total relative performance (calculated on a multiple of invested capital basis and compared to the indicated index) denoted in the oval above the bars in the chart.
2. PME using the Kaplan Schoar method. The PME compares an investment in a private capital fund or funds (composite) to an investment in a public market index or similar series. In this case, CCCERA has requested that we use CPI + 600 bps as a reference benchmark. The calculation is performed by Burgiss. Burgiss calculates a ratio describing the relative performance of the private market investment to the stated index as of the measurement date. The calculation discounts all distributions and the residual value of the fund using the respective index and divides the resulting value by the sum of all contributions to the fund discounted using the respective index. The PME can be viewed as a market-adjusted performance multiple of the private investment; the resulting series of cash flows can be derived using both the present or the future value methods. Burgiss uses the future value method. The annualized outperformance basis point figure is calculated by Burgiss using the GGS Direct Alpha method which is an annualized form of the Kaplan Schoar PME. CPI is released on a monthly basis from the US Bureau of Labor Statistics (accessed through Bloomberg). Interim daily prices are calculated using a linear trend between release dates.

* Overall Natural Resources performance since 1995 compared to CPI + 600 basis points; composite includes EEP III – CNR IX.

Note: See Commonfund Capital Public Market Equivalent (“PME”) Important Performance Notes for more information.

Source: Commonfund Capital Internal Database, Private Informant, Bloomberg. Past results are not necessarily indicative of future performance.

Important Notes

Natural Resources Performance vs. CPI + 600 bps

1. Pro-forma multiple of Natural Resources investments discounted using CPI plus a 600 basis point spread from inception of CCI Natural Resources funds (formed since 1995). Data on page 10 is as of March 31, 2015. Please note the following: “Outperformance” is a relative comparison of values between CCI Natural Resources (as described above) and CPI + 600 bps. There can be no assurance that outperformance will continue in the future.
2. The underlying value is calculated by assuming the contributions and distributions from the fund (including the remaining unrealized net asset value, if any) were discounted by CPI + 600 bps as such contributions and distributions were generated (or at the measurement date for any remaining unrealized net asset value). The calculation is net of manager and CCI fees and carry.

Note: For a complete description of performance, see Commonfund Capital Summary Financial Data pages. Past performance does not guarantee future results. The relative performance calculated for the CCI Natural Resources investments compared to CPI + 600 basis points is for illustrative purposes only. The relative performance calculation does not presume any management fees or other costs associated with the index for discounting purposes. For more information about the calculations, please see “Important Notes.”

Diversification Benefit | Correlations Between Our Programs and Select Indices¹

December 29, 1989 to March 31, 2015

Correlation with Commonfund Capital Natural Resources Programs

Fixed Income	Barclays Capital U.S. Aggregate Bond Index	(0.19)	Negative Correlation
Equities	S&P 500 Index	0.19	Low Correlation
	Russell 2000 Index	0.27	
Hard Assets	NCREIF Real Estate Property Index ²	0.23	Low/ Medium Correlation
	Dow Jones – UBS Commodities Index	0.59	

Past performance is not indicative of future results.

Aggregate for all of Commonfund Capital's natural resources programs raised since 1989, (excludes CNR IX) all of which have an exclusive focus on natural resources.

All data is quarterly starting December 29, 1989; National Council of Real Estate Investment Fiduciaries (NCREIF) indices are before manager fees.

Note: All data series are time-weighted on a quarterly basis. Commonfund Capital presents return information for its partnerships on a dollar-weighted (e.g., internal rate of return) basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis, which is used principally to report performance of publicly-traded securities.

Source: Commonfund Capital internal database, Bloomberg and NCREIF.

Potential Inflation Hedge

Private Natural Resources can be a potential inflation hedge | March 31, 2015

Correlation with Consumer Price Index



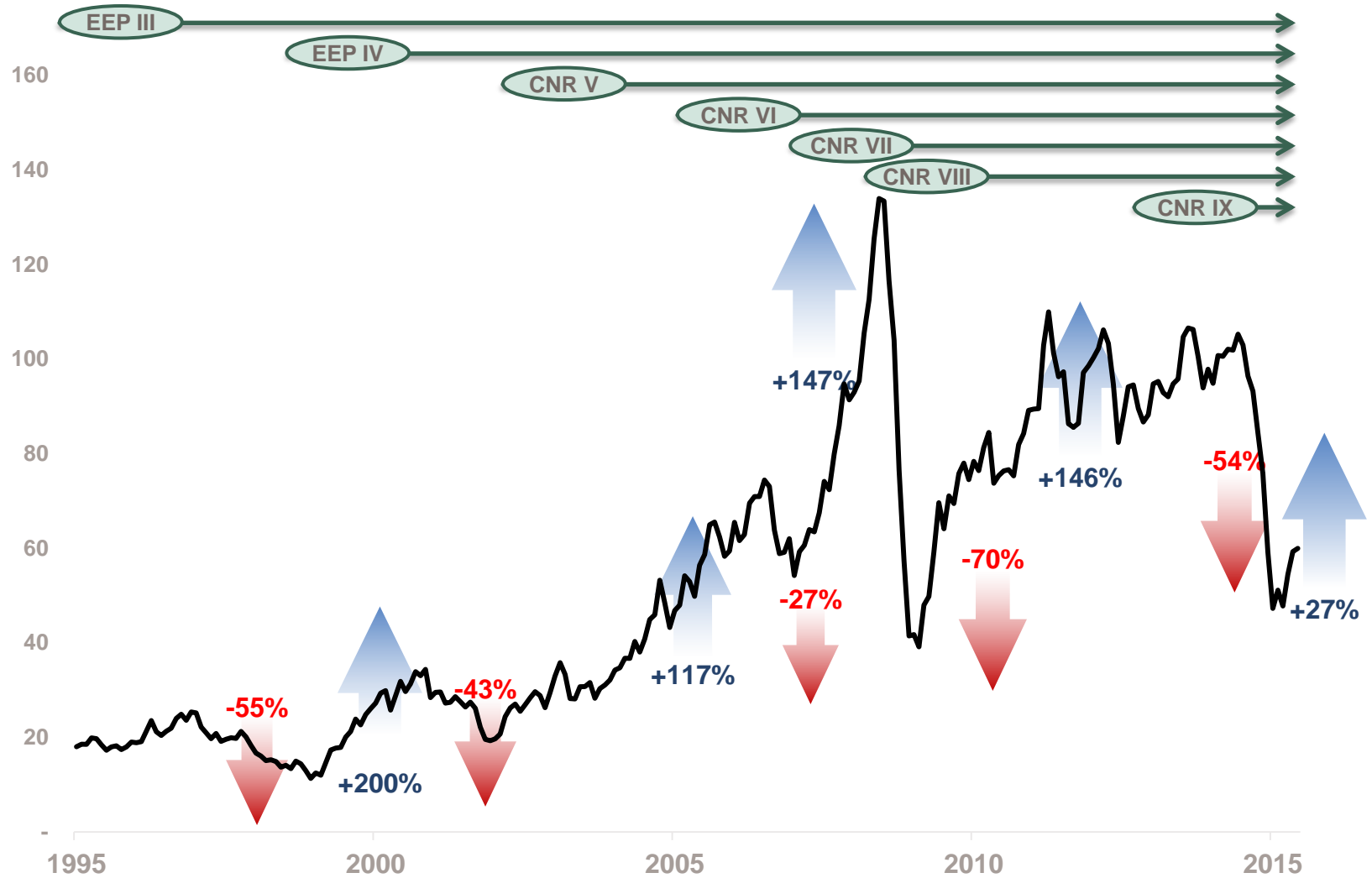
Past performance is not indicative of future results.

Notes: All performance data is calculated on a quarterly basis from Q2 1997 to the current quarter. Commonfund Capital Natural Resources is the aggregate for all of Commonfund Capital's natural resource programs raised since 1989 (excludes CNR IX), all of which have an exclusive focus on natural resources. Private Real Estate represents the NCREIF Property Index. Commodities represents the DJ-UBS Index. TIPS represents the Barclays US Inflation Linked Bond index.

Sources: Commonfund Capital internal database and Bloomberg.

Commonfund Capital | Investment Experience Throughout Various Cycles

WTI Oil Prices and CNR Fund Vintage



Notes: Average monthly prices as of 6/15/2015.

Source: Bloomberg, Capital IQ







Thoughtful Portfolio Construction | Dynamic Point-of-View

Commonfund Point-of-View | Natural Resources Landscape

Conviction Scale

High	Moderate	Low
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Natural Resource Sectors

Oil & Gas	Services	Infrastructure	Mining	Alternative Energy	Other
					
Development	Oilfield Services	Midstream	Minerals & Metals*	Other Renewables	Farmland
Production	Power Services	Power		Wind	Water
Exploration	Agribusiness	Downstream		Solar	Timber
				Clean Tech	

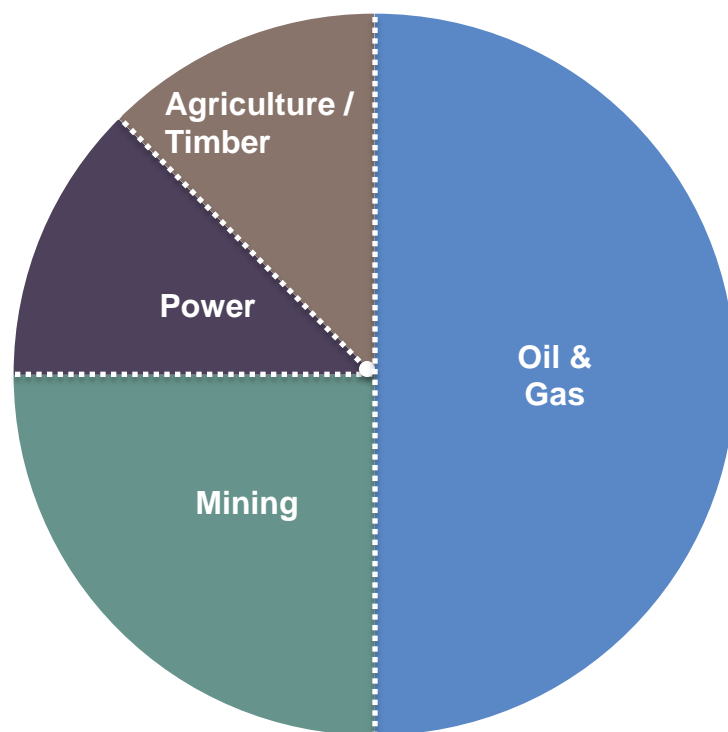
*Coal is an area we would prefer not to invest in.

These investment perspectives constitute market commentary, and not recommendations to any individual investor. See Important Notes | Market Commentary.

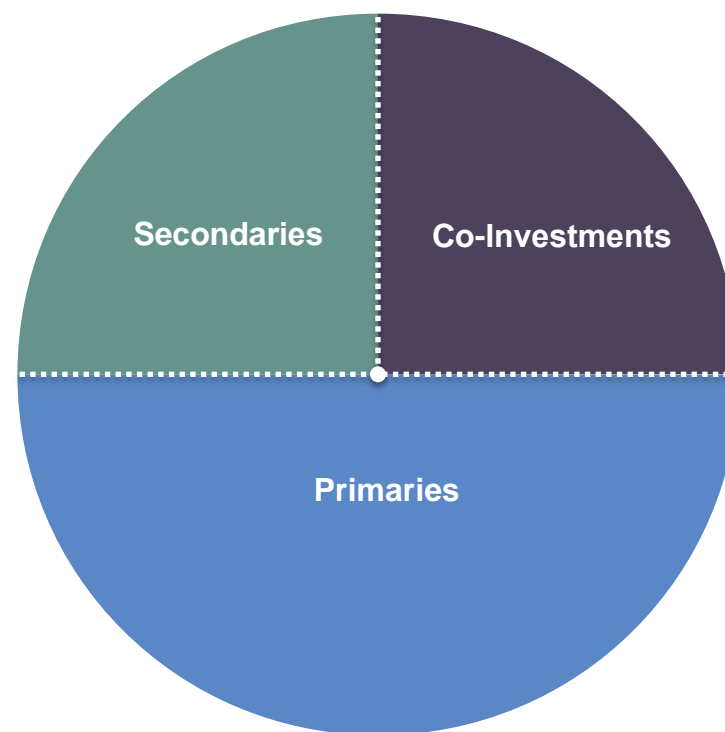
Past performance is not indicative of future results.

A Custom Solution | Opportunistic Natural Resources

Projected Sub-Industries



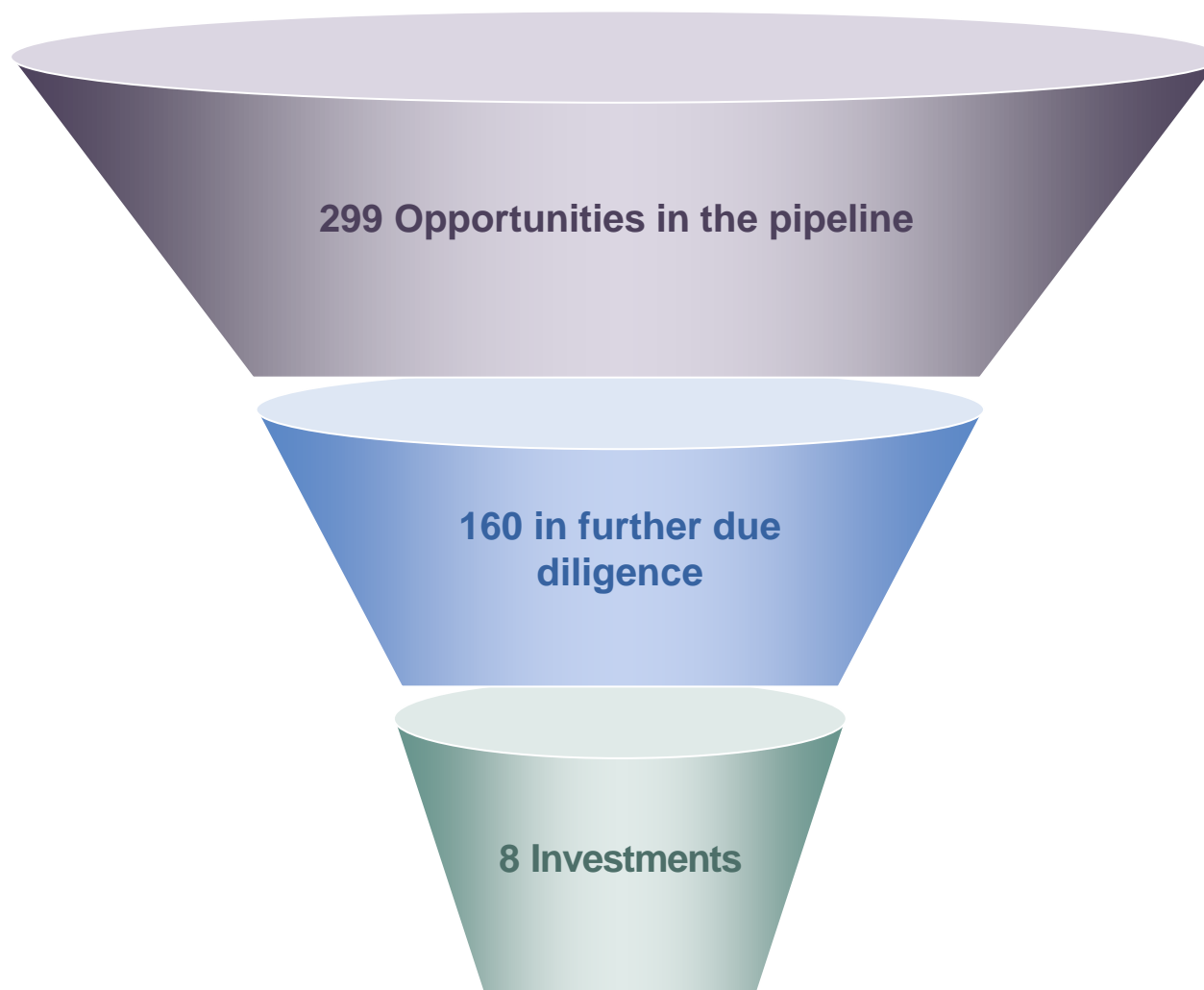
Projected Strategies



1. Estimates made based on discussions with CCCERA as of July 2015. Allocations can and will change based on available opportunities and with changing needs of CCCERA. No assurance can be made that actual investments will adhere to these projections.

Thoughtful Portfolio Construction | Natural Resources Deal Flow

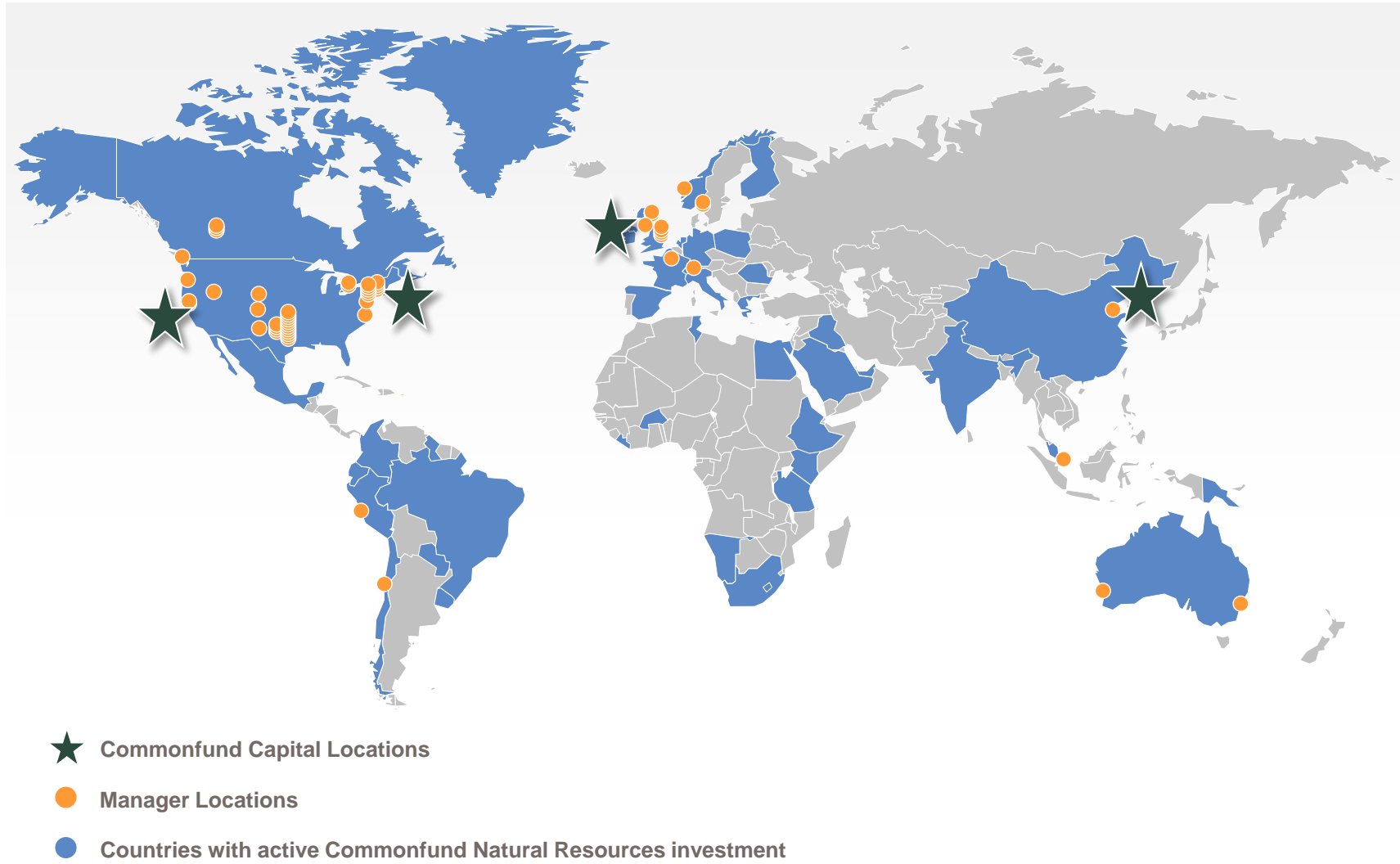
June 30, 2014 – June 30, 2015



Source: Commonfund Capital Internal Database. "Further due diligence" represents a count of distinct opportunities that we have held meetings with or secondaries that we have submitted bids for.

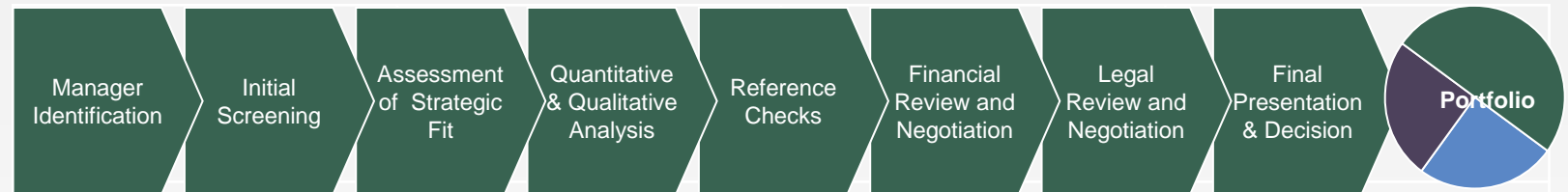
Natural Resources Investment Geography

Global Opportunity; Global Response



Note: There can be no assurances that future programs will have similar geographic or manager characteristics.

Investment Process



Rigorous Manager Research	Thorough Due Diligence	Active Portfolio Construction	Disciplined Manager Oversight
<ul style="list-style-type: none"> • Strong base for sourcing managers • Team assigned to each manager • Quantitative and qualitative review of management, culture, strategy, process, results • Strategic fit analyzed 	<ul style="list-style-type: none"> • Proprietary due diligence questionnaire • Analysis of firms' risk management practices • Portfolios analyzed and scored • Broad reference checks • Evaluation of managers' valuation policy and procedures 	<ul style="list-style-type: none"> • Weekly Committee progress reports • Financial & legal terms analyzed & negotiated • Formal Committee manager review/ decision to hire • Diversification by strategy, stage, industry, location and vintage year 	<ul style="list-style-type: none"> • Advisory Board representation • Regular dialogue & formal review • Quarterly analysis of performance & diversification • Management of stock distributions • Fair value assurance

Source: Commonfund Capital internal database.

Commonfund Capital Due Diligence Process

Commonfund Capital Support Team

Commonfund Capital Accounting Team

- Risk management questionnaire to assess the manager's risk management controls and procedures.
- Ongoing review of manager quarterly reports.

Commonfund Legal Team

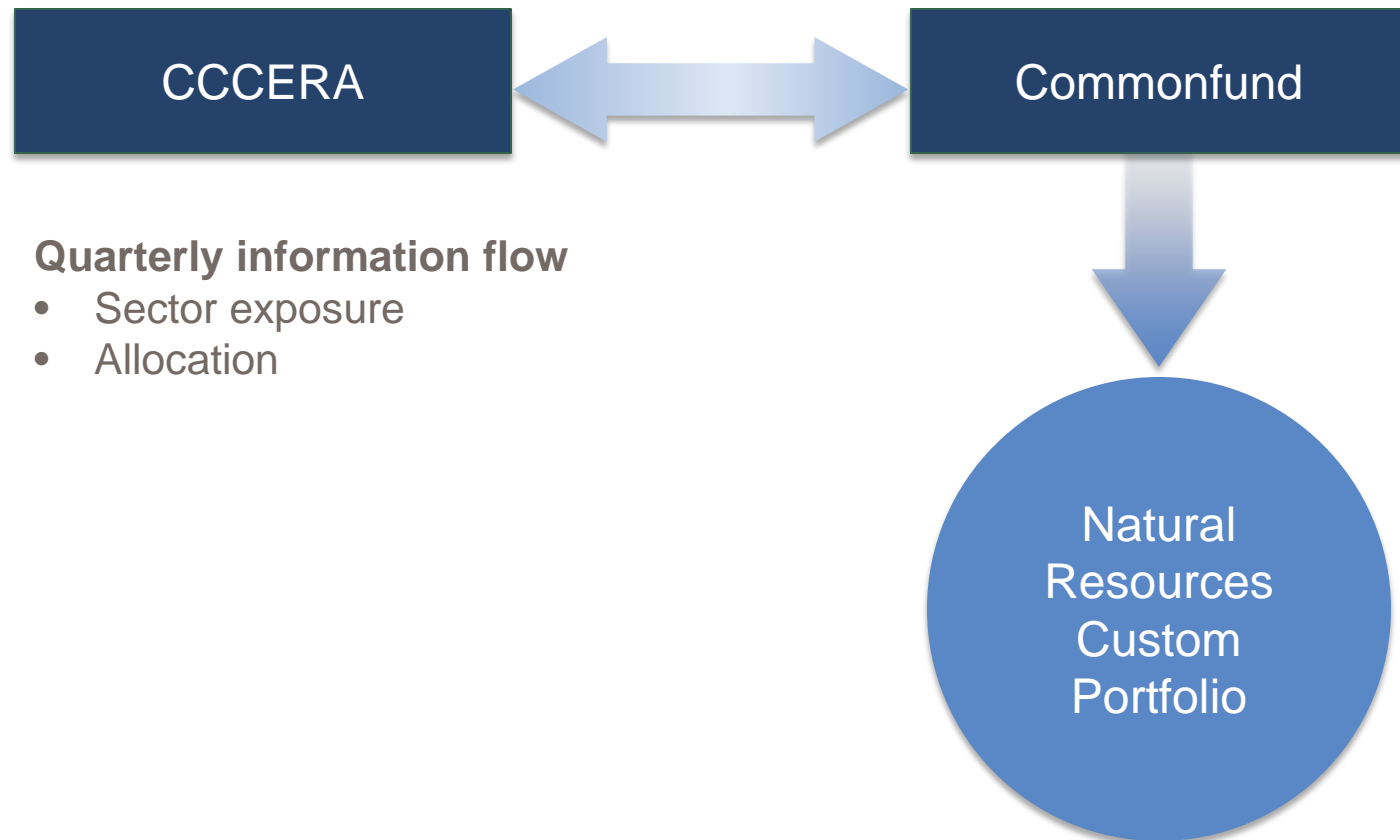
- Review by in-house and/or external counsel of legal documentation of a particular investment being considered, with ongoing review of additional documentation as received.

Commonfund Risk Management Team

- Conduct background checks on select key partners as appropriate. Third-party background checks are not always possible in some emerging markets.
- Coordinate as appropriate on any risk elements identified by the due diligence team.

The above outline reflects our general approach to due diligence, including specific analyses and checks. However, due to the unique characteristics of an opportunity and the various considerations which may differ between investment strategies and potential investments, this list does not necessarily encompass all possible diligence focuses, nor does it represent a formal guideline for every potential investment.

Partnership Approach



Benefits of Partnering with Commonfund Capital

- Partner with over 25 years of experience in natural resources and private capital investing.
- Team with deep in-house technical, operation and investment capabilities.
- Realized track record of returning over \$12.0 billion to investors since inception.
- Preferred access to primary, secondary and co-investment opportunities.
- Thoughtful and diversified portfolio construction.
- Global team.
- Deep and experienced back office support.
- Partner who collaborates with investors and helps them enhance their capabilities.
- Access to broader Commonfund research and education platform.

Past performance is not indicative of future results.

Appendix

Commonfund Capital Investment Group

		Experience/ Joined Commonfund	Work Experience Includes	Education
Donald T. Pascal* President & CEO		31 / 1998	<ul style="list-style-type: none"> ▪ Victory Ventures LLC ▪ Noel Group, Inc. ▪ Warburg Pincus 	B.S. Engineering, Princeton University
Peter M. Burns* Managing Director		24 / 1998	<ul style="list-style-type: none"> ▪ Taglich Brothers, Inc. ▪ Heller Financial 	M.B.A. Finance & Marketing, Columbia University B.A. Economics, St. Lawrence University
Mark C. Hoeing* Managing Director		18 / 2005	<ul style="list-style-type: none"> ▪ Deutsche Bank ▪ Landmark Capital ▪ Citizens Bank 	M.B.A. Providence College B.S. Health Policy & Management, Providence College
Gregory B. Jansen* Managing Director		32 / 1995	<ul style="list-style-type: none"> ▪ HSBC ▪ Chemical Bank ▪ Amoco 	M.B.A. Tulane University B.S. Geology, University of New Hampshire
Brijesh E. Jeevarathnam* Managing Director		16 / 2006	<ul style="list-style-type: none"> ▪ McKinsey & Company ▪ GE Capital Services 	M.B.A. Harvard University B.S. Computer Science-Mathematics & Economics, St. Lawrence University

* Investment Committee Member

Commonfund Capital Investment Group

Continued

		Experience/ Joined Commonfund	Work Experience Includes	Education
Celeste R. Barone Chief Financial Officer		21 / 2015	<ul style="list-style-type: none"> ▪ Pomona Capital ▪ Lyon Ross Capital ▪ Dillon, Read & Co. 	B.A. Business Communications & Business Administration, Baruch University
Jack H. Foster, Jr.* Managing Director – Private Equity Specialist		14 / 2015	<ul style="list-style-type: none"> ▪ Capital Dynamics ▪ CastleOak Securities ▪ JP Morgan 	M.B.A. Columbia University B.S. Florida A&M University
Anita L. Hariton Managing Director		19 / 1995	<ul style="list-style-type: none"> ▪ Commonfund 	M.B.A. Fairfield University B.M. Teaching & Performance, Susquehanna University
Cari B. Lodge Managing Director		18 / 2013	<ul style="list-style-type: none"> ▪ Tulane University Investment Management Office ▪ Credit Suisse Strategic Partners 	M.B.A. Columbia University A.B. Economics and Government, Dartmouth College
Ralph P. Money Managing Director		30 / 1999	<ul style="list-style-type: none"> ▪ American Red Cross ▪ Chase Manhattan Bank 	M.B.A. Harvard University B.S. Business Administration, Georgetown University
Kent T. Scott, CFA Managing Director		23 / 2002	<ul style="list-style-type: none"> ▪ CSFB ▪ UBS ▪ Stanford, Ernst & Young 	S.M. Management, MIT Sloan School of Management A.B. Economics, Stanford University

* Jack Foster joined Commonfund Securities, Inc., the broker-dealer affiliate of Commonfund Capital, Inc., in January 2015. His focus is private capital sales initiatives.





Commonfund Capital Investment Group

Continued

		Experience/ Joined Commonfund	Work Experience Includes	Education
Timothy T. Yates, Jr. Managing Director		12 / 2000	<ul style="list-style-type: none"> ▪ Commonfund Asset Management Co., Inc. ▪ Commonfund Capital, Inc. ▪ Fordham Preparatory School 	M.B.A. Fordham University B.A. Modern Languages, Trinity College
David C. Jensen Director		5 / 2013	<ul style="list-style-type: none"> ▪ Portfolio Advisors, LLC ▪ Morgan Stanley 	M.B.A. and B.A., International Relations, Brigham Young University
Ethan J. Levine Director		7 / 2011	<ul style="list-style-type: none"> ▪ Rockland Capital ▪ Commonfund Capital (2007-2009) ▪ Charles River Associates 	M.B.A. University of Chicago B.A., B.E. and M.E.M. Dartmouth College
Miriam E. Schmitter, PhD Director London Office		14 / 2014	<ul style="list-style-type: none"> ▪ Cambridge Associates ▪ Allianz Private Equity Partners ▪ DB Capital Partners 	PhD Economics, University of Darmstadt, Germany Diplom-Kauffrau (MBA equivalent), University of Mannheim, Germany
Aaron M. Miller Associate Director		12 / 2015	<ul style="list-style-type: none"> ▪ Lazard Frères ▪ Barclays ▪ Lehman Brothers 	M.B.A., Yale University B.A., University of Michigan
Deborah Wang Associate Director London Office		7 / 2008	<ul style="list-style-type: none"> ▪ Cogent Partners 	B.A. Finance, The University of Texas at Austin
Jireh Li Senior Associate Beijing Office		6 / 2011	<ul style="list-style-type: none"> ▪ J.P. Morgan ▪ European Financial Group Private Bank 	A.B. Woodrow Wilson School of Public and International Affairs, Princeton University

Commonfund Capital Investment Group

Continued

		Experience/ Joined Commonfund	Work Experience Includes	Education
Danielle Baleeiro Associate		10 / 2008	<ul style="list-style-type: none"> ▪ Silver Point Capital, L.P. 	B.A. Political Science and Spanish, Denison University
Bella Cristovao, CFA Distressed Capital Associate (Consultant)		10 / 2007	<ul style="list-style-type: none"> ▪ Hartford Investment Management Company ▪ Commonfund (2007-2010) 	B.S. Finance & Management Information Systems, University of Connecticut
Stephen P. Talbot Associate		3 / 2013	<ul style="list-style-type: none"> ▪ BB&T Capital Markets 	B.S. Business & Enterprise Management, Wake Forest University
Susan J. Carter Senior Advisor		34 / 1989	<ul style="list-style-type: none"> ▪ Morgan Stanley Venture Capital ▪ General Electric Investment Corp. 	A.B. Economics & Business, Lafayette College

Commonfund Capital Investment Group | Associate Program

The rotational Associate Program includes eight professionals who work in various asset classes over approximately two to three years.

	Experience/ Joined Commonfund	Work Experience and Education		Experience/ Joined Commonfund	Work Experience and Education
Garrett Marsilio Associate	2 / 2015	<ul style="list-style-type: none"> ▪ New Heights Research ▪ B.S. Economics, University of Pennsylvania 	Stephen Bury Associate	2 / 2014	<ul style="list-style-type: none"> ▪ Cowen and Company (previously Dahlman Rose & Co.) ▪ B.A. Economics and Mandarin Chinese, Hamilton College
Hong Pan Associate	3 / 2013	<ul style="list-style-type: none"> ▪ Oppenheimer & Co. ▪ B.S. Business Administration, University of North Carolina at Chapel Hill 	Paul A. Iannone Associate	2 / 2014	<ul style="list-style-type: none"> ▪ Deloitte ▪ B.S. Business Management, Rensselaer Polytechnic Institute
Cassandra J. Wolcott Associate	3 / 2013	<ul style="list-style-type: none"> ▪ Keefe, Bruyette & Woods ▪ B.S. Applied Economics and Management, Cornell University 	Jason Lee Associate	2 / 2014	<ul style="list-style-type: none"> ▪ Simon-Kucher & Partners ▪ B.S. Biology, Brown University
			Lydia Li Associate	2 / 2015	<ul style="list-style-type: none"> ▪ Macquarie Capital ▪ B.A. Government & Economics, Claremont McKenna University

Important Notes

Eligible Investors Only

The Common Fund for Nonprofit Organizations (“Commonfund”) was established in 1971 and manages investment funds primarily for nonprofit institutions and other qualified investors.

The following Commonfund affiliate organizations are registered with the Securities and Exchange Commission (“SEC”) as investment advisers: Commonfund Asset Management Company, Inc. (“Comanco”), Commonfund Capital, Inc. (“CCI”), and Commonfund Realty, Inc. (“CRI”)

Additional information regarding Commonfund and its affiliates’ policies and procedures for calculating and reporting performance is available upon request.

This document is intended only for qualified, pre-existing investors in CCI, CRI, and Comanco programs, Members of The Common Fund For Nonprofit Organizations (“Commonfund”), or other eligible institutional investors approved by Commonfund Securities, Inc. (a broker-dealer affiliate of CCI, CRI and Comanco). It is not intended to constitute an offer to sell, nor the solicitation of an offer to buy, securities. Any such offerings will be made only by means of information memoranda and related subscription documents that will be made available by Commonfund Securities, Inc. only at the time an offering is in progress and only to investors qualified and eligible to invest. When soliciting transactions, Commonfund Group employees may be acting as registered representatives of Commonfund Securities, Inc.

Past performance is not indicative of future results. All investments have the potential for profit and the possibility of loss. Similarly, our access to particular managers may vary in the future and cannot be guaranteed. Prospective investors should review with care the confidential offering memorandum or other disclosure documents for each fund; these pamphlets contain a fuller discussion of applicable risks.

Returns on funds are presented net of all fees. Performance includes reinvestment of dividends. Internal Rates of Return should be evaluated in light of information on the investment program of the partnership, the risks associated therewith, and performance of the partnership as disclosed in the Information Memorandum for the partnership, the Annual Reports of

Commonfund Capital, Inc. and the partnership and the Quarterly Reports of the partnership. Commonfund Capital, Inc. presents return information for its partnerships on a dollar-weighted (e.g., internal rate of return) rather than the time-weighted (e.g., annual or other period rate of return) basis, which is used principally to report performance of publicly-traded securities. The internal rate of return since inception is the most commonly used calculation methodology used for presentation of performance in the private capital business.

Comparison of returns calculated on an IRR basis with returns on a time-weighted basis is not appropriate. For a description of the two return calculation methods see “Measuring Investment Returns, Time vs. Dollar-Weighted – What’s the Difference?”, a copy is available from Commonfund Capital.

Gross performance results do not reflect the deduction of investment advisory fees and other fees as disclosed in Form ADV on file with the SEC.

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Important Information About Procedures for Opening a New Account:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. What this means for you: When you open an account, we may ask for documents or information related to: your principal place of business, local office or other physical location; taxpayer identification number; and other documents demonstrating your lawful existence such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust instrument, and other identifying documents.

Important Notes

Market Commentary

Information, opinions, or commentary concerning the financial markets, economic conditions, or other topical subject matter are prepared, written, or created prior to printing and do not reflect current, up-to-date, market or economic conditions.

Commonfund disclaims any responsibility to update such information, opinions, or commentary.

To the extent views presented forecast market activity, they may be based on many factors in addition to those explicitly stated in this material. Forecasts of experts inevitably differ. Views attributed to third parties are presented to demonstrate the existence of points of view, not as a basis for recommendations or as investment advice. Managers who may or may not subscribe to the views expressed in this material make investment decisions for funds maintained by Commonfund or its affiliates. The views presented in this material may not be relied upon as an indication of trading intent on behalf of any Commonfund fund, or of any Commonfund managers.

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by Commonfund Group. Commonfund Group disclaims any responsibility to provide the recipient of this presentation with updated or corrected information.

Investment Process

Any descriptions involving investment process, portfolio characteristics, investment strategies, goals or risk management are provided for illustration purposes only, are not complete, will not apply in all situations, may not be fully indicative of any present or future investments and may be changed in the discretion of the investment manager. No representation is made that the investment manager's or an investment product's investment process, investment strategies, goals or risk management techniques will or are likely to be achieved or successful.

Securities offered through Commonfund Securities, Inc., a member of FINRA.

**CONTRA COSTA COUNTYEMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

The undersigned is a current or proposed "External Manager" for the Contra Costa County Employees' Retirement Association ("CCCERA"), as defined under CCCERA's Placement Agent Disclosure Policy, adopted on June 9, 2010 ("Policy.") We have received a copy of the Policy from CCCERA. We hereby disclose to CCCERA the following information, which we represent and warrant to be true and correct as of the date hereof:

1. Neither we nor any of our principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent (as defined in the Policy) in connection with any investment by CCCERA, **except as disclosed on Attachment 1 to this Disclosure Statement.**

[IF THERE IS NOTHING TO DISCLOSE IN ATTACHMENT 1, ITEMS 2-6 ARE INAPPLICABLE.]

2. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 2 to this Disclosure Statement a resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses and investment and work experience, and whether any such person is a current or former CCCERA Board member, employee or Consultant or a member of the immediate family of any such person.
3. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 3 to this Disclosure Statement a description of any and all compensation of any kind we have provided or have agreed to provide to a Placement Agent, including the nature, timing and value thereof.
4. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 4 to this Disclosure Statement a description of the services to be performed by the Placement Agent.
5. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 5 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

6. To the extent of any disclosure set forth on Attachment 1, we attached as Attachment 6 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government.

We further represent and warrant as follows:

A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within fourteen (14) business days of the occurrence of the change in information.

B. We shall cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to CCCERA, to disclose to CCCERA in writing any campaign contribution, gift (as defined in Government Code section 82028) or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.

C. We shall cause our engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA investment, to disclose to CCCERA any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

Dated: July 10, 2015

EXTERNAL MANAGER

Commonfund Capital, Inc.
Name of Entity

By: 
Authorized Signatory

Print Name Donald T. Pascal

Its President & CEO

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment 1
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Use of Affiliated Placement Agent (Commonfund Securities, Inc.)

Interests in private capital investment partnerships and other commingled investment funds managed and advised by Commonfund Capital, Inc. ("CCI") are placed by CCI's affiliate, Commonfund Securities, Inc. ("CSI"). Each of CCI and CSI are wholly-owned subsidiaries of a common parent (The Common Fund for Nonprofit Organizations). CSI is a registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") (see also the Attachment 5).

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment 2
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Resumes for Corporate Officers and Lead Client Relationship Officers of Affiliated Placement Agent (Commonfund Securities, Inc.)

Keith W. Luke, President and CEO, Commonfund Securities, Inc. Keith is responsible for management and oversight of nonprofit sector client service and sales. He is President and CEO of Commonfund Securities, Inc., our registered broker-dealer subsidiary, and is also responsible for managing Commonfund's corporate marketing and strategic planning and serves as a member of the Commonfund Senior Executive Group. Prior to joining Commonfund in 1999, Keith was a Vice President at Citibank, holding a number of marketing and planning positions in The Private Bank and Corporate Bank. Prior to Citibank, he was with HSBC USA (formerly Marine Midland Bank) in corporate finance and investment banking. Keith earned a B.A. in Economics at Duke University and an M.B.A. in Finance from NYU Stern School of Business. He holds FINRA and NFA licenses 7, 24, 63 and 3.

E. Lyndon Tefft, Executive Vice President and Chief Financial Officer, joined Commonfund in 2003. In this capacity, he is responsible for the management and oversight of Commonfund's Information Technology, Operations and Corporate Accounting teams. Lyndon is the Chief Financial Officer and a Vice President of Commonfund Securities, Inc. Before joining the firm, Lyndon spent five years serving as Senior Vice President and Chief Financial Officer for the John W. Henry & Company, Inc. Prior to that, Lyndon spent over ten years with Harvard University and four years with Harvard Management Company. At Harvard Management Company, Lyndon led the development of an information technology infrastructure to support global investment and trading in equities, bonds, futures, swaps, currencies and closed end funds from 1994-1998. Previously, Lyndon oversaw centralized financial and operations systems for Harvard University from 1983-1994, including debt management, risk management, information systems, financial planning and reporting. Prior to that, he was an audit manager for Coopers & Lybrand. Lyndon holds an MBA from Wharton Graduate School of Business and a B.S. in Industrial Management from Purdue University. He holds FINRA license 27.

Ann L. Chu, Corporate Controller, joined Commonfund and its subsidiaries in 2005. Ann is the Treasurer of Commonfund Securities, Inc. Ann is responsible for the Corporate Accounting function for the Commonfund Group and the Treasury function for Commonfund Securities, Inc. Before joining Commonfund, Ann spent over five years as VP Finance & Operations at TDA Capital Partners (formerly Templeton Direct Advisors), a private equity boutique. Prior to that, she held corporate controller and VP Finance roles from 1994-1999 at Kenmar, a managed futures and hedge fund boutique, Morgan Stanley Asset Management Company and Chase's

Vista Capital Management Company. Prior to that, Ann spent nine years in public accounting at New York firms including Price Waterhouse and Deloitte and Touche. Ann holds a B.A. from Pace University, New York. She holds a CPA certificate from New York State and FINRA license 27.

Lauren Caplan, Assistant General Counsel, Assistant Secretary and ESG Policy Officer.

Lauren joined Commonfund and its subsidiaries in 2007. She has been a practicing attorney since 2005 and was previously a corporate associate at Chadbourne & Parke in London and New York City. Lauren serves as Commonfund's ESG Policy Officer and coordinates responsible investing efforts, including strategy development, implementation and thought leadership. In this capacity, she works with the investment teams to develop best practices for integrating ESG factors across asset classes and with the Relationship Management teams to advise clients on responsible investing and reports to the Senior Executive Group on a quarterly basis. Prior to her legal career, Lauren was director of a non-profit organization that works with children and families to break the link between poverty and poor health. Lauren holds an A.B. in Government from Harvard College and a J.D. from Georgetown University Law Center.

Seth Thomson, Counsel, Assistant Secretary, joined Commonfund and its subsidiaries in 2011. Seth has been a practicing attorney since 2008 and was previously an associate at Proskauer Rose in the Private Investment Funds Group in Boston. Prior to his legal career, Seth was an actuarial assistant at a leading U.S. based surplus lines insurer in Boston. Seth holds a B.A. in Philosophy of Politics & Law from the State University of New York at Binghamton and J.D. from Boston University School of Law.

Stephen Lanzo, Managing Director, Head of Western Region, Client Service and Sales, is responsible for client sales and service activities in the Western region and heads Commonfund's San Francisco office. He manages an eight person team that provides a range of traditional and alternative investment solutions to institutional clients and their consultants across endowment, foundations, as well as public and corporate pension plans, registered investment advisors and family offices as well as sovereign wealth funds. Steve joined Commonfund in 2003, as a Managing Director and Relationship Officer, working with endowments and foundations in Texas and the broader southwestern U.S. Most recently, he served as co-head of institutional sales at Commonfund. Steve has over 21 years of experience in the financial services and investment management fields. Prior to joining Commonfund, Steve was a Director with Gartmore Global Investments, where he focused on new business development in the firm's traditional and alternative investment strategies. He has also held business development and client service positions with Montgomery Asset Management and J.P. Morgan Investment Management. He holds a B.A. from Southern Connecticut State University and a M.B.A. with a concentration in Financial Management from Pace University. He holds FINRA and NFA licenses 7, 24, 63, 31 and 3.

Anita Hariton, Managing Director, Commonfund Capital. Anita's primary responsibilities are in the area of investor relations, managing client communications and organizing educational programs for investors. She has 19 years of client service and operations experience. Prior to joining Commonfund Capital in 2009, Anita held a series of successively responsible positions within the Commonfund organization since 1995 serving on the operations, treasury and client

service teams. Anita worked with clients on issues pertaining to asset allocation, investment policy, treasury management and governance. She is a member of the Board of Trustees of Temple Israel, Westport, CT. Anita has a B.M. from Susquehanna University and a M.B.A. with a concentration in Finance from Fairfield University. She holds FINRA licenses 7 and 63.

No officer, director or employee of CSI is a current or former CCCERA Board member, employee or Consultant (as defined in CCCERA's Placement Agent Disclosure Policy) or member of the immediate family of any such person.

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment 3
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Compensation of Affiliated Placement Agent (Commonfund Securities, Inc.)

Pursuant to an agreement between Commonfund Capital, Inc. ("CCI") and Commonfund Securities, Inc. ("CSI"), CCI pays CSI for CSI's costs and expenses incurred in soliciting new investors and providing services to existing investors, plus a small additional percentage of those costs and expenses as profit. The amount paid in any given year depends on the costs and expenses incurred by CSI on behalf of CCI's current and prospective investors. Compensation paid to CSI by CCI for such services is paid by CCI and is not charged to any investor or to any CCI fund.

Neither CSI nor any of its officers, registered representatives or other employees earn any direct commissions with respect to any individual placement of interests in CCI investment funds. CSI's registered representatives are compensated in the form of fixed income and bonus. Bonuses are in part determined on discretionary factors and in part based on such factors as total assets raised against specified goals, as well as client retention, and other client-related metrics. However, with respect to any government-related clients in certain jurisdictions, including California, assets raised from such entities are not counted towards the totals used to determine bonus awards for a given employee.

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment 4
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Services to be Performed by Affiliated Placement Agent (Commonfund Securities, Inc.)

Pursuant to the agreement between the two affiliated firms (as identified in Attachments 1 and 3), CSI solicits prospective investors for CCI and provides information and reporting services to existing CCI investors. The solicitation and services are provided similarly to all types of prospective and current investors of CCI.

Each of the investment partnerships offered by Commonfund Capital, Inc. ("CCI") enters into a separate placement agreement with Commonfund Securities, Inc. ("CSI"). An example of such an agreement is attached as Exhibit I. In addition, and as described in Attachment 3, CCI and CSI participate in a master revenue- and cost-sharing agreement for Commonfund Group. CCI and CSI have no unwritten agreements (although, through their common affiliation with Commonfund Group, they participate in firm-wide management).

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment 5
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Regulatory Registrations

Our subsidiary, Commonfund Securities, Inc. ("CSI"), a member of the Financial Industry Regulatory Authority ("FINRA"), is an SEC registered broker-dealer that distributes interests in all investment funds offered by Commonfund and its affiliates, principally by means of private placements. CSI first registered as a broker-dealer with the SEC under the Securities Exchange Act of 1934 on June 17, 1997.

Three of our subsidiaries are registered as investment advisers with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940: Commonfund Asset Management Company, Inc. ("COMANCO") which houses our marketable securities programs (including commodities and hedge fund strategies); Commonfund Capital, Inc. ("CCI") which sponsors and manages our private capital programs, and Commonfund Realty, Inc. ("CFR") which manages Commonfund Realty Investors, LLC.

Endowment Advisers, Inc., the predecessor firm of both Commonfund Capital, Inc. and Commonfund Realty, Inc., registered as an investment adviser with the SEC on February 19, 1988. Commonfund Realty, Inc. was reorganized as a wholly-owned subsidiary of Commonfund and registered separately as an investment adviser with the SEC on August 14, 1997. On September 18, 1998, Endowment Advisers was reorganized as a wholly-owned subsidiary of Commonfund, and subsequently changed its name to Commonfund Capital, Inc.

Commonfund UK Limited, a subsidiary of Commonfund Capital, Inc., is authorized and regulated by the Financial Conduct Authority (formerly known as the Financial Services Authority) since July 11, 2007.

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment 6
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Lobbyist Registration Status

Neither Commonfund Securities, Inc., any of our affiliates nor any of our employees are currently registered as lobbyists in any jurisdiction.

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS**

**Attachment B
To July 10, 2015 Disclosure by
Commonfund Capital, Inc.**

Placement Agent Disclosure Policy – Section IV. A.4

Gift Disclosure:

As part of CCCERA's initial investment with Commonfund Capital, CCCERA explicitly asked and we agreed that any meals or whatever that we provide would be considered part of their management fees to us; as such, CCCERA would not need to be billed or report anytime someone from Commonfund provides a meal.

In order to be in full disclosure, following are the occasions during the past 24 months when this occurred:

- Gabriel Rodrigues and Chih-Chi Chu attended Commonfund Forum*, our annual educational conference for trustees and investment staff, which included incidental meals. This event was held in Hollywood, FL from March 8-11, 2014.
- Gabriel Rodrigues, Chih-Chi Chu and Russell Watts attended Commonfund Forum*, our annual educational conference for trustees and investment staff, which included incidental meals. This event was held in Orlando, FL from March 14-17, 2015.
- Chih-Chi Chu attended Commonfund's Trustee Roundtable Luncheon, which took place in San Francisco, CA, on April 14, 2015. This is an educational event for investment professionals and retirement services providers.
- Stephen Lanzo, Managing Director, Commonfund Securities, Inc., provided lunch in our San Francisco office during an onsite due diligence meeting with Chih-Chi Chu, on May 29, 2015.

*A copy of the Forum Preview Planner for our 2015 event is enclosed for your reference.

Political Contribution:

None

Forum 2015

March 14 - 17, 2015 | Orlando, Florida

CONVERGING **IDEAS** - CREATIVE **ANSWERS**

PREVIEW AND CONFERENCE PLANNER

Forum 2015 is the preeminent annual conference for institutional investors. This year, we are providing multiple venues for each participant to engage and access useful content:

- General sessions moderated by leading journalists with panels populated by recognized thought leaders
- Major addresses by, or exclusive interviews with, leaders representing academia, public policy and government
- Breakout sessions, all focused on timely, high priority issues for institutional investors
- Interactive topical luncheons with smaller focused groups discussing key questions facing investors
- Informal networking breakfasts providing opportunities to engage in peer discussion on topics of your choosing

Agenda At-A-Glance

Saturday, March 14th

6:00 – 7:00 pm Reception
7:00 – 9:30 pm Dinner and Keynote Address

Sunday, March 15th

7:30 – 8:30 am Networking Buffet Breakfast
8:30 – 9:30 am The Global Economy and the Return of Risk
10:00 am – 12:15 pm Private Capital: Frameworks for Long-Term Success
12:30 – 2:00 pm Luncheon & Featured Speaker – Age of Ambition: Truth, Faith and Fortune in China
2:15 – 3:15 pm Asset Allocation 2020 - Hindsight and Foresight
3:45 – 4:45 pm Today's Capital Markets: Irrational Exuberance
5:00 – 6:00 pm Special Session: Private Capital Performance Review
6:30 – 9:00 pm Open Dinner

Monday, March 16th

7:15 – 8:15 am Breakfast Sessions
8:30 – 9:30 am Does the Future Still Belong to Emerging Markets?
9:45 – 10:45 am Breakout Sessions I
11:00 am – 12:00 pm The Path to Radical Innovation
12:00 – 1:15 pm Breakout Sessions II
1:30 – 2:30 pm Breakout Sessions III
2:45 – 3:45 pm Are Financial Markets Prepared for the Next Crisis?
4:00 – 5:00 pm Breakout Sessions IV
6:30 – 7:30 pm Reception
7:30 – 9:30 pm Dinner & Entertainment

Tuesday, March 17th

7:30 – 9:00 am Breakfast & Featured Speaker: Top Risks 2015
9:30 – 10:30 am Energy, the Environment and Investing
10:45 – 11:30 am Breakout Sessions I
11:45 am – 12:30 pm Breakout Sessions II
1:15 – 2:00 pm Closing Luncheon & Featured Speaker: Extremism, the Middle East and the Impact on the West

Agenda Highlights

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

Featured Speakers

Timeless Leadership

Walter Isaacson, Best-selling Author, Historian and President/CEO of the Aspen Institute

Age of Ambition

Evan Osnos, Author and China Expert

The Path to Radical Innovation

Frans Johansson, Innovation Expert and Author, *The Medici Effect*

Top Risks 2015: Are the World's Hot Spots Set to Burn Even More Fiercely?

Ian Bremmer, President, Eurasia Group

Extremism, the Middle East and the Impact on the West

General David H. Petraeus, Former Director, Central Intelligence Agency (U.S. Army, Ret.)

General Sessions

The Global Economy and the Return of Risk

In this opening general session our panel will assess the state and outlook for the global economy and capital markets and debate whether we face a regime change marked by elevated risk and volatility.

Private Capital: Frameworks for Long-Term Success

The Commonfund Capital investment team will share their macro investment point-of-view and invite panelists from our general partners to discuss the most compelling themes they are seeing across private capital strategies.

Asset Allocation 2020 – Hindsight and Foresight

This session will provide the audience with insights and perspectives on asset allocation as we look ahead.

Today's Capital Markets: Irrational Exuberance?

Panelists will provide their thoughts on valuations, credit spreads, market risks and the effectiveness of strategies that help insulate portfolios from large draw downs, within the policy guidelines.

Does the Future Still Belong to the Emerging Markets?

Panelists in this session will engage in a macro-level discussion on emerging market opportunities.

Are Financial Markets Prepared for the Next Crisis?

This panel of experts will offer their views on regulatory reforms – and what they mean for institutional investors.

Energy, the Environment and Investing

In this session, our expert panelists look at the economics of energy and the global private investment environment in the energy sector.

Topical Luncheons

- > Solving the Carbon Conundrum
- > Global Equity Valuations: Where are the Tail Risks & Opportunities?
- > Assessing OCIO Performance and Fees
- > Best Practices in Board Structure and Composition
- > Do Emerging Managers Fit Your Portfolio?
- > Do Liquid "Alts" Make Sense?

Concurrent Breakout Sessions

- > CIO Trends: Separating Passing Fads from Secular Shifts
- > Private Capital Secondaries: A Powerful Investment Tool
- > Getting the Most Out of Your Board
- > ESG: Overcoming Obstacles to Adoption
- > The Working Capital Challenge and Opportunity
- > Pain Management - When the Fed Normalizes Interest Rates
- > Why Bother Investing in Hedge Funds?
- > Risk Happens - What Matters and How do you Harness it?
- > The OCIO Model in Practice: Investors Share Their Stories
- > Calling All Contrarians: Europe Amidst the Turmoil
- > The Promise and Peril of Direct Hedge Fund Investing
- > The Brain Bias and Board Dynamics
- > Real Asset Strategies in the Absence of Inflation
- > Venture Capital: A Play on Pure Innovation
- > Chasing Hedge Fund Winners: The Appeal and the Risk

Private Investor Conferences

- > Strategic Solutions Investor Meeting
- > Commonfund Hedge Fund Direct Advisory Board Meeting
- > Private Capital Performance Review

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 \$329 (plus taxes).

To view additional program details and register visit www.commonfund.org/forum.

Attendance is by invitation only and limited to representatives of qualified institutions. Please call the hotline at 1.888.811.3803 or send an email to forum@cfund.org with any questions.

Commonfund is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State Boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors through its web site: www.learningmarket.org. Forum 2015 is a group live program.



COMMONFUND CAPITAL, INC.
15 Old Danbury Road
P.O. Box 812
Wilton, CT 06897-0812

Dated as of December 20, 2011

Commonfund Securities, Inc.
15 Old Danbury Road
P.O. Box 812
Wilton, CT 06897-0812

Re: Offering of Shares in Commonfund Capital Natural Resources
Partners IX, L.P. -- Placement Agreement

Ladies and Gentlemen:

Commonfund Capital Natural Resources Partners IX, L.P. (the "Partnership") will be formed as a limited partnership under the laws of the State of Delaware for the purpose of providing certain eligible investors, including nonprofit educational institutions, foundations, healthcare organizations and other select nonprofit organizations, their employee benefit plans and certain for-profit organizations that are controlled by or affiliated with such organizations, the opportunity to invest in a multi-manager natural resources investment program consisting of direct investments and investments in investment funds managed by managers selected by Commonfund Capital, Inc. ("Commonfund Capital"). Commonfund Capital proposes to make an offering (the "Offering") of limited partner interests in the Partnership (the "Interests"), exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), by the provisions of Section 4(2) thereof under the provisions of Regulation D adopted by the Securities and Exchange Commission (the "SEC"). The Offering will be made in the manner and on the terms and conditions described in the Confidential Offering Memorandum dated November 2011 (the "Information Memorandum"), and using the forms of the Subscription Agreement that Commonfund Capital has prepared for the use in connection with the Offering. Capitalized terms not defined herein have the meanings assigned to them in the Information Memorandum.

The Partnership will be open to investors that are (i) qualifying institutional investors, including nonprofit organizations and such institutions' defined benefit plans and affiliated for-profit organizations, (ii) certain individuals, including individuals associated with Commonfund Capital, who satisfy the Partnership's eligibility requirements, and (iii) "knowledgeable employees," as further described under

“Description of Offering – Investor Eligibility” in the Information Memorandum and in Section 3(e) of this Agreement.

Section 1. Appointment of Agent. On the basis of the representations, warranties and covenants contained in this Agreement and subject to the terms and conditions herein set forth, Commonfund Capital hereby appoints you an agent of the Partnership for the purpose of identifying and presenting to it for approval, subscribers for the Interests in the Partnership. You hereby accept this appointment and agree to perform your obligations as agent in accordance with the provisions of this Agreement.

Your agency will begin as of the date hereof (the “Effective Date”), and shall terminate on the completion of the last closing of the offering of the Interests as Commonfund Capital may specify pursuant to Section 4 of this Agreement. Upon such termination, this Agreement shall terminate without further obligation on the part of any party, except for the payment of fees under Section 5 and except as otherwise specifically provided herein.

The agency created hereby is not exclusive and Commonfund Capital retains the right during the Offering to enter into agreements with one or more additional agents for the purpose of obtaining subscriptions for the Interests. Commonfund Capital also retains the right to determine which, if any, subscriptions will be accepted and may accept or reject any such subscription in whole or in part, in its sole discretion.

Section 2. Representations, Warranties, and Covenants of Commonfund Capital. Commonfund Capital represents, warrants and covenants that:

- a. Commonfund Capital shall cooperate with you and conduct its activities in connection with the Offering so as to cause the solicitation of the Subscription Agreements and the offering and sale of the Interests to be exempt from the registration requirements of the Securities Act.
- b. Commonfund Capital will endeavor in good faith to cooperate with you to take whatever action may be reasonably required to authorize the solicitation of the Subscription Agreements and the offering and sale of the Interests, or establish the exemption thereof, under applicable securities or “blue sky” laws of such jurisdictions as you may reasonably designate; provided, however that neither Commonfund Capital nor the Partnership shall be obligated to file any general consent to service of process or to qualify to do business or to qualify as a securities dealer in any jurisdiction in which it is not so qualified. In addition, Commonfund Capital and the Partnership each reserves the right to determine, in its sole discretion, that it will not take such action or establish such exemption in any one or more such jurisdictions.
- c. If any event relating to or affecting the Partnership shall occur during the Offering as a result of which it is necessary, in the opinion of counsel for Commonfund Capital, to amend or supplement the Information Memorandum in order that the Information Memorandum will not contain an untrue statement of a material fact

or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, Commonfund Capital shall forthwith prepare and furnish to you a reasonable number of copies of an amendment of, or supplement to, the Information Memorandum which will so amend or supplement the Information Memorandum and which you shall promptly deliver to all offerees who have previously subscribed or who are then being solicited. For purposes of this Section 2(c), Commonfund Capital will furnish such information with respect to itself as you may, from time to time, reasonably request.

d. Commonfund Capital shall make available upon request, during the course of the Offering and prior to sale, to each offeree or his representative(s) or both, (i) such information (in addition to that contained in the Information Memorandum) concerning the Offering, the Partnership, and any other relevant matters as Commonfund Capital possesses or can acquire without unreasonable effort or expense and (ii) the opportunity to ask questions of, and receive answers from, Commonfund Capital concerning the terms and conditions of the Offering and to obtain any additional information, to the extent Commonfund Capital possesses the same or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of information made available.

e. The Information Memorandum (other than any statements contained therein pertaining to you), and any information furnished by Commonfund Capital in response to requests for information from or on behalf of offerees, do not and will not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 3. Your Representations, Warranties, and Covenants. You represent, warrant and covenant that:

a. You shall cooperate with Commonfund Capital and conduct your activities in connection with the Offering so as to cause the solicitation of the Subscription Agreements and the offering and sale of the Interests to be exempt from the registration requirements of the Securities Act.

b. You will not, and you will not permit any person acting on your behalf to, (i) use any preliminary Information Memorandum after the receipt by you of a later Information Memorandum or (ii) use the Information Memorandum at any time or during any period specified by Commonfund Capital in a notice given in the manner set forth in Section 8 of this Agreement, pending the amendment of the Information Memorandum by Commonfund Capital pursuant to Section 2(c) of this Agreement.

c. You will not, and you will not permit any person acting on your behalf to, offer any of the Interests for sale, or solicit any offers to subscribe for or buy any Interests, or otherwise negotiate with any person with respect to the Interests, on the basis of any communications or documents, except the Information Memorandum, the

Subscription Agreement, or any other documents expressly furnished by Commonfund Capital or counsel to Commonfund Capital for purposes of distribution to investors.

d. You will not, and you will not permit any person acting on your behalf to, use any form of general solicitation or general advertising in the course of any such offer or sale, including, but not limited to:

i. Any advertisement, article, or notice in any newspaper, magazine or similar media or broadcast over television or radio; and

ii. Any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

e. Unless instructed by Commonfund Capital to the contrary in writing, you will not, and you will not permit any person acting on your behalf to, make offers to sell the Interests, solicit offers to subscribe for or buy any Interests from, or otherwise negotiate with respect to the Interests with, any person or entity other than organizations and individuals (“Eligible Institutional Investors,” “Eligible Plan Investors,” “Qualified Individuals” and “Knowledgeable Employees,” respectively) that you have reasonable grounds to believe meet the qualifications set forth below.

i. Eligible Institutional Investors must:

A) have total assets in excess of \$5 million;

B) be a “qualified client” for purposes of Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”);

C) be a “qualified purchaser” for purposes of Sections 2(a)(51) and 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) and the regulations of the Securities and Exchange Commission promulgated thereunder;

The Partnership expects that it will accept subscriptions principally from Eligible Institutional Investors that are educational organizations, foundations, healthcare organizations and organizations that are closely-affiliated with educational organizations, foundations and healthcare organizations. However, the Partnership reserves the right to accept subscriptions from other types of Eligible Institutional Investors, in the sole discretion of its General Partner.

ii. Eligible Plan Investors must:

A) have total assets in excess of \$5 million;

B) be a “qualified client” for purposes of Rule 205-3(d)(1) of the Advisers Act;

C) be a “qualified purchaser” for purposes of Sections 2(a)(51) and 3(c)(7) of the Investment Company Act and the regulations of the Securities and Exchange Commission promulgated thereunder;

D) be either

i) a plan established by any state, any political subdivision of any state, or any agency or instrumentality of any state or its political subdivisions, for the benefit of its employees; or

ii) an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”);

E) be sponsored by, or maintained for the benefit of employees of, an Eligible Institutional Investor; and

F) be a pension plan that is a defined benefit pension plan within the meaning of Section 3(35) of ERISA.

The Partnership intends to limit subscriptions from Eligible Plan Investors who are, or are acting on behalf of (a) an “employee benefit plan” within the meaning of Section 3(3) of ERISA, that is subject to Part 4 of Title I of ERISA, (b) a “plan” within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code, or (c) any entity that is deemed under applicable law to hold the assets of a plan described in items (a) and (b), such that less than 25% of its total committed capital is derived from such investors as of each closing of the Partnership.

iii. A Qualified Individual must be an individual acceptable to Commonfund Capital who is:

A) a “qualified purchaser” for purposes of Sections 2(a)(51) and 3(c)(7) of the Investment Company Act and the regulations of the Securities and Exchange Commission promulgated thereunder, and

B) a “qualified client” for purposes of Rule 205-3(d)(1) of the Advisers Act.

iv. Knowledgeable Employees must be “knowledgeable employees” within the meaning of the regulations under Section 3(c)(7) of the Investment Company Act.

In making or soliciting such offers you shall comply with the provisions of the Securities Act, the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, subject to Commonfund Capital’s obligations under Section 2(b) of this Agreement, the securities or “blue sky” laws of the jurisdictions in which you make or solicit such offers.

f. You will cooperate with Commonfund Capital so that the Interests are not sold to underwriter(s) within the meaning of Section 2(11) of the Securities Act. In that regard you will:

i. Make reasonable inquiry to determine that each subscriber is acquiring the Interests for its own account; and

ii. Obtain from the subscriber a signed written agreement containing such terms and conditions as Commonfund Capital shall require, including without limitation provisions acknowledging restrictions on transfers of the Interests to be purchased by such subscriber.

g. You shall furnish Commonfund Capital with information in sufficient detail with respect to each subscriber for the Interests, so as to demonstrate to Commonfund Capital that such subscriber satisfies the requirements of Section 3(e) above.

h. You will report (orally or in writing) to Commonfund Capital the jurisdictions in which you intend to offer the Interests and will receive Commonfund Capital’s consent thereto, and shall also periodically report (orally or in writing) to Commonfund Capital the status of the Offering conducted pursuant to this Agreement.

i. You hereby represent that you are a securities broker-dealer registered with the SEC, a member of the Financial Industry Regulatory Authority, and qualified as a broker-dealer in those jurisdictions in which such qualification is necessary to permit your performance of your obligations under this Agreement.

j. You hereby represent that the statements contained in the Information Memorandum pertaining to you or any information furnished by you in response to requests for information from or on behalf of offerees do not and will not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 4. Closing. At or before each closing you shall deliver to Commonfund Capital completed Subscription Agreements fully executed by those qualified investors contacted by you that wish to purchase the Interests. Commonfund Capital shall designate the time and place of each closing.

Section 5. Payment of Fees. You have entered an arrangement with Commonfund Capital by which Commonfund Capital pays to you, for services in connection with ongoing client maintenance and relations in general, an amount equal to a portion of your total operational costs plus fifteen percent. The portion of such costs allocated to Commonfund Capital is calculated on the basis of the ratio of the total assets under management by Commonfund Capital to the total assets under management by The Common Fund for Nonprofit Organizations (“Commonfund”) and each of Commonfund’s subsidiaries or affiliates that use your services for ongoing client maintenance and relations. The payments under this arrangement are made by Commonfund Capital to you following the conclusion of each Commonfund fiscal quarter. You agree that you shall consider the fees paid to you by Commonfund Capital pursuant to the foregoing arrangement to compensate you in full for the placement services rendered by you as agent under this Agreement. For the avoidance of doubt, no other fees or expenses shall be payable to you by Commonfund Capital in connection with your services provided under this Agreement, and no fees or expenses of any kind shall be payable to you by the Partnership.

Section 6. Indemnification. You agree to indemnify and hold harmless Commonfund Capital and the Partnership, and their respective employees, and each person, if any, who controls the Partnership or Commonfund Capital, against any and all losses, liabilities, claims, damages and expenses whatsoever directly arising out of the exercise by any person of any right under the Securities Act, or the Exchange Act, or the securities or “blue sky” laws of any jurisdiction on account of violations by you of your representations, warranties and covenants set forth in Section 3 hereof, unless said violations have resulted from the offering and/or sale by Commonfund Capital or anyone acting on its behalf of the Interests not sold by you. Commonfund Capital agrees that Commonfund Capital will indemnify and hold you harmless against any and all losses, liabilities, claims, damages and expenses whatsoever directly arising out of the exercise by any person of any right under the Securities Act, or the Exchange Act, or the securities or “blue sky” laws of any jurisdiction on account of violations by Commonfund Capital of its representations, warranties and covenants set forth in Section 2 hereof unless such violation occurs by reason of information furnished by you or your representatives to Commonfund Capital.

Section 7. Representatives, Warranties, and Covenants to Survive Closings. All representations, warranties and covenants contained in this Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of you or any person who controls you, or by or on behalf of Commonfund Capital or any person who controls Commonfund Capital. The representations, warranties and covenants contained in Section 2(e) and Sections 3(a) through (f) inclusive and Sections 3(i) and (j) and this Section 7 shall survive the termination of this Agreement pursuant to

Section 1 hereof. Upon such termination, you will cooperate with Commonfund Capital and take all reasonable steps, as requested by Commonfund Capital, to assist Commonfund Capital in making an orderly transition of your functions and duties under this Agreement.

Section 8. Notices. All communications under this Agreement shall be in writing and, unless the party to be notified specifies otherwise, shall be addressed to you at the address at the head of this letter and to Commonfund Capital at the same address.

Section 9. Parties; Third-Party Beneficiaries. This Agreement shall inure to the benefit of, and be binding upon, you, Commonfund Capital and your and Commonfund Capital's respective successors. Fairfield Partners 2012 L.P., in its capacity as the General Partner of the Partnership, the Partnership, and their respective successors, shall be third-party beneficiaries with respect to your obligations under this Agreement. This Agreement and its conditions and provisions shall be for the sole and exclusive benefit of the parties, the aforementioned third-party beneficiaries, and their respective successors, and controlling persons, and for the benefit of no other person, firm or corporation.

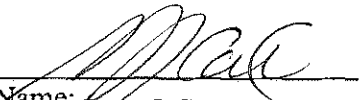
Section 10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Connecticut.

[Execution Page to Follow]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us one copy of this Placement Agreement, whereupon this instrument along with all counterparts will become a binding agreement upon you and Commonfund Capital in accordance with its terms.

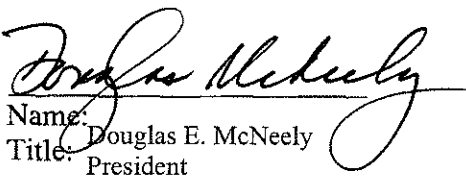
Very truly yours,

COMMONFUND CAPITAL, INC.

By: 
Name: Susan J. Carter
Title: President and Chief Executive Officer

CONFIRMED AND ACCEPTED

COMMONFUND SECURITIES, INC.

By: 
Name: Douglas E. McNeely
Title: President



MEMORANDUM

Date: July 23, 2015

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer
Chih-chi Chu, Investment Analyst

Subject: Commonfund Natural Resources Separate Account

Recommendation

We recommend the Board make a capital commitment of \$100 million to a separate account/fund-of-one structure (to be named, hereby referred as “the fund”) managed by Commonfund Capital’s natural resources team, subject to satisfactory on-site and legal review.

CCCERA previously made a \$50 million commitment to Commonfund’s Natural Resources Fund IX. We are now proposing to convert our prospective relationship with Commonfund to a separate account structure, instead of Fund X. We believe the structure that staff has negotiated will better align LP/GP interests and broaden the investment opportunity set. This commitment is also consistent with the deployment strategy laid out in the private real asset commitment schedule presented to the Board in November 2014. We used a similar separate account structure with the Siguler Guff CCCERA Opportunities Fund. This fund was seeded in 2014, with \$200 million commitment to be deployed over four years.

Separate Account Strategy

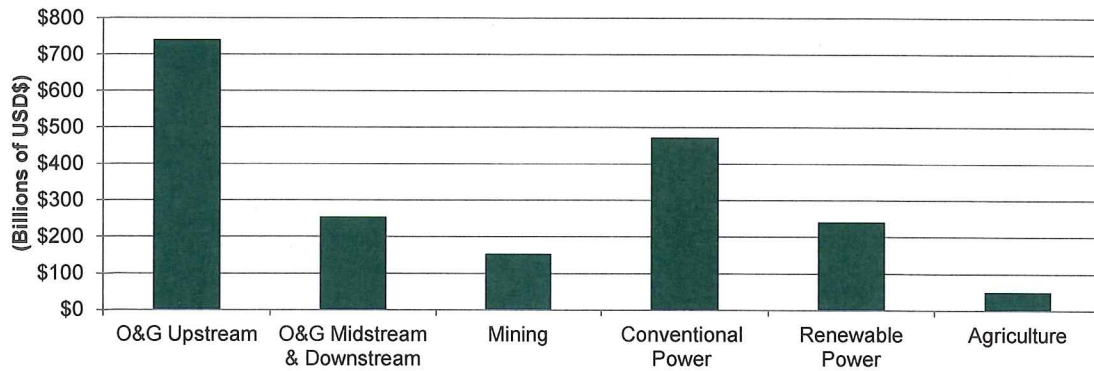
The fund’s investment objective is to achieve long term capital appreciation through investments in natural resources, and over the cycles exceed CCCERA’s private real assets benchmark, CPI+600 bps. The fund will diversify its investment types across primary (fund) investments, secondaries and co-investments. While the fund will remain opportunistic according to market opportunities, it will target 50%-60% of its capital in primary investments. The investment process will be similar to the standard fund offering, plus regular communications with staff on CCCERA’s overall sector exposure in private real assets.

The investment universe of the fund includes sectors summarized below with their corresponding market status:

- **Oil & Natural Gas:** given the lower oil and natural gas prices, there could be an attractive time to invest to exploit structural and cyclical dislocations. Regardless where we are in the cycle, Commonfund's fundamental strategy is to target companies with high quality management team, low finding and development costs, and modest or no leverage. There is also a big opportunity in midstream infrastructure. For example the traditional North America pipelines are built for importing (oil and gas), not exporting.
- **Mining & Minerals:** facing severe downturn companies large and small in this sector right now are cutting production and having a hard time accessing capital. This will inevitably cause future supply constraints as global population and urbanization continue to grow. Commonfund has seen the increased opportunities from mining managers, growing from 5-6 earlier to 50-60 in the last couple Natural Resources funds. In fact Commonfund recently closed a secondary transaction in the mining sector at 25% discount of net asset value.
- **Energy and Power Generation, Services, and Infrastructure:** although aggregate power demand in North America remains little growth, this happened with the headwinds of yet to recovered power demand since the great recession and more efficient energy use. The best investment opportunities will be small, niche projects that have access to cheap gas and insatiable demand for their outputs.
- **Renewable Energy:** This is a fast growing segment that is driven largely by favorable government mandates and regulations. Nonetheless Commonfund remains selective in this space as the financial return remains the sole focus on all its investments including renewable.
- **Agriculture:** Macro trends in agriculture are very favorable, given a growing global population, higher living standards (that are resulting more protein and organic food consumption), and a global shortage of quality food. Commonfund is particularly interested in the services businesses that surround agriculture such as supply chains.
- **Timber:** Although North American lumber prices have benefited from the housing recovery, Commonfund remains a cautious investor in this sector due to a lower expected risk-adjusted return.

The chart below, provided by Commonfund, estimates the market size of the various sectors discussed above. Across the sectors, there is approximately \$2 trillion of annual investable opportunities globally.

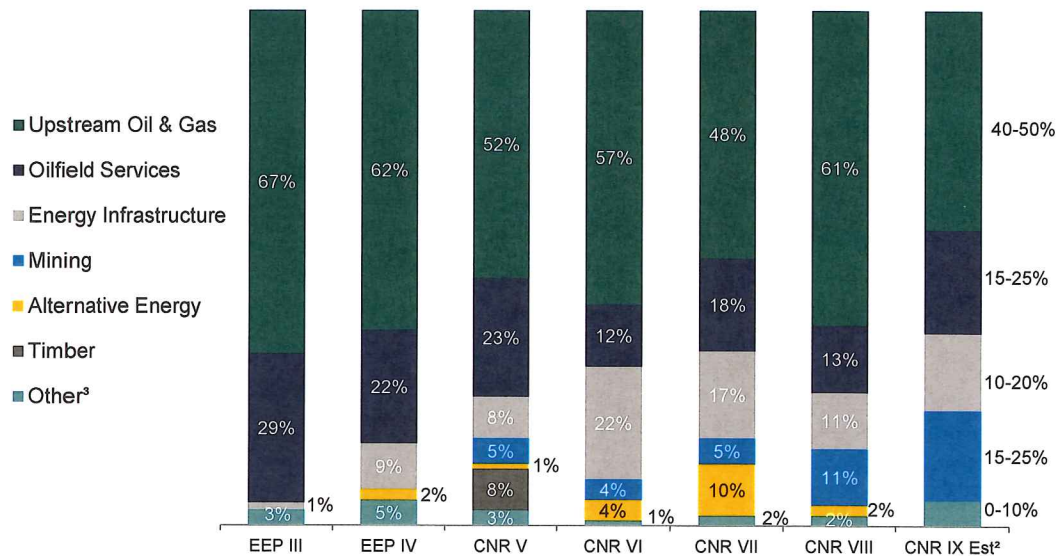
Natural Resources Estimated Average Annual Market Size Analysis



Sources: the International Energy Agency’s 2014 World Energy Investment Outlook under “the New Policies Scenario”; Raw Materials Group provided by Resource Capital Funds ; Macquarie Group estimates that the total amount of investible farmland is \$1 trillion (assumes capital deployed over 20 years).

Although historically the natural resources investment universe has been dominated by oil and gas dollar-wise, Commonfund’s natural resources team has demonstrated its ability to capture the evolving market opportunities. The chart below shows the sector evolution of Commonfund’s natural resources program.

Commonfund Capital Natural Resources Program Evolution Sector Diversification¹

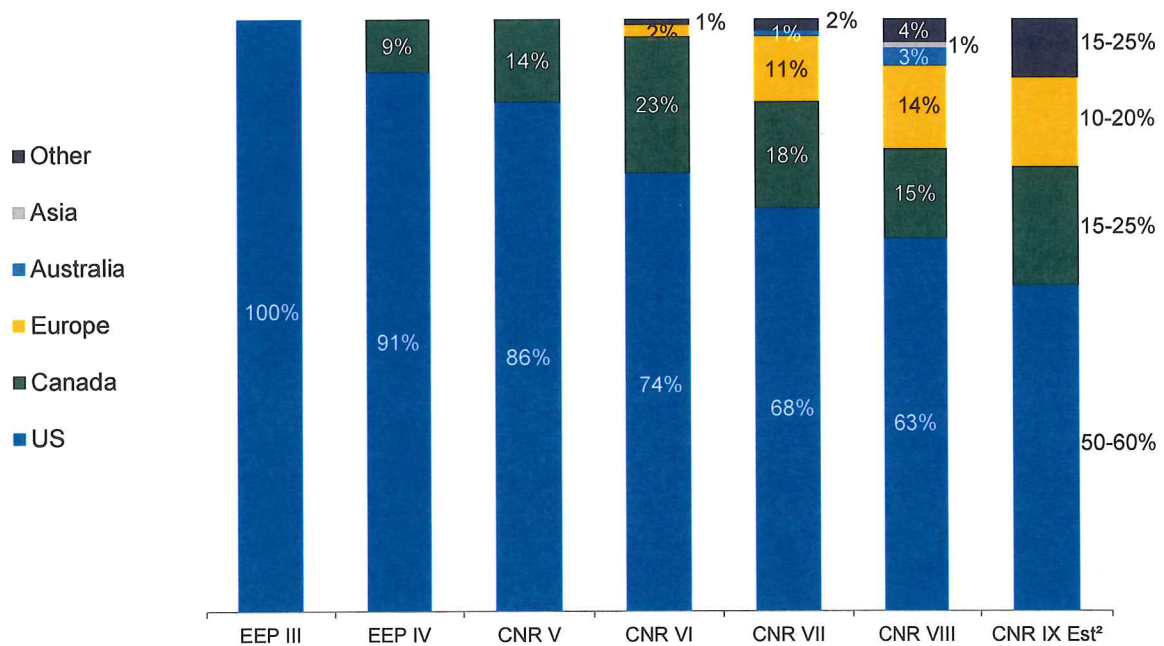


Source: Commonfund Capital; ¹based on cost of investments, ²projection as of 12/31/2014, ³ includes natural resources manufacturing and other natural resources services and miscellaneous.

In addition to sector evolution Commonfund has long ago diversified into different investment types. The first co-investment happened in Fund III, and the first secondary investment in Fund IV. Lately the natural resources team has been seeing more opportunities from mining sector and secondary investments.

With more opportunities coming from the mining sector, and the growing demand on natural resources from overseas, the fund will need to be more global to source (deals) competitively. This requirement actually serves as an advantage to Commonfund’s platform, as it has established London and Beijing offices. The chart below shows the geographic evolution of Commonfund’s natural resources program.

Commonfund Capital Natural Resources Program Evolution
Geographic Diversification¹



Source: Commonfund Capital; ¹based on current portfolio values, ²projection as of 12/31/2014.

Finally, to size the market opportunities for our separate account, staff asked Commonfund natural resources team to conduct a three-year capacity analysis, across hypothetical year 1 in 2013, year 2 in 2014, and year 3 in 2015. The table below summarizes the capacity analysis had CCCERA committed to Commonfund separate account in 2013.

Analysis on hypothetical commitments over a three-year cycle

Year 1		Year 2		Year 3	
Fund Y	\$10	Fund A	\$10	Fund C	\$10
Fund R	\$10	Fund W	\$10	Fund M	\$10
Co-Invest M	\$5	Fund G	\$5	Co-Invest O	\$10
Co-Invest 4	\$5	Co-Invest I	\$5	Co-Invest E	\$5
Co-Invest S	\$10	Co-Invest P	\$5	Secondary E	\$5
Co-Invest K	\$5	Secondary M	\$10	Secondary P	\$5
Primary subtotal \$20		Primary subtotal \$25		Primary subtotal \$20	
Co-invest/Sec. subtotal \$25		Co-invest/Sec. subtotal \$20		Co-invest/Sec. subtotal \$25	
Cumulative Total \$45		Cumulative Total \$90		Cumulative Total \$135	

Numbers in millions

Note these investments are all existing and there is no duplication on investments allocated during the three year commitment period. Therefore staff thinks the \$100 million recommendation is adequate, and more importantly, will not cause adverse selection for our separate account.

Overview of Firm and Investment Staff

Commonfund was founded in 1971 as an independent nonprofit investment firm. Currently Commonfund manages over \$25 billion of capital for over 1,350 institutions. Commonfund's focus is on three areas: outsourced solutions, alternative investment strategies, and private capital. It is also known in the industry for its strong governance and educational focus.

The firm's new CEO, Catherine Keating, joined Commonfund in 2014 from a much larger J.P. Morgan North American Asset Management. Staff had a conversation with Catherine in San Francisco earlier this year. Catherine has been active in the nonprofit world so she is very excited to join Commonfund. She thinks investment performance is more important than the size of assets under management in this business. She also attributed her success in the industry to her keeping up with the markets and learning from the mistakes.

The key investment professionals for CCCERA's separate account will include Greg Jansen, Ethan Levine, and Tim Yates:

- *Greg* has over 32 years natural resources experience. He used to be an exploration geophysicist with Amoco (fka Standard Oil) Production Company. He also did energy finance in HSBC and Chemical Bank (now J.P. Morgan Chase). Greg started his involvement at Commonfund natural resources in Fund II and has spent over two decades with Commonfund since. He travels all around the world to source investment opportunities. He sits on 11 natural resources advisory boards. He received his Bachelor degree in Geology from University of New Hampshire and MBA from Tulane University.

Throughout two years of interaction with Greg, staff has very high regard of him as a rare find engineer with passion in natural resources and excellent communication skills.

- *Ethan* is the second in command in Commonfund's natural resources program. He has 10 years of natural resources experience, 7 of them with Commonfund. Prior to Commonfund Ethan specialized in energy market on due diligence, regulatory approval, strategy forecast, and loss mitigation. He sits on four natural resources boards. Ethan is the prior chairperson of the Dartmouth College Hillel Board of Overseers. He received his B.A., B.E. and M.E.M. from Dartmouth College and MBA from University of Chicago.

From the interaction with Ethan staff thinks he is a prudent capital allocator who will be weighing different opportunities for the superior risk-adjusted return investments.

- *Tim* is a separate account specialist at Commonfund. He will be CCCERA's advocate within the Commonfund natural resources program, ensuring investment opportunities fit to CCCERA allocated to our separate accounts accordingly. He started his career at Commonfund in 2000 from the rotating associate program and has since focused on portfolio design and construction for separate accounts. Prior to Commonfund Tim was an instructor of Spanish and Italian at Fordham Prep School. He is a member of the investment committee for St. Paul's Church in Fairfield, CT. He also sits on several advisory boards of L.P.s. He has a MBA from Fordham University and B.A. from Trinity College in Modern Language.

Tim has been the lead person to put together the separate account terms with CCCERA.

Track Record Review

Commonfund has sponsored nine funds, and is fundraising the tenth, within the natural resources segment. As noted earlier, Fund I (1988 vintage) & II (1991 vintage) have different strategies so are not included here. Nonetheless their net IRR are 8.9% and 12.6% respectively with multiples of 1.6x.

The track records from Fund III to Fund VIII are displayed in the following table, numbers shown as of December 31, 2014.

Commonfund Capital Natural Resources Performance as of December 31, 2014

Fund Name	Vintage Year	Status	Gross IRR	Gross Multiple	Gross DPI	Net IRR	Net Multiple	Net DPI
EE III	1995	In Liquidation	17.7%	2.9x	2.8x	16.8%	2.9x	2.8x
EE IV	1998	In Liquidation	27.2%	4.0x	3.8x	25.3%	3.8x	3.7x
CNR V	2003	> 50% Realized	13.4%	1.8x	1.4x	11.5%	1.7x	1.3x
CNR VI	2005	> 50% Realized	8.5%	1.5x	0.8x	6.6%	1.4x	0.7x
CNR VII	2007	< 50% Realized	8.4%	1.3x	0.7x	6.4%	1.3x	0.6x
CNR VIII	2008	< 50% Realized	5.2%	1.1x	0.3x	2.6%	1.1x	0.2x
CNR IX	2012	Investing	N/M	N/M	N/M	N/M	N/M	N/M
CNR X	2014	Open/Investing	N/M	N/M	N/M	N/M	N/M	N/M

DPI is Distribution over Paid-In Capital

The plunge of oil price during the December quarter had impacted the more recent funds' performance negatively, especially for Fund VI, VII, and VIII. For reference the next table shows the track records of the same funds as of June 30, 2014.

Commonfund Capital Natural Resources Performance as of June 30, 2014

Fund Name	Vintage Year	Status	Gross IRR	Gross Multiple	Gross DPI	Net IRR	Net Multiple	Net DPI
EE III	1995	In Liquidation	17.8%	2.9x	2.6x	16.8%	2.9x	2.6x
EE IV	1998	In Liquidation	27.3%	4.0x	3.4x	25.4%	3.9x	3.3x
CNR V	2003	> 50% Realized	15.1%	1.9x	1.3x	13.2%	1.9x	1.3x
CNR VI	2005	> 50% Realized	10.8%	1.6x	0.7x	8.7%	1.5x	0.6x
CNR VII	2007	< 50% Realized	12.5%	1.5x	0.6x	10.3%	1.5x	0.5x
CNR VIII	2008	< 50% Realized	12.6%	1.3x	0.3x	9.1%	1.2x	0.2x
CNR IX	2012	Investing	N/M	1.0x	N/M	N/M	N/M	N/M

Overall, even at the low point as of December 31, 2014, Commonfund's natural resources team has over the decades returned \$2 billion back to investors over \$1 billion of capital called. The result is a 2x cash-on-cash multiple and 14.7% net IRR.

Since CCCERA's proposed separate account will more likely have higher exposure to co- and secondary investments, we also asked for the breakdown of the track records by investment type, summarized in the table below:

Commonfund Capital Natural Resources Investment Type Return Analysis As of December 31, 2014

	Primary	Co-Investment	Secondary
Number of Investments	85	9	13
Paid-In	1,755.7	81.6	100.8
Distributed	1,888.0	80.1	80.6
Residual Value	1,008.4	73.6	99.2
DPI	1.1X	1.0X	0.8X
RVPI	0.6X	0.9X	1.0X
TVPI	1.6X	1.9X	1.8X
IRR	16.7%	22.0%	23.6%

DPI is Distribution over Paid-In Capital; RVPI is Residual Value over Paid-In Capital;

TVPI is Total Value (Distributed + Residual Value) over Pain-In Capital;

Returns net of underlying manager fees and carry but gross of Commonfund's fees and carry

As shown in the table above, Commonfund's natural resources team has been able to add value by diversifying into co- and secondary investments. Also reviewed are the track records from the various sectors and geographies to ensure the all-around investment acumen of Commonfund's natural resources team. Considering the maturity of the investments we include only the investments that are more than 50% realized (distributed more than half of its total value back to investors). The table below shows the sector return breakdowns:

Sector Return Analysis as of December 31, 2014

	Oil & Gas	Oilfield Services	Energy Infrastructure	Alt Energy	Mining	Timber	Other
Number of Companies	518	226	97	46	30	4	26
Paid-In	551.4	190.3	133.5	36.8	32.5	6.6	15.3
Distributed	1,217.7	483.6	254.1	24.3	76.4	16.6	53.5
Residual Value	162.2	39.0	24.4	0.0	0.4	0.4	7.1
DPI	2.2X	2.5X	1.9X	0.7X	2.4X	2.5X	3.5X
RVPI	0.3X	0.2X	0.2X	0.0X	0.0X	0.1X	0.5X
TVPI	2.5X	2.7X	2.1X	0.7X	2.4X	2.6X	4.0X

As shown in the table above, the dark spot on the sector track records is the alternative energy. Earlier Commonfund invested in clean tech industry that are classified in alternative energy. Later they realized these types of investments would be better suited for a venture capital portfolio. They will no longer invest in clean tech industry but will still consider renewable energy. The highly successful sector of "Other" includes manufacturing of natural resources-related products. The table below shows the return breakdowns by geography:

Geographic Return Analysis as of December 31, 2014

	United States	Canada	Europe	Asia	Australia	Other
Number of Companies	476	367	70	3	10	21
Paid-In	627.9	213.6	93.6	1.3	13.5	16.5
Distributed	1,560.4	334.5	185.3	1.5	23.0	21.5
Residual Value	223.5	8.4	1.6	0.0	0.0	0.0
DPI	2.5X	1.6X	2.0X	1.2X	1.7X	1.3X
RVPI	0.4X	0.0X	0.0X	0.0X	0.0X	0.0X
TVPI	2.8X	1.6X	2.0X	1.2X	1.7X	1.3X

CCCERA Private Real Asset

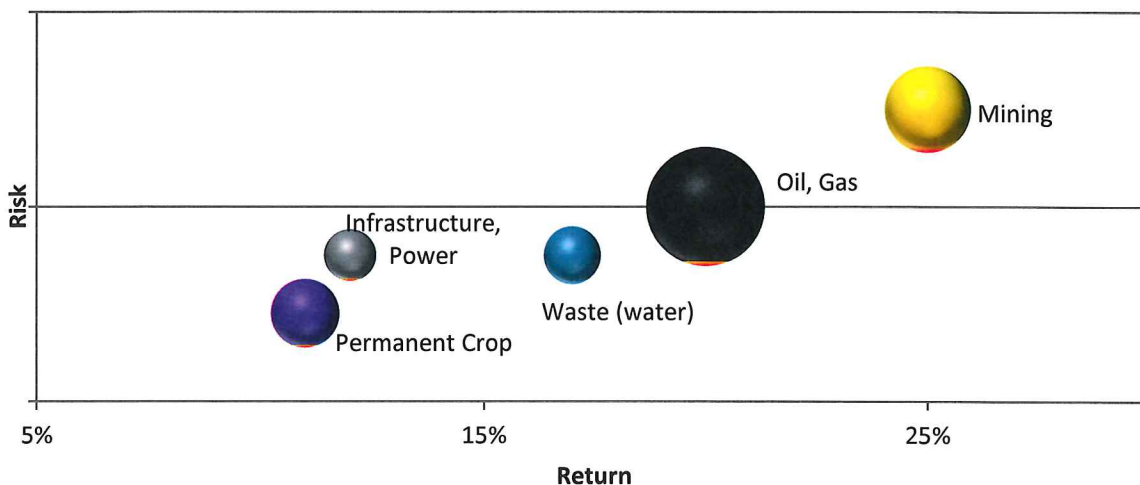
From the Private Real Asset Commitment Schedule memo presented to the board last November, CCCERA will over-commit to private real asset by 75% in order to compensate the deployment pace of private real asset investments. With this over-commitment and CCCERA's total asset value as of May 31, 2015, the availability for CCCERA to commit to private real asset is approximately \$165 million, illustrated by the schedule below:

	<u>Value</u> (Millions)		<u>Value</u> (Millions)
CCCERA Total Fund <i>as of 5/31/2015</i>	\$7,215	Closed End Target	\$180
		less Closed End Investments	\$32
Real Asset @ 5%	\$361	less Commitments (incl. wastewater)	\$119
less Public Target @ 2.5%	\$180	Available to Commit	\$29
=Private R.E. Funds @ 2.5%	\$180	plus 75% Over-Commitment	\$135
		Estimated Available to Commit	\$165

The Commitment Schedule memo laid out three anticipated paths for making commitment in 2015: sourcing a wastewater opportunity, developing a separate account, and evaluating Ares EIF V. After the board's \$25 million commitment to Equilibrium's Wastewater Opportunities Fund in March this year, we are on budget to commit \$100 million to the proposed separate account with Commonfund (over three years), and leave more than enough capacity for a potential re-up with Ares EIF V (budgeted at \$50 million).

For CCCERA's current (based on projected total commitment) sector exposure in private real assets, below is the chart that summarizes the relative weight of various sectors in the risk-return spectrum:

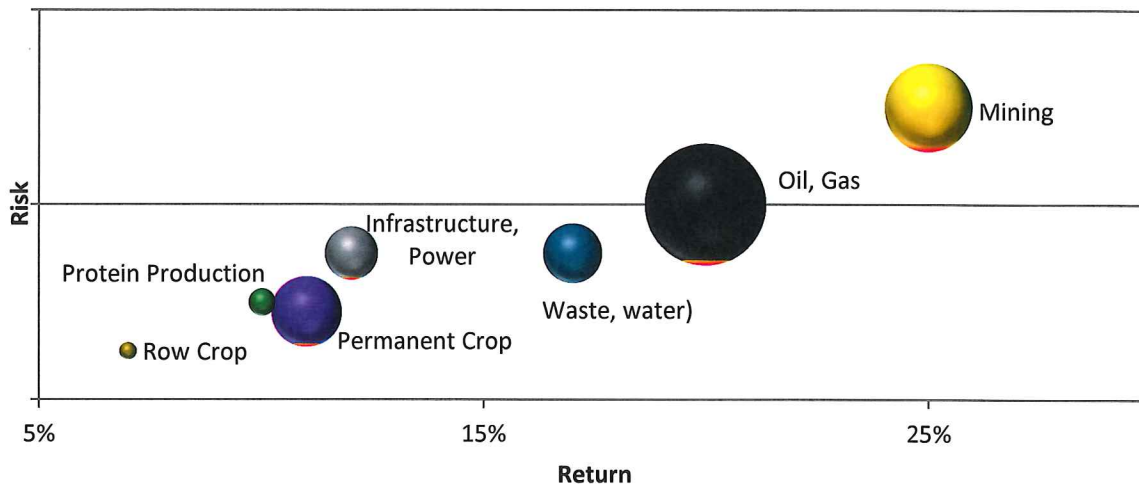
CCCERA Current Private Real Asset Profile



On this chart, oil and gas is the leading class, accounting for 38% of CCCERA's total private real asset exposure, followed by 21% in mining, 18% in permanent crop, 16% in water, and 7% in infrastructure/Power.

Post CCCERA's separate account commitment of \$100 million to Commonfund, oil and gas exposure will increase to 42% of CCCERA's total private real asset exposure, followed by 23% in mining, 14% in permanent crop, 10% in wastewater, 8% in infrastructure, and some potential initiating positions on protein production (2%) and row crop (1%), illustrated below:

CCCERA post-Commonfund Private Real Asset Profile



Risk Factors

Some of the risk factors to consider related to this commitment include:

- Commodity risk – although commodity cycles generally range from 1 to 3 years, a prolonged slump in commodity prices may drag the investment holding periods into longer horizon thus reduce fund's IRR;
- Technology risk – advancement in technology has drastically reduced production cost in natural resources industries; however the continuing advancement in technology may render current technologies outdated. Promising technologies may not be adapted;
- Sovereign risk – governments in foreign countries where the investments are made might refuse to honor the MOU (Memo of Understanding) , fail to comply to contract terms, devalue the currencies, raise taxes, limit capital outflows, or become insolvent;
- Political risk – many sectors within natural resources are regulated, thus subject to risks created by mispricing, policy change, legal ruling, or public sentiment.

Summary of Preliminary Separate Account Terms

Expected Size: \$100 million

GP Commitment: \$200,000

Investment Period: 3 years after the closing

Maturity: Twelve years after the establishment, with one additional 1-year extension at GP's discretion

Management Fee
(See Projections
Next Page):

Years 1-6: 0.75% of Cumulative Invested Capital

Year 7: 0.75% of the lesser of Net Asset Value and Cumulative Invested Capital of such Pool

Year 8: 0.65% of the lesser of Net Asset Value and Cumulative Invested Capital of such Pool

Year 9: 0.60% of the lesser of Net Asset Value and Cumulative Invested Capital of such Pool

Year 10: 0.55% of the lesser of Net Asset Value and Cumulative Invested Capital of such Pool

Thereafter: 0.50% of the lesser of Net Asset Value and Cumulative Invested Capital of such Pool

Preferred Return: 7%

General Partner
Profits Interest: 7.5% after returning capital including management fees, and after returning preferred returns

Fee Projection

CCCERA Commitment	\$100,000,000
Investment Period	3 Years
Management Fee & Base	75 bps on Invested Capital from Yr 1 to 6 Various % on net asset value from Yr 7 +
Preferred Return Hurdle	7%
Manager's Carry Interest	7.5%

Hypothetical Scenarios

<i>Gross IRR Scenario</i>	<i>5%</i>	<i>10%</i>	<i>15%</i>
<i>Net IRR</i>	3.8%	8.3%	13%
<i>Gross Multiple</i>	1.2x	1.42x	1.67x
<i>Net Multiple</i>	1.15x	1.33x	1.55x
<i>M'gmt Fee</i>	\$4.39 million	\$4.45 million	\$4.51 million
<i>Carry Interest Fee</i>	-	\$2.69 million	\$4.47 million
<i>Total Fee</i>	\$4.39 million	\$7.14 million	\$8.98 million

Memorandum

To: Contra Costa County Employee Retirement Association
From: Manager Research Group
Date: July 23, 2015
RE: Opinion on proposed Commonfund Natural Resources SMA

Executive Summary

We believe a strategic, long-term allocation to natural resources can provide inflation protection, a differentiated source of returns, and portfolio level diversification. While we are not actively allocating to similarly structured investment vehicles and have not performed a general manager search, we do not see any significant issues with investing in the proposed natural resources focused separate account with the Commonfund. Furthermore, based on our review of the Staff's research, we do not see any significant issues with their diligence on the investment opportunity in general and the strategy in particular.

Diligence Performed

At the client's request, we performed an initial review of the Fund. This included a review of the offering materials and a review of the Staff's Investment Memorandum. In addition, we have previously met with the Commonfund regarding other strategies they manage.

The Offering

The Commonfund has been making natural resource investments since 1988. The team is experienced and appears to be well staffed to cover the opportunity set. Commonfund has raised nine previous natural resources vehicles investing nearly \$2 billion in the space. They have an attractive track record that has weathered multiple market cycles.

The Commonfund is now raising Fund X. Rather than commit to Fund X, CCCERA has negotiated a separately managed account ("SMA") with a few key differentiated terms. In particular, as compared to Fund X, the CCCERA SMA will include a higher allocation to co-investments and secondaries (up to 60% vs. up to 25%). CCCERA has negotiated a fee structure that, while increasing the Commonfund carried interest allocation, introduces a preferred return and effectively pushes out Commonfund economics until after such time that CCCERA generates a return consistent with their target. Finally, Fund X charges a management fee on committed capital. CCCERA has negotiated a management fee on invested capital during the investment period and on the lesser of remaining net asset value or cumulative invested capital thereafter.

Using simple arithmetic, as compared to the Fund X terms, the CCCERA negotiated carry structure is favorable until such time as the SMA generates a 10.5% return. However, considering the CCCERA return target of CPI+600, which will likely remain below 10.5%, the preferred return structure protects CCCERA economics on the front-end.

The proposed structure also provides CCCERA with the flexibility to reassess future investments as market or other conditions change. CCCERA has the ability to recommit to the Fund every three years and may terminate new fund investments upon 90 days' notice.

As compared to Fund X, increasing the allocation to co-investments and secondaries may introduce some additional risk. While the Commonfund returns for direct natural resource investments are strong, they only represent a small portion of the overall Commonfund Natural Resources program, were mostly made after 2011, and remain largely unrealized.

Finally, the Commonfund allocation policy Exceptions (2)(b), appears to provide the Commonfund Investment Committee the flexibility to allocate all or part of an investment to Commonfund accounts that have a previous relationship with the manager. We suggest that Staff further clarify and, to the extent needed, adjust how and when these exceptions would apply to the proposed SMA.

Conclusion

While we not actively allocating to similarly structured investment vehicles, if CCCERA decides to participate in a diversified natural resources program, a commitment to the proposed SMA seems reasonable. In our opinion, Staff performed a logical review of the opportunity set and their decision to recommend the SMA is based on a thorough analysis of the Fund, Commonfund, and the investment team.



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



JULY 23, 2015

Current assessment review for

Contra Costa County Employees' Retirement Association

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SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

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Executive summary

Executive summary

The following presentation contains a review of the investment policy statement, liabilities, asset allocation, risk exposures, and investment managers for the Contra Costa County Employees' Retirement Association. The purpose of this document is to ensure that the Board, Staff, and Professionals share a common understanding of all key facts pertaining to the Plan.

Recommendations

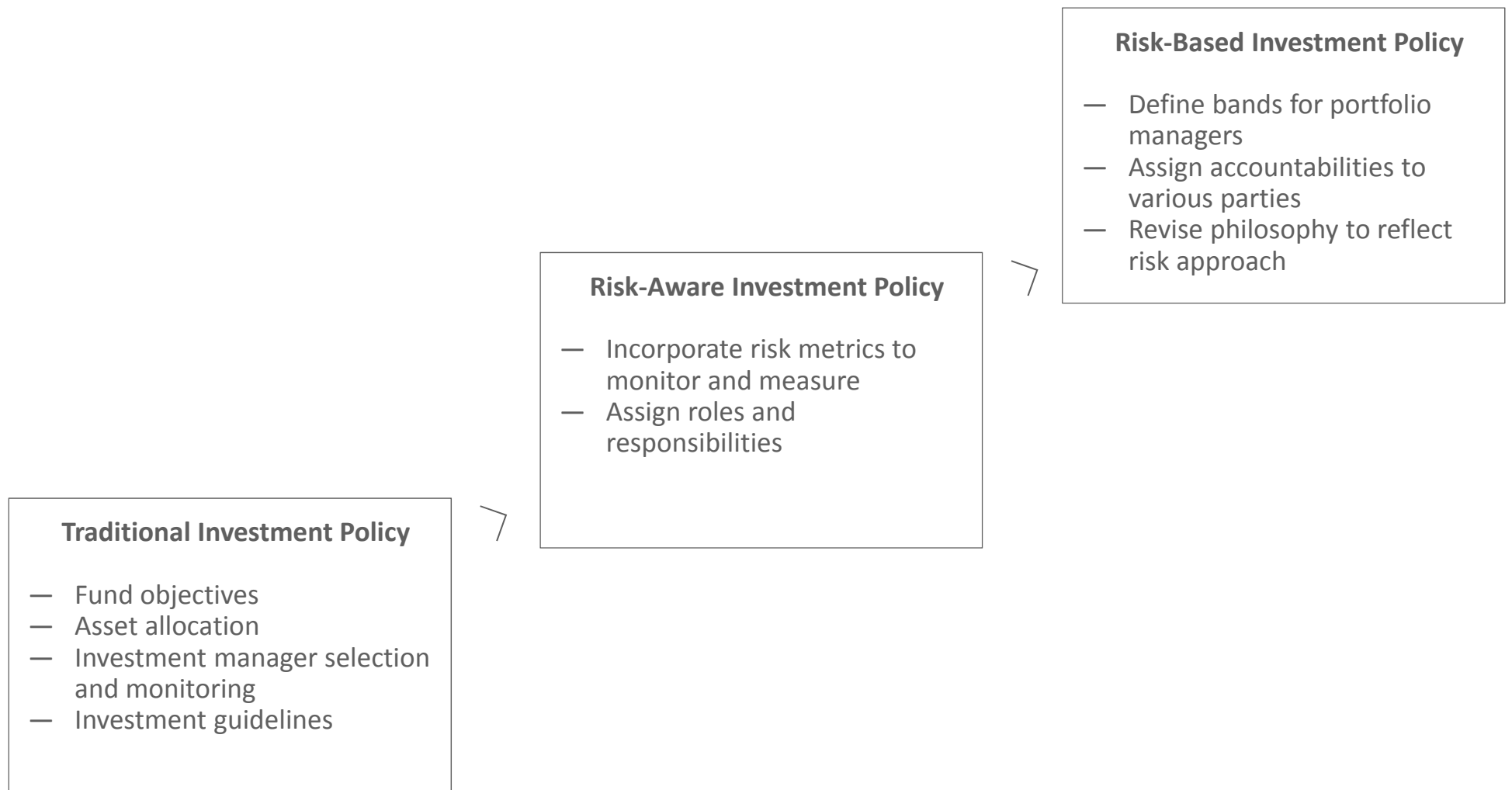
- Potential improvements regarding the investment policy statement can be found on page 9 of this presentation, with additional considerations on page 7
- Given the upcoming Asset / Liability Study and Investment Strategy Development Workshop, no changes are recommended in this document

Next Steps

- Detailed review of the investment policy statement
- Asset / Liability Study and Investment Strategy Development Workshop
- Discuss ways to improve investment manager lineup efficiency (pending the Asset / Liability Study)

Investment policy

Gap analysis of risk-based



Traditional vs. risk-based

Current Sections

- Introduction
- Authority
- Asset Categories
- Investment Objectives
- Custodian Bank and County Treasurer
- Asset Allocation
- Investment Manager Selection
- Investment Manager Monitoring
- Authority of Investment Managers
- Investment Guidelines
- Separately Held Real Estate
- Securities Litigation
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Additional Sections for Consideration

- Asset Allocation
 - Performance goals / expectations
 - Purpose of asset classes
 - Risk budget
- Philosophy
 - Asset allocation
 - Risk tolerance
 - Time Horizon
- Risk Tolerance
 - Specific risk tolerance
- Risk Guidelines
 - Absolute and relative risk staff may utilize
- Risk Monitoring
 - How staff will monitor risk
- Portfolio Managers
 - Internal vs. external manager responsibilities
 - Manager retention
 - Manager termination

Source: CCCERA Statement of General Investment Policies and Guidelines (Adopted 7/9/1985; Last Revised 10/30/2013)

Allocation of cash dispersed and received

Allocation of cash dispersed

- When cash liquidity is needed for benefit payments, operating expenses, and/or capital calls, the policy directs cash to be raised from specific managers within equities, fixed income, real estate, or real assets, prioritized by which asset classes are most overweight
 - Currently, equities is the most overweight asset class and funds are being raised through PIMCO Stocks Plus
 - Monthly benefit payments and operating expenses (~\$30 mil) are coordinated with capital calls, and cash is typically raised once a month

Allocation of cash received

- When cash is received, typically through contributions, the policy directs cash to be allocated to specific managers within equities, fixed income, real estate, and/or real assets, prioritized by which asset classes are most underweight
 - Currently, fixed income is the most underweight asset class, so the majority of cash would be allocated to domestic core plus managers (PIMCO and/or Lord Abbett and/or Goldman Sachs)
 - Contributions are typically received once a year (~\$300 mil in July)

Source: CCCERA Statement of General Investment Policies and Guidelines (Adopted 7/9/1985; Last Revised 10/30/2013)

Potential improvements

The current investment policy statement may consider

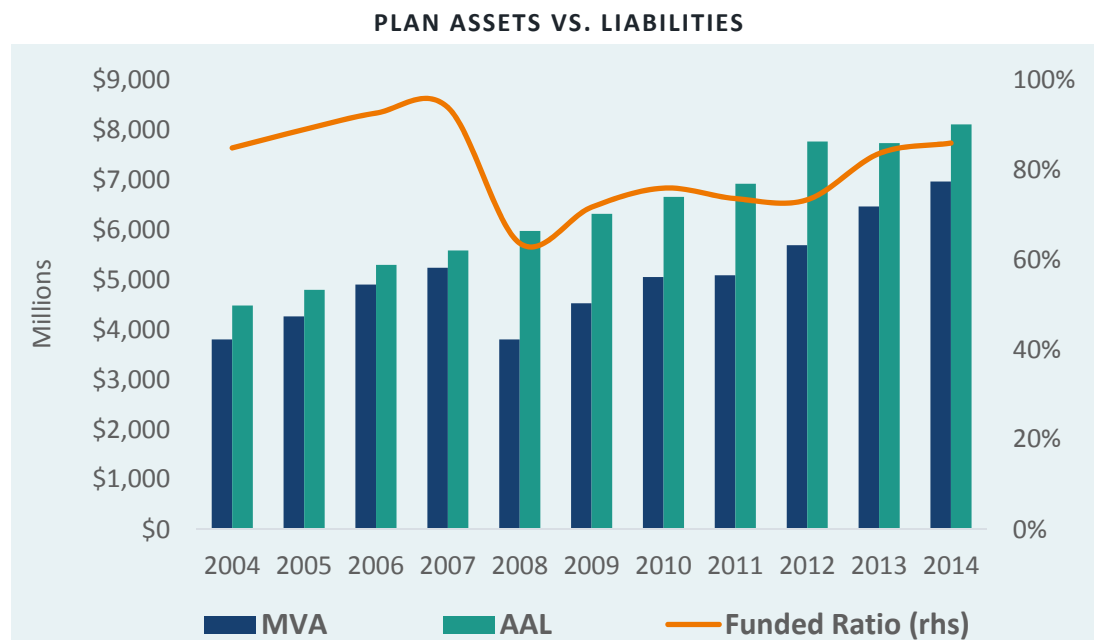
- Including a summary of the Plan, goals, and how it relates to the County Employees Retirement Law of 1937 (CERL)*
- Adding the responsibilities of committees or trustees (roles and responsibilities)
 - Only addresses investment managers and custodians
- Adding a scope or “Statement of Purpose”

* CERL is mentioned in the Fiduciary Education Policy as it relates to the continuing education duty of fiduciaries

Liabilities

Actuarial accrued liabilities

- Market value of assets have grown at 3-yr and 10-yr annual rates of 11.0% and 6.2%, respectively
- Actuarial accrued liabilities have grown at 3-yr and 10-yr annual rates of 5.4% and 6.1%, respectively
- Both market value of assets and actuarial accrued liabilities have increased 9 out of the last 10 years
- Assumed rate of return of 7.25%
- Based on market value of assets, the 2014 funded ratio (85.9%) is at its highest level since 2007



As of December 31, 2014

Sources: CCCERA Investment Reports, Segal Consulting CCCERA Actuarial Valuation Reports

Plan cash flows

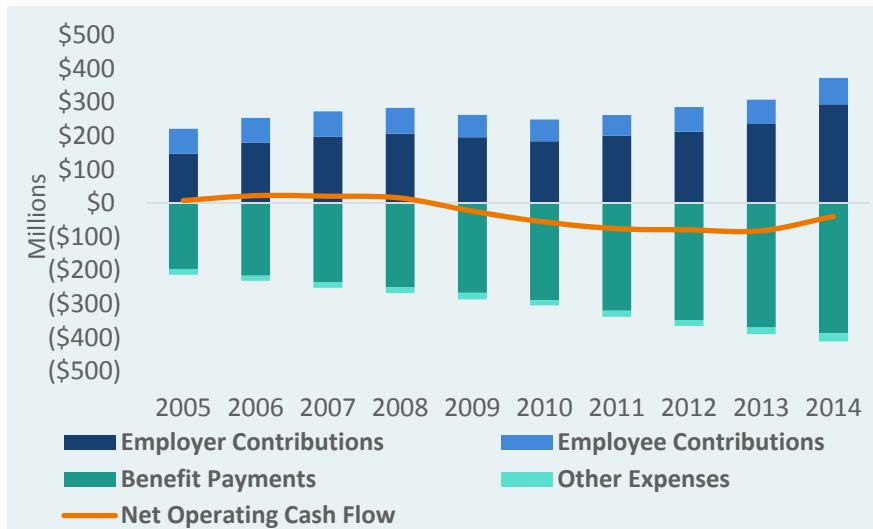
— Since 2005

- Total contributions have grown at a 4.9% annual rate
 - Employer contributions at 6.1%
 - Employee contributions at 0.7%
- Benefit payments have grown at a 6.5% annual rate

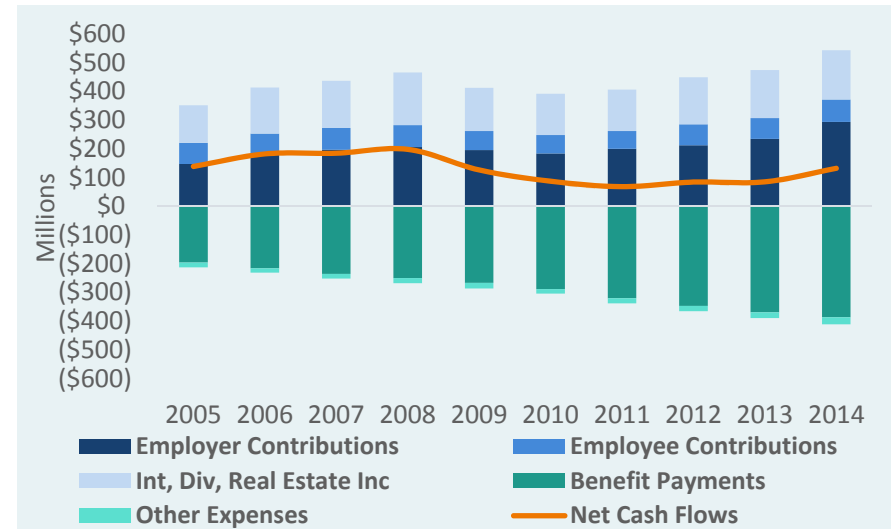
— Net operating cash flows have remained negative for the last 6 years

— Net cash flows (taking into account interest, dividends, and real estate income) has remained positive for the last 10 years

OPERATING CASH FLOWS



NET CASH FLOWS



As of December 31, 2014

Sources: CCCERA Comprehensive Annual Financial Reports

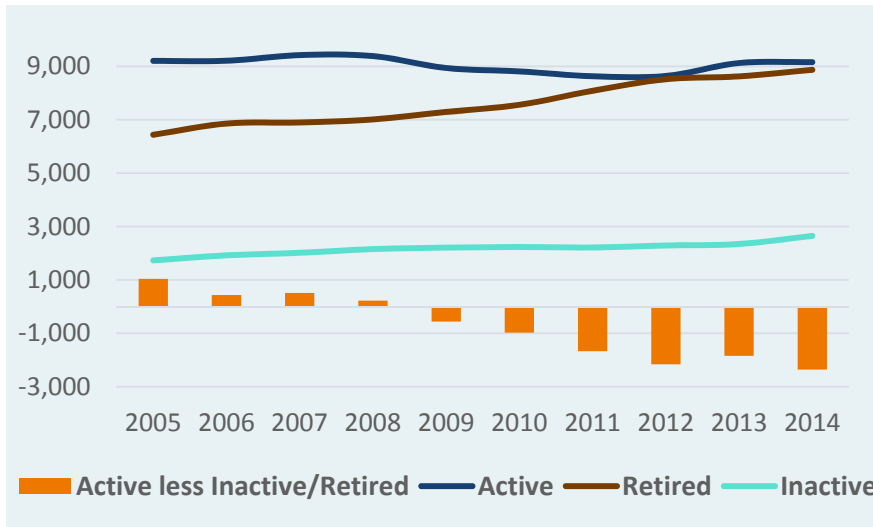
Participant statistics

— Since 2005

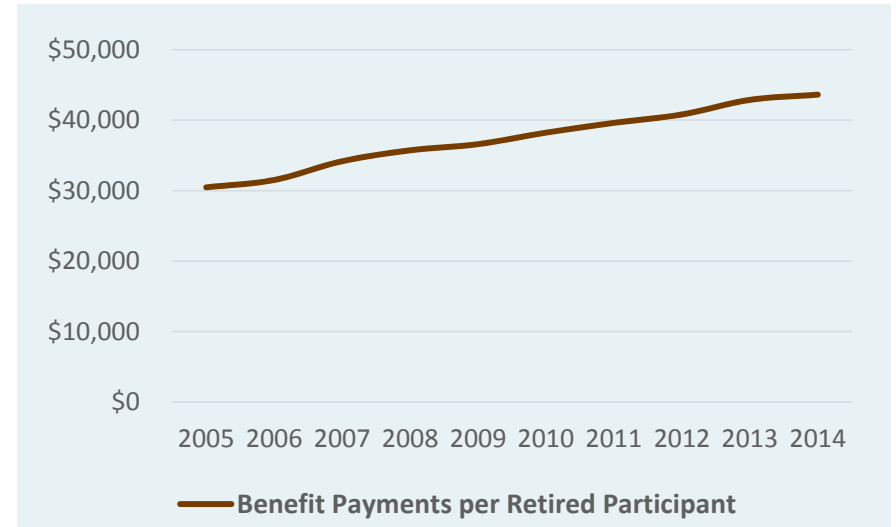
- Total participant count has increased at a 1.8% annual rate
 - Current active participants has remained relatively flat, growing at -0.1% rate
 - Retired and inactive vested participants has grown at a 3.4% and 4.0% annual rate, respectively
- Benefit payments per retired participant has grown at a 3.6% annual rate

— The relatively flat growth of active participants should eventually lead to a decline in the growth rate of retired participants, likely leading to a decline in the growth of benefit payments

PARTICIPANT TRENDS



BENEFIT PAYMENTS PER RETIRED PARTICIPANT



As of December 31, 2014

Sources: CCCERA Comprehensive Annual Financial Reports

Asset allocation

Asset allocation analysis

	Current	Policy	CMA's (10 Yr)	Std Dev	Sharpe Ratio
Domestic Equity					
Large Cap US Equity	21.5	20.5	5.7	14.7	0.25
Small/Mid Cap US Equity	7.4	5.1	4.7	19.8	0.13
	28.9	25.6			
International Equity					
International Large	13.7	13.6	9.5	18.2	0.41
Emerging Markets	3.1	3.4	11.5	23.7	0.40
	16.8	17.0			
Total Equity	45.7	42.6			
Fixed Income					
US Core Fixed Income	14.5	19.5	3.1	3.2	0.31
Core Plus Fixed Income	4.6	0	3.8	5.9	0.29
High Yield Fixed Income	6.5	7.5	5.2	10.5	0.30
Global Sovereign ex-US	1.4	1.2	2.5	7.9	0.05
Global Credit	1.2	1.2	1.9	7.4	-0.02
	28.2	29.4			
Real Assets					
Inflation Hedge	4.9	5.0	4.1	18.2	0.11
Real Estate	10.4	8.0	5.1	13.2	0.23
REITs	2.6	4.5	5.1	26.4	0.11
	17.9	17.5			
Alternatives					
Private Equity/VC	7.6	10.0	7.7	23.7	0.24
	7.6	10.0			
Cash	0.6	0.5	2.1	0.6	-
Total Allocation	100	100			

	Current	Policy
Mean Variance Optimization		
Forecast 10 Year Return	6.3	6.4
Standard Deviation	11.3	11.5
Return/Std. Deviation	0.6	0.6
1st percentile ret. 1 year	-26.7	-27.2
Sharpe Ratio	0.42	0.42
Verus Economic Scenario Analysis		
10 Year Return Forecast		
Stagflation	5.8	5.8
Weak Economy	2.2	2.3
Base CMA	5.6	5.7
Strong	9.5	9.5
Range of Scenario Forecast	7.3	7.2
Economic Shock (1 year)	-23.4	-23.0

Notes:

- Real Estate capital market assumptions are for core real estate
- Verus' capital market assumptions incorporates an inflation rate of 2.1% compared to an actuarial inflation rate assumption of 3.25%

As of 3/31/2015

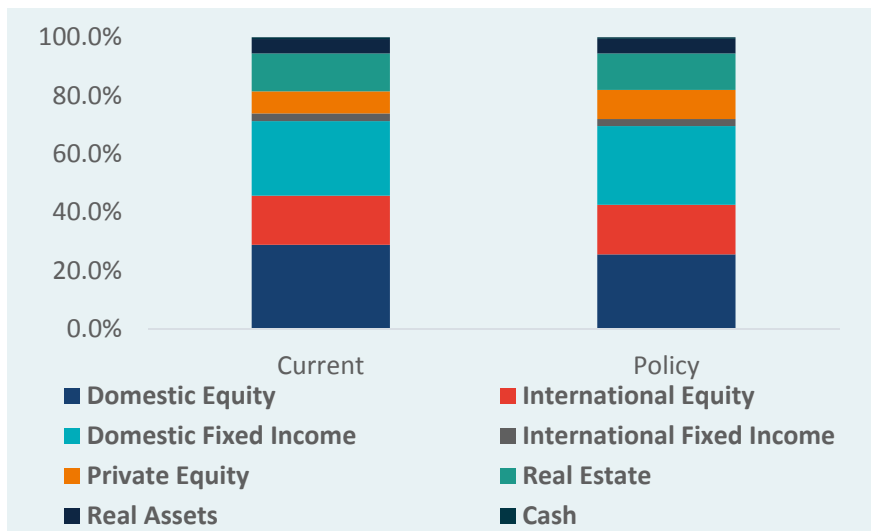
Scenario Analysis utilizes May 2015 Verus Capital Market Assumptions

Note: Policy portfolio utilizes benchmark constituent weights to determine asset allocation weights for equities and fixed income

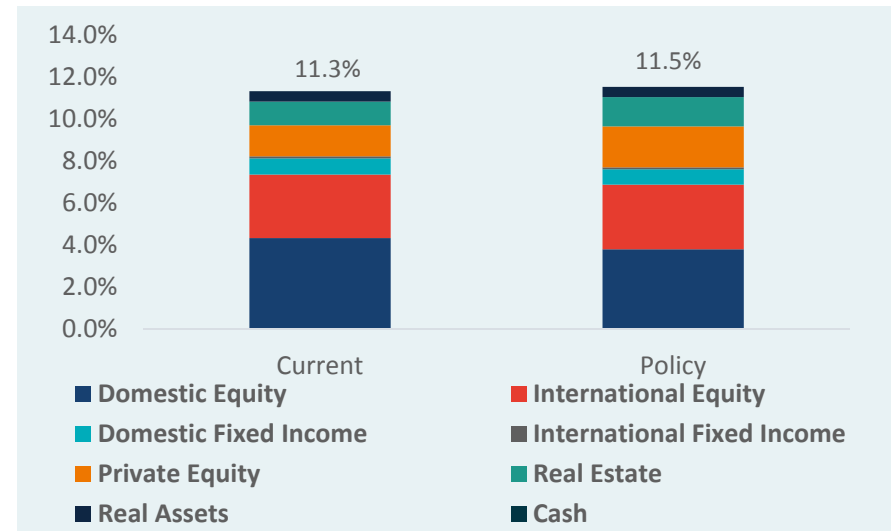
Portfolio allocation

- No passive investment strategies
- Domestic tilt in both equity and fixed income exposure
- No current allocations to hedge funds
- Current portfolio allocation risk is relatively in-line with policy portfolio risk (11.3% vs. 11.5%)

ASSET ALLOCATION BY ASSET CLASS



RISK CONTRIBUTION BY ASSET CLASS¹

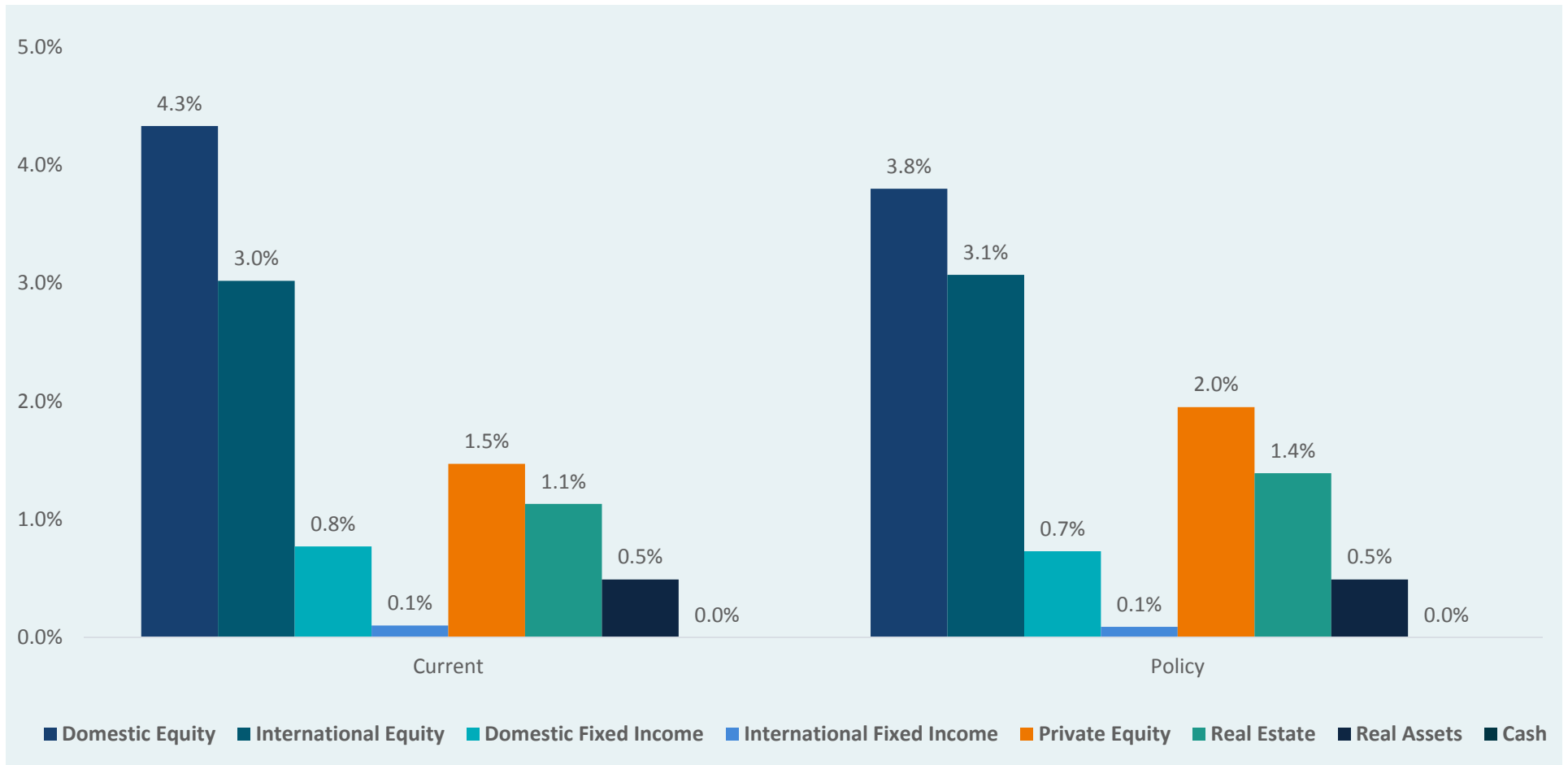


As of 3/31/2015

¹Based on Verus' Capital Market Assumptions

Note: Policy portfolio utilizes benchmark constituent weights to determine asset allocation weights for equities and fixed income

Risk contribution by asset class



As of 3/31/2015

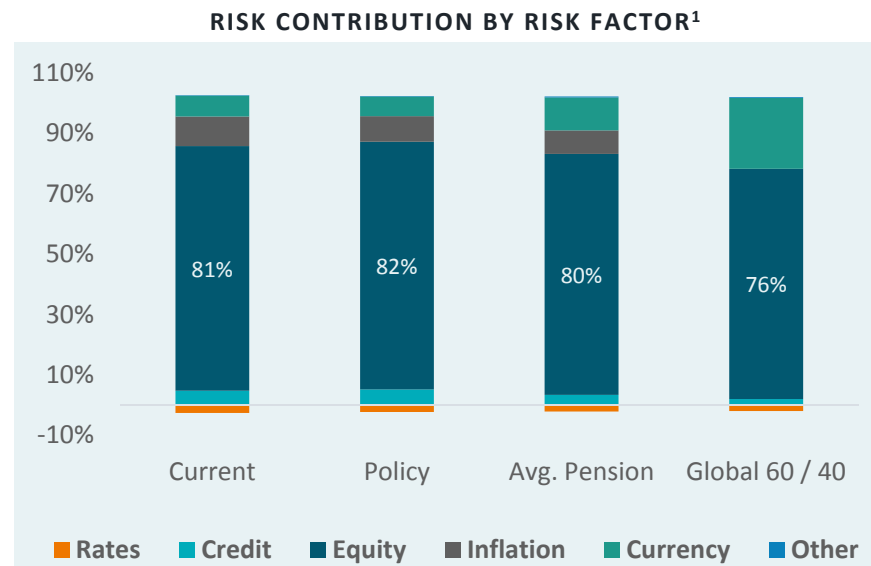
¹Based on Verus' Capital Market Assumptions

Note: Policy portfolio utilizes benchmark constituent weights to determine asset allocation weights for equities and fixed income

Risk exposures

Risk contribution

- The Policy portfolio's total risk is composed of higher equity risk relative to the Avg. Pension and the Global 60 /40 portfolios because of a higher allocation to private equity
- Both the Policy and Avg. Pension portfolios have a more diversified risk composition relative to the Global 60 / 40 portfolio because of allocations to other asset classes outside of equity and fixed income
- The Avg. Pension portfolio's total risk is composed of more currency risk relative to the Policy portfolio because of a higher allocation to international equities



As of 3/31/2015

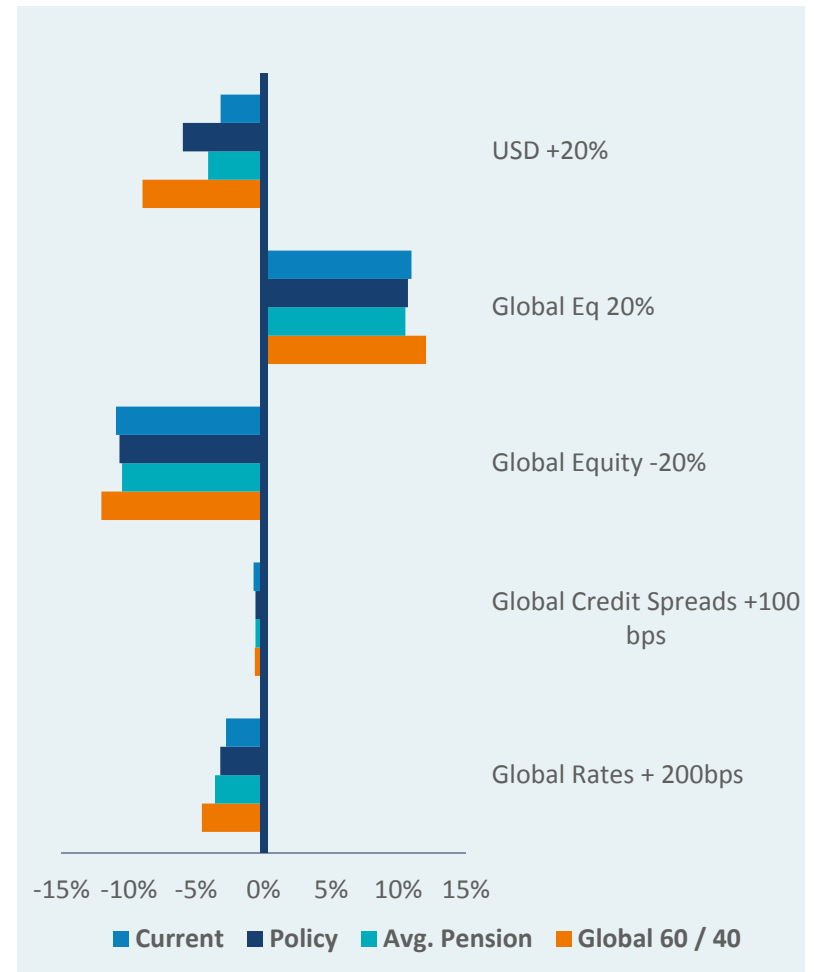
¹Based on BarraOne's Capital Market Assumptions

Avg. Pension based on BNY Mellon Universe Data of DB Plan > \$2B (figures rounded): 45% ACWI; 35% BC Agg; 5% Private Equity (levered 30%); 5% NCREIF; 5% HFRI FoF; 5% Bloomberg Commodities

Stress test

- BarraOne’s risk decomposition analysis can hypothesize how the different portfolios would have performed in certain hypothetical stress tests or historical environments.
- This analysis is based on how the risk factors inherent in the current index holdings reacted in those environments.

TAIL RISK – STRESS TEST



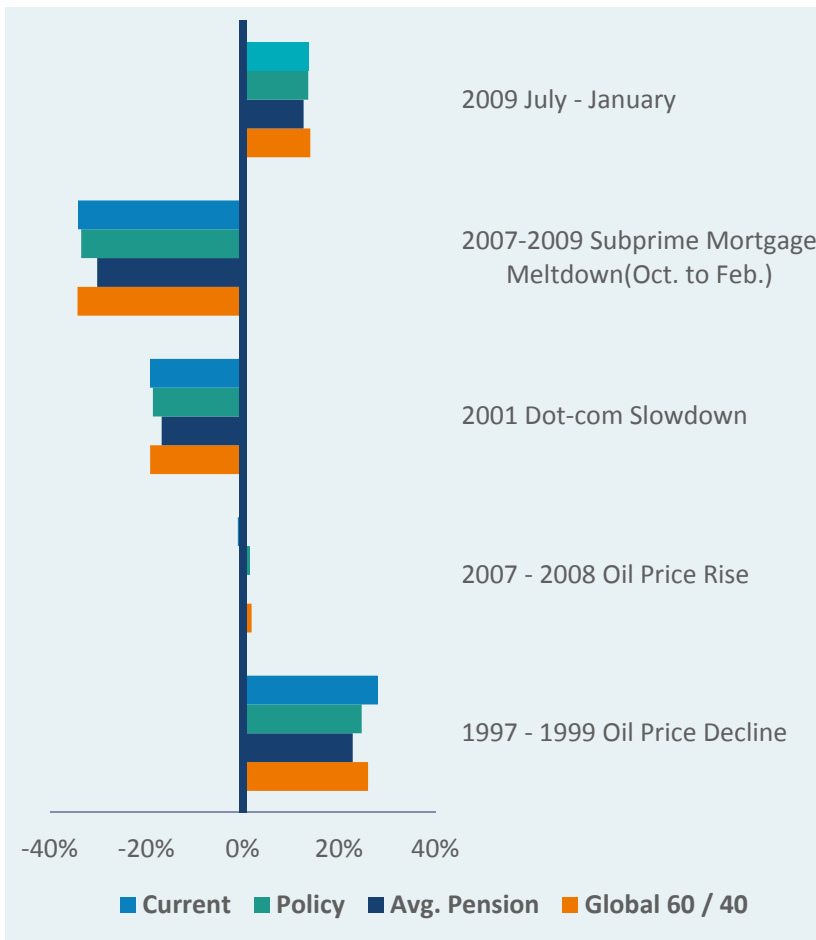
As of 3/31/2015

Scenario analysis based on risk factors in current policy index and computed as hypothetical scenarios using MSCI BarraOne

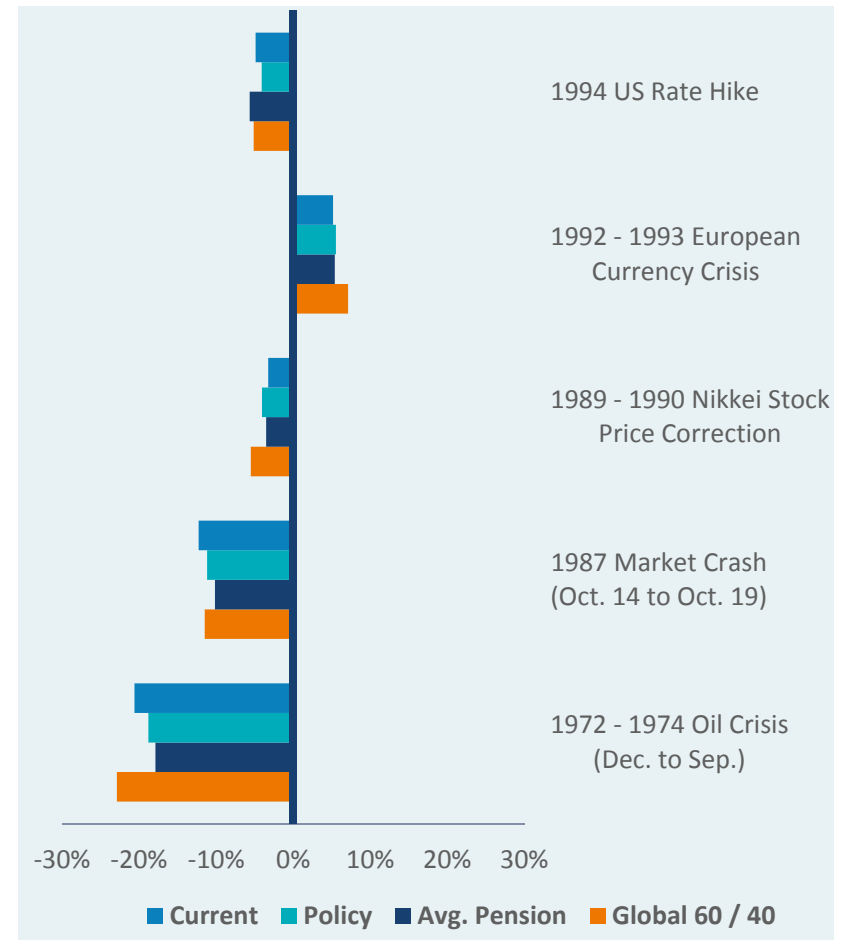
Avg. Pension based on BNY Mellon Universe Data of DB Plan > \$2B (figures rounded): 45% ACWI; 35% BC Agg; 5% Private Equity (levered 30%); 5% NCREIF; 5% HFRI FoF; 5% Bloomberg Commodities

Historical scenario analysis

TAIL RISK – SCENARIO ANALYSIS



TAIL RISK – SCENARIO ANALYSIS



As of 3/31/2015

Scenario analysis based on risk factors in current policy index and computed as hypothetical scenarios using MSCI BarraOne

Avg. Pension based on BNY Mellon Universe Data of DB Plan > \$2B (figures rounded): 45% ACWI; 35% BC Agg; 5% Private Equity (levered 30%); 5% NCREIF; 5% HFRI FoF; 5% Bloomberg Commodities

Investment managers

Intech: U.S. Large Cap Core

Domestic Equity Large Cap Core (S&P 500)

Role in Portfolio: High correlation exposure to broad universe seeking enhanced returns

Firm (Strategy) Inception: 1987 (2001)

Firm (Strategy) Assets Under Management: \$51.2 bil (\$1.8 bil)

Headquarters: West Palm Beach, FL

Estimated Annual Expense: 0.43%

People: Adrian Banner, Vassilios Papathanakos, Joseph Runnels, Phillip Whitman

Philosophy: INTECH believes it can add value using natural stock price volatility through a mathematically based, risk-managed process. The firm does not pick individual stocks or forecast stock alphas, but uses natural stock price volatility and correlation characteristics to attempt to generate an excess return. Essentially, INTECH adjusts the cap weights of an index portfolio to potentially more efficient combinations.

Process: The nature of INTECH's investment process is such that the research function is intertwined with the portfolio management process. All research is internal and encompasses research into new product applications, enhancements to the current implementation and trading process, as well as high level initiatives including chaos theory, neural networks and other esoteric areas. All research performed by INTECH is scientific and mathematical in nature as opposed to fundamental and is oriented towards mathematical finance and its application to portfolio management as well as systems improvements. Additionally, INTECH's research team collaborates with external academic researchers on basic research in the field of mathematical finance and Stochastic Portfolio Theory. External research is limited to consultation arrangements deemed exceptional in theoretical and practical processes.

	Gross Return
3 Mo	4.1%
YTD	4.1%
1 Yr	16.8%
3 Yr	18.3%
5 Yr	15.7%
10 Yr	8.8%
2014	14.7%
2013	32.9%
2012	15.0%
2011	4.1%
2010	15.3%

As of 3/31/2015

PIMCO: StocksPLUS Absolute Return

Domestic Equity Large Cap Core (S&P 500)

Role in Portfolio: High correlation exposure to broad universe seeking enhanced returns

Firm (Strategy) Inception: 1971 (1993)

Firm (Strategy) Assets Under Management: \$1,558.1 bil (\$6.4 bil)

Headquarters: Newport Beach, CA

Estimated Annual Expense: 0.15%

People: Mohsen Fahmi, Scott Mather

Philosophy: PIMCO's investment philosophy for StocksPLUS AR is based on the principle that equity index futures and swaps, when used as a non-leveraged vehicle for obtaining long-term equity exposure, offer an attractive means for enhancing equity market returns. As equity index ownership using futures and swaps only requires a very modest initial cash outlay, PIMCO invests the remaining cash in an actively managed absolute return style fixed income portfolio with the goal of outperforming the money market interest rate cost associated with equity index derivatives ownership. If the underlying fixed income portfolio outperforms this money market interest rate cost, the StocksPLUS AR strategy should deliver before fee excess returns in most cases.

Process: Gains full exposure to the S&P 500 Index using equity-linked instruments at a money market-based cost, then utilizes bond alpha strategy to outperform this cost in an attempt to generate additional alpha. Utilizes a combination of quantitative research, economic research and credit research with the intent to facilitate macroeconomic forecasting, sector/security analysis, and risk control/investment process innovation.

	Gross Return
3 Mo	1.2%
YTD	1.2%
1 Yr	13.9%
3 Yr	18.9%
5 Yr	18.5%
10 Yr	10.7%
2014	15.1%
2013	31.2%
2012	27.4%
2011	3.3%
2010	26.7%

As of 3/31/2015

Jackson Square Partners

Domestic Equity Large Cap Growth (Russell 1000 Growth)

Role in Portfolio: Concentrated portfolio of companies with sustainable long-term growth characteristics

Firm (Strategy) Inception: 2014 as joint venture with Delaware Investments (2001)

Firm (Strategy) Assets Under Management: \$29.9 bil (\$20.6 bil)

Headquarters: San Francisco, CA

Estimated Annual Expense: 0.42%

People: Jeffrey Van Harte, Christopher Bnoavico, Christopher Ericksen, Daniel Prislín

Philosophy: Believes that superior returns can be realized through holding a concentrated portfolio of companies with superior business models and opportunities to generate consistent, long-term growth of intrinsic business value. Portfolios should be constructed with a strong emphasis on the highest-conviction companies in a manager's coverage universe.

Process:

- 1) Idea Sourcing
- 2) Fundamental Change
- 3) Advantaged Business model
- 4) Valuation/Validation
- 5) Portfolio Construction
- 6) Sell Discipline

	Gross Return
3 Mo	3.0%
YTD	3.0%
1 Yr	16.9%
3 Yr	16.9%
5 Yr	17.8%
10 Yr	-
2014	13.7%
2013	35.6%
2012	17.0%
2011	8.9%
2010	14.9%

As of 3/31/2015

Boston Partners

Domestic Equity Large Cap Value (Russell 1000 Value)

Role in Portfolio: Low turnover portfolio of companies with low valuations relative to intrinsic value

Firm (Strategy) Inception: 1995 (1995)

Firm (Strategy) Assets Under Management: \$74.5 bil (\$31.0 bil)

Headquarters: Boston, MA

Estimated Annual Expense: 0.32%

People: Mark Donovan, David Pyle

Philosophy: The firm’s investment philosophy is grounded in certain “fundamental truths” to investing, each proven to have worked over meaningful periods of time and in a variety of market environments:

- 1) Low valuation stocks outperform high valuation stocks
- 2) Companies with strong fundamentals
- 3) Stocks with positive business momentum

The firm constructs well-diversified portfolios that consistently possess these three characteristics; they are simple rules that limit downside risk, preserve capital and maximize the power of compounding.

Process: All of the firm’s value equity strategies share the same philosophy and process. A centralized research team of fundamental and quantitative analysts supports the portfolio managers and the firm’s value equity discipline.

	Gross Return
3 Mo	-0.0%
YTD	-0.0%
1 Yr	8.8%
3 Yr	17.5%
5 Yr	14.9%
10 Yr	10.0%
2014	11.9%
2013	37.1%
2012	21.3%
2011	1.3%
2010	13.8%

As of 3/31/2015

Emerald Advisers

Domestic Equity Small Cap Growth (Russell 2000 Growth)

Role in Portfolio: Portfolio of companies with significantly high growth rates

Firm (Strategy) Inception: 1991 (1992)

Firm (Strategy) Assets Under Management: \$3.3 bil (\$2.4 bil)

Headquarters: Leola, PA

Estimated Annual Expense: 0.61%

People: Kenneth Mertz, Joseph Garner, Stacey Sears

Philosophy: Emerald believes that superior, in-house fundamental investment research is the key to outperforming the major market indices. They construct portfolios primarily comprised of small cap companies that “they strive to know better than anyone else.” The entire firm's investment team is dedicated to intense fundamental, bottom-up research designed to identify unrecognized, under-researched, and undervalued companies. The strategy seeks only companies who have distinct competitive advantages within their respective industries and who have superior growth rates relative to their peers and the market.

Process: The strategy utilizes both quantitative and qualitative processes in its fundamental, bottom-up approach to small-cap investing. Quantitatively, the team develops financial models to analyze performance, estimate future cash flows, earnings, and financial needs. It also uses valuation parameters to analyze relative and absolute valuations. Qualitatively, the team conducts approximately 2,000 company visits per year. In addition, the firm meets with customers, competitors, suppliers, and distributors to assess overall company strengths and weaknesses.

	Gross Return
3 Mo	9.5%
YTD	9.5%
1 Yr	14.0%
3 Yr	20.3%
5 Yr	20.6%
10 Yr	12.0%
2014	7.7%
2013	50.6%
2012	18.5%
2011	-0.8%
2010	29.9%

As of 3/31/2015

Ceredex Value Advisors

Domestic Equity Small Cap Value (Russell 2000 Value)

Role in Portfolio: Portfolio of companies with dividend yields and low valuations

Firm (Strategy) Inception: 2008 (1994)

Firm (Strategy) Assets Under Management: \$12.2 bil (\$2.8 bil)

Headquarters: Orlando, FL

Estimated Annual Expense: 0.56%

People: Brett Barner, David Maynard

Philosophy: The strategy's investment philosophy emphasizes three key factors when selecting equities for portfolios: existence of a dividend, low valuation levels, and the existence of a fundamental catalyst that will cause a stock to appreciate upon recognition by the market. Without exception, each holding must meet the firm's stringent requirement of these three principles.

Process: Although the investment process primarily employs fundamental analysis, during the stock selection process quantitative methods are used to screen the initial universe in order to highlight low expectations stocks. The quantitative models screen for stocks that are attractively valued on specific metrics such as price-to-book, price-to-earnings, and price-to-cash flow, etc. Valuation is an integral part of the process, with the analysts examining both relative and absolute valuations. Any security considered for purchase must be relatively attractive from a valuation standpoint versus the market generally, its industry, and/or its peers. Further, the team focuses on those stocks that trade in the lower end of their historical valuation range, using metrics relevant to each stock's industry.

	Gross Return
3 Mo	2.7%
YTD	2.7%
1 Yr	5.3%
3 Yr	15.3%
5 Yr	14.7%
10 Yr	11.4%
2014	3.3%
2013	36.4%
2012	18.6%
2011	-2.6%
2010	30.3%

As of 3/31/2015

Pyrford International

International Equity Value (MSCI ACWI ex-US Value)

Role in Portfolio: Portfolio of non-US companies with low valuations at the country and stock level

Firm (Strategy) Inception: 1987 (1996)

Firm (Strategy) Assets Under Management: \$13.0 bil (\$5.1 bil)

Headquarters: London, UK

Estimated Annual Expense: 0.42%

People: Tony Cousins, Daniel McDonagh, Paul Simons

Philosophy: Utilizes a value-driven, absolute return approach, with both top-down and bottom-up elements. At the country level, Pyrford seeks to overweight countries that provide good value relative to their long-term prospects and underweight or avoid countries that do not. At the stock level Pyrford identifies companies that offer excellent value relative to our in-house forecast of long-term (five years) earnings growth. Pyrford's primary risk-control mechanism is being prepared to zero weight any country, sector or stock when our analysis deems it appropriate.

Process: First stage is asset allocation and country allocation. Makes 5-yr projections of fixed income and equity markets. Framework then helps determine relative value across markets and make allocation decisions. Process is a mixture of asset, country allocation, and stock selection. Measures relative value in equity markets based on current dividend yield and forecasts long term EPS growth. Does not invest in any country that does not satisfy requirements in relation to accounting standards, investor protection, and political stability. Stock selection is a bottom-up approach that focuses on attractive valuations, quality management, and medium-to-large cap stocks within respective markets. Last step is financial analysis of specific companies focusing on company growth, earnings quality, and trend projections.

	Gross Return
3 Mo	2.8%
YTD	2.8%
1 Yr	2.7%
3 Yr	10.0%
5 Yr	9.0%
10 Yr	7.5%
2014	1.6%
2013	16.7%
2012	17.2%
2011	-1.8%
2010	9.5%

As of 3/31/2015

William Blair & Company

International Equity Growth (MSCI ACWI ex-US Growth)

Role in Portfolio: Portfolio of non-US companies with high growth rates constructed from the security level

Firm (Strategy) Inception: 1935 (1992)

Firm (Strategy) Assets Under Management: \$66.3 bil (\$16.5 bil)

Headquarters: Chicago, IL

Estimated Annual Expense: 0.41%

People: Simon Fennell, Jeffrey Urbina

Philosophy: Based on the belief that the market is inefficient with respect to distinguishing between an average growth company and a quality growth company. In their view, a quality growth company is one that can achieve a higher growth rate for a longer period of time than the market expects. This, in turn, will lead to superior stock performance. Characteristics of the business franchises for these companies commonly include experienced and motivated management teams, unique business models (e.g. market leadership, distinctive products/services, unique market opportunities), and attractive financial characteristics.

Process: The team of equity analysts uses sector (as well as capitalization) responsibilities as a way to divide up research responsibilities. They begin with a non-U.S. investable universe of approximately 10,000 companies. Quantitative models that screen for the long-term factors that are most important to them assist them in narrowing the universe to approximately 1,400 – 1,700 companies across sectors and regions outside the US, which are then incorporated into their Eligibility List. From the Eligibility List, they develop a weekly focus list (“Research Agenda”), which identifies potential buy and sell candidates.

	Gross Return
3 Mo	5.3%
YTD	5.3%
1 Yr	4.3%
3 Yr	10.9%
5 Yr	9.7%
10 Yr	7.8%
2014	-1.4%
2013	21.1%
2012	23.9%
2011	-13.1%
2010	21.2%

As of 3/31/2015

Artisan Partners: Global Opportunities

Global Equity (MSCI ACWI)

Role in Portfolio: Portfolio of companies that is benchmark agnostic with accelerating profit cycles and a focus on capital allocation – currently overweight US (3.9%) and EM (3.7%), underweight International (7.6%); no limits on emerging market exposure

Firm (Strategy) Inception: 1994 (2007)

Firm (Strategy) Assets Under Management: \$108.7 bil (\$5.5 bil)

Headquarters: Milwaukee, WI

Estimated Annual Expense: 0.75%

People: James Hamel, Craigh Cepukenas, Matthew Kamm

Philosophy: Artisan focuses on two distinct areas – security selection and capital allocation. Artisan’s Growth investment team attempts to identify companies that possess franchise characteristics that are selling at attractive valuations, and benefiting from an accelerating profit cycle. The second element of the investment process is capital allocation. The team believes selecting stocks exhibiting franchise characteristics, attractive valuations and accelerating profit cycles, and allowing stocks to progress through the three stages of the portfolio (Garden, Crop, Harvest investing), increases the likelihood of delivering upside participation with downside protection.

Process: Utilizes quantitative screens and qualitative analysis. Proprietary screens are run on a number of quantitative metrics which the team feels are relevant in various sectors. Investment ideas are also generated through the fundamental insights, expertise and empirical observations of individual team members. Once an investment candidate is identified, fundamental analysis is conducted to define the company’s key elements for investment.

As of 3/31/2015

	Gross Return
3 Mo	5.2%
YTD	5.2%
1 Yr	8.9%
3 Yr	14.1%
5 Yr	16.1%
10 Yr	-
2014	3.8%
2013	26.1%
2012	30.9%
2011	-5.3%
2010	30.0%

First Eagle: Global Value Equity

Global Equity (MSCI ACWI)

Role in Portfolio: Portfolio that is benchmark agnostic comprised of companies with low valuations – currently overweight International (9.1%), underweight US (4.0%) and EM (5.1%)

Firm (Strategy) Inception: 1937 (1979)

Firm (Strategy) Assets Under Management: \$94.5 bil (\$66.5 bil)

Headquarters: New York, NY

Estimated Annual Expense: 0.75%

People: Matt McLennan, Kimball Brooker

Philosophy: Believes there is a persistent market failure to recognize a company’s intrinsic value. Attempts to exploit this failure on behalf of our investors through a bottom-up and fundamental investment approach. The Global Value investment team emphasizes value criteria in order to identify companies realizing substantial profits and trading at what is believed to be discounts to their intrinsic values. Primary source of value— the identification of quality businesses based on in-depth, bottom-up research and investing in those businesses for the long-term— remains constant. The strategy is active, absolute return-oriented, and benchmark-unaware.

Process: 1) Narrow the universe; 2) analyze and understand business models; 3) recast financials statements; 4) calculate intrinsic value; 5) ask “what can go wrong”. The approach and process tends to avoid characteristics of companies Artisan feels are risk: premium valuations, rapid balance sheet expansion, highly leveraged companies “black box” balance sheets, vulnerable business models, and aggressive management behavior. Also occasionally utilizes corporate debt securities that are believed to provide equity-like returns with lower risk, typically more senior positions in a company’s capital structure.

As of 3/31/2015

	Gross Return
3 Mo	2.5%
YTD	2.5%
1 Yr	3.5%
3 Yr	9.2%
5 Yr	10.3%
10 Yr	10.0%
2014	4.2%
2013	16.9%
2012	13.8%
2011	0.9%
2010	18.9%

Intech: Global Low Volatility

Global Equity (MSCI ACWI)

Role in Portfolio: Diversified portfolio focused on maintaining volatility at or below the benchmark – currently overweight US (4.1%) and International (6.3%), underweight EM (10.4%)

Firm (Strategy) Inception: 1987 (2011)

Firm (Strategy) Assets Under Management: \$51.2 bil (\$22.4 mil)

Headquarters: West Palm Beach, FL

Estimated Annual Expense: 0.25%

People: Adrian Banner, Vassilios Papathanakos, Joseph Runnels

Philosophy: INTECH believes it can add value using natural stock price volatility through a mathematically based, risk-managed process. The only “anomaly” INTECH exploits is the inefficient manner in which cap-weighted indices are constructed. Cap-weighted indices are not mean-variance efficient, meaning that they do not maximize return at a given level of risk and they do not minimize risk for a given level of return. As such, it should be possible for a skilled active manager to (i) beat the cap-weighted index with volatility that matches the index, or (ii) match the return of the cap-weighted index with lower volatility than the index, or (iii) beat the cap-weighted index with lower volatility than the index.

Process: The nature of INTECH’s investment process is such that the research function is intertwined with the portfolio management process. All research is internal and encompasses research into new product applications, enhancements to the current implementation and trading process, as well as high level initiatives including chaos theory, neural networks and other esoteric areas. All research performed by INTECH is scientific and mathematical in nature as opposed to fundamental and is oriented towards mathematical finance and its application to portfolio management as well as systems improvements.

As of 3/31/2015

	Gross Return
3 Mo	3.3%
YTD	3.3%
1 Yr	11.9%
3 Yr	14.8%
5 Yr	12.4%
10 Yr	8.8%
2014	11.2%
2013	24.3%
2012	11.3%
2011	1.8%
2010	15.9%

JP Morgan: Global Opportunities

Global Equity (MSCI ACWI)

Role in Portfolio: Diversified portfolio focused on companies with valuations below their intrinsic value – currently overweight US (1.0%) and International (6.2%), underweight EM (7.2%)

Firm (Strategy) Inception: 1984 (1997)

Firm (Strategy) Assets Under Management: \$1,758.7 bil (\$12.9 bil)

Headquarters: New York, NY

Estimated Annual Expense: 0.44%

People: Jeroen Huysinga, Georgina Perceval-Maxwell, Gerd Woort-Menker

Philosophy: The investment philosophy is that:

- Every asset has a "fair value" that can be determined by fundamental in-house research.
- Over time, market prices should move towards these fair values.
- Cheap and expensive assets can be identified by comparing current prices with their fair values.
- Investment decisions, based on these values can result in superior long-term returns at appropriate levels of risk.

Process: The investment process is based upon the fundamental research of equity research analysts who are organized into global sector teams. Analysts undertake proprietary research into approximately 2,000 companies world-wide and are able to identify the most attractive companies in each sector.

Every stock in the research universe is categorized into one of 18 distinct industry sectors and ranked based on the DDR. The analysts supply a more subjective view on the shorter term catalysts for a portfolio's stock during their constant interaction with the portfolio managers.

As of 3/31/2015

	Gross Return
3 Mo	2.0%
YTD	2.0%
1 Yr	7.2%
3 Yr	12.7%
5 Yr	9.7%
10 Yr	8.2%
2014	4.7%
2013	29.9%
2012	17.0%
2011	-8.6%
2010	10.7%

AFL-CIO: Housing Investment Trust

Domestic Core Fixed Income (Barclays U.S. Aggregate)

Role in Portfolio: Core domestic bond portfolio with an exclusive focus on mortgage-related securities

Firm (Strategy) Inception: 1983 (1984)

Firm (Strategy) Assets Under Management: \$5.1 bil (\$5.1 bil)

Headquarters: Washington, DC

Estimated Annual Expense: 0.43%

People: Stephen Coyle, Chang Suh

Philosophy: The investment strategy is to construct and manage a portfolio with higher yield, higher credit quality, and similar interest rate risk compared to its benchmark, the Barclays Capital Aggregate Bond Index. The HIT specializes in government and agency issued, guaranteed, or insured multifamily mortgage-backed securities (MBS) that have call/prepayment protection, and it directly sources the construction-related multifamily MBS in which it invests. It substitutes multifamily MBS for corporate securities as well as some of the Treasury and agency debt in the Barclays Aggregate.

Process: As an internally managed fund, the HIT maintains considerable research capability to monitor and assess financial markets, economic developments, and the market for multifamily investments. The Portfolio Management Group performs the research underlying its investment decisions. Information regarding macroeconomic factors and trends along with capital markets data are gathered using a wide variety of sources, including government agencies, market news providers, trading platform market data service providers, broker/dealer research, and nationally recognized economists. Sector and security level research is also conducted for trade and risk management purposes. Housing and real estate data along with factors that impact inflation expectations are of particular interest.

As of 3/31/2015

	Gross Return
3 Mo	1.7%
YTD	1.7%
1 Yr	6.4%
3 Yr	3.5%
5 Yr	4.7%
10 Yr	5.4%
2014	6.6%
2013	-2.0%
2012	4.7%
2011	8.3%
2010	6.6%

Goldman Sachs: U.S. Core Plus

Domestic Core Plus Fixed Income (Barclays U.S. Aggregate)

Role in Portfolio: Core domestic bond portfolio with a focus on security selection seeking enhanced returns

Firm (Strategy) Inception: 1988 (1994)

Firm (Strategy) Assets Under Management: \$1,017.9 bil (\$5.8 bil)

Headquarters: New York, NY

Estimated Annual Expense: 0.18%

People: Jonathan Beinner

Philosophy: Believes that inefficiencies in these complex markets cause bond prices to diverge from their fair value. To capitalize on these inefficiencies and seek to generate consistent risk-adjusted performance, the strategy believes it is critical to:

- Thoughtfully combine diversified sources of potential return by employing multiple strategies
- Take a global perspective to uncover relative value opportunities
- Employ focused specialist teams to identify short-term mis-pricings and incorporate long-term views
- Emphasize a risk-aware approach as we view management as both an offensive and defensive tool
- Build a strong team of skilled investors who excel on behalf of our clients

Process: Investment Strategy Teams employ three distinct inputs to identify attractive investment opportunities, namely fundamental analysis, quantitative analysis and technical (market positioning) analysis. The relative importance of particular research tools, methods or analysis employed by each team is dictated by the opportunities presented by the nature of the particular investment opportunity. This includes detailed analysis of individual corporate sectors and issuers, modelling of the mortgage backed market and a detailed understanding of the economic and political risks driving emerging market debt.

As of 3/31/2015

	Gross Return
3 Mo	1.4%
YTD	1.4%
1 Yr	5.0%
3 Yr	4.4%
5 Yr	5.7%
10 Yr	5.8%
2014	5.7%
2013	-0.32%
2012	8.3%
2011	7.3%
2010	9.5%

Lord Abbett: Core Plus

Domestic Core Plus Fixed Income (Barclays U.S. Aggregate)

Role in Portfolio: Core domestic bond portfolio that is duration-neutral with a focus on sector selection seeking enhanced returns

Firm (Strategy) Inception: 1929 (1999)

Firm (Strategy) Assets Under Management: \$138.3 bil (\$4.7 bil)

Headquarters: Jersey City, NJ

Estimated Annual Expense: 0.19%

People: Robert Lee, Robert Gerber

Philosophy: The strategy is built upon a belief that consistent outperformance can be achieved through a disciplined approach of model-informed sector rotation, research-driven security selection, and rigorous risk management. The investment team follows a duration-neutral strategy as they believe it is difficult to consistently anticipate the movement of interest rates. Over time, sector rotation has been the primary source of value-added; however, in periods of lower market volatility, the strategy aims to add value through fundamental research and individual security selection.

Process: Fundamentally, the investment team attempts to understand the prospects of various industries, given their analysis of economic and financial market conditions, and the regulatory environment. They also utilize a proprietary quantitative model to determine optimal sector allocations based on the relative attractiveness of the various sectors at any point in time. This model incorporates an extensive historical database of inter-sector spread relationships and is used to inform the team's sector decisions and as a basis for debate during strategy meetings. The team ultimately considers all relevant research, both quantitative and qualitative, to determine the optimal portfolio structure.

As of 3/31/2015

	Gross Return
3 Mo	1.7%
YTD	1.7%
1 Yr	6.1%
3 Yr	4.8%
5 Yr	6.1%
10 Yr	6.4%
2014	6.9%
2013	-0.6%
2012	8.6%
2011	8.2%
2010	8.6%

PIMCO: Total Return

Domestic Core Plus Fixed Income (Barclays U.S. Aggregate)

Role in Portfolio: Core domestic bond portfolio seeking enhanced returns through sector and security selection, yield curve structure, and duration decision

Firm (Strategy) Inception: 1971 (1987)

Firm (Strategy) Assets Under Management: \$1,588.1 bil (\$132.9 bil)

Headquarters: Newport Beach, CA

Estimated Annual Expense: 0.25%

People: Mark Kiesel, Scott Mather, Mihir Worah

Philosophy: The philosophy revolves around the principle of diversification. The firm believes that no single risk should dominate returns. By diversifying strategies, or relying on multiple sources of value, the firm is confident in its ability to generate a solid track record with a high degree of consistency. PIMCO seeks to add value through the use of “top-down” strategies such as the firm's exposure to interest rates, or duration, changing volatility, yield curve positioning, and sector rotation. The firm also employs “bottom-up” strategies involving analysis and selection of specific securities.

Process: PIMCO considers the full-spectrum of global fixed income sectors when evaluating individual securities for inclusion in its Total Return accounts. Specific portfolio investment restrictions are accounted for by the generalist portfolio manager assigned to the account. While the generalist portfolio managers are active participants in all phases of portfolio management including security selection and trading, security analysis is conducted primarily by PIMCO’s specialists using proprietary models and analytics internally developed and maintained by the firm’s financial engineers. The specialists are charged with determining relative value within their sectors.

	Gross Return
3 Mo	2.4%
YTD	2.4%
1 Yr	6.2%
3 Yr	3.8%
5 Yr	4.9%
10 Yr	5.9%
2014	4.8%
2013	-1.4%
2012	8.5%
2011	3.7%
2010	8.4%

As of 3/31/2015

Allianz Global Investors: US High Yield Domestic High Yield Fixed Income (BofA ML US High Yield Master II)

Role in Portfolio: High yield domestic bond portfolio with a focus on security selection

Firm (Strategy) Inception: 1955 (1994)

Firm (Strategy) Assets Under Management: \$488.1 bil (\$15.6 bil)

Headquarters: Frankfurt, Germany

Estimated Annual Expense: 0.38%

People: Douglas Forsyth, Justin Kass, William Stickney, Michael Yee

Philosophy: The investment team follows a disciplined, fundamental bottom-up research process, which facilitates the early identification of high yield issuers demonstrating their ability to improve their fundamental characteristics. The companies/issues selected for the portfolio exceed minimum credit statistics and exhibit the highest visibility of future expected operating performance. Macro factors are assessed at the individual issuer level.

Process: In selecting issues for the strategy, the investment team goes through a multi-step process to identify the fundamental strength of the underlying issuer, followed by analysis of the characteristics of the US High Yield security structure. Investment ideas are generated from a variety of traditional and quantitative sources that make up the firm's research platform. Rigorous analysis is performed on each investment idea, including in-depth financial research, peer review of recommendations and evaluation of associated risk factors. The investment team utilizes the results of this research to construct a portfolio that balances the trade-off between risk and reward.

	Gross Return
3 Mo	2.4%
YTD	2.4%
1 Yr	0.5%
3 Yr	6.4%
5 Yr	8.4%
10 Yr	8.3%
2014	0.6%
2013	7.9%
2012	14.1%
2011	6.2%
2010	15.5%

As of 3/31/2015

Lazard: Global Core

Global Fixed Income (Barclays Global Aggregate)

Role in Portfolio: Core global bond portfolio with a focus on country selection and currency management

Firm (Strategy) Inception: 1970 (1999)

Firm (Strategy) Assets Under Management: \$180.0 bil (\$2.4 bil)

Headquarters: New York, NY

Estimated Annual Expense: 0.27%

People: Yvette Klevan, Benjamin Dietrich, Jared Daniels

Philosophy: Believe that bottom-up security-specific analysis in concert with a focus on fundamental global market trends will help us to realize the opportunities that are presented by inefficient markets. The strategy seeks to transform these opportunities into strong risk-adjusted returns by identifying and exploiting anomalies such as spread relationships between sectors in different countries, and undervalued or overlooked markets and securities. Furthermore, the strategy looks for asymmetric risk/reward characteristics that we believe will enhance portfolio performance and avoid undue risk, with greater upside potential versus the benchmarks.

Process: Research is critical to the investment process, driving both portfolio construction decisions and security selection. Portfolio manager/analysts, sector heads and research analysts are individually responsible for introducing and sponsoring new ideas after conducting original research to support their merit. The Global Fixed Income team conducts credit analysis for issues which may be of unique interest and relevance for the Global Fixed Income strategies, and also selects issuers from approved credit lists / internal database developed by the regional teams. Credit analysts are also utilized for research and analysis of credits on an ad-hoc basis which may be relevant to our strategy.

As of 3/31/2015

	Gross Return
3 Mo	-1.4%
YTD	-1.4%
1 Yr	-2.7%
3 Yr	0.2%
5 Yr	3.1%
10 Yr	4.3%
2014	0.9%
2013	-3.2%
2012	5.9%
2011	6.5%
2010	8.1%

PIMCO: All Asset Inflation Hedge (CPI +4%)

Role in Portfolio: Tactical multi-asset class real return strategy with a primary focus on inflation protection and a secondary focus on enhanced returns

Firm (Strategy) Inception: 1971 (2002)

Firm (Strategy) Assets Under Management: \$1,588.1 bil (\$48.7 bil)

Headquarters: Newport Beach, CA

Estimated Annual Expense: 0.87%

People: Robert Arnott, Nicholas Johnson, Mohit Mittal, Mihir Worah

Philosophy: The strategy is a real return-oriented, global tactical asset allocation strategy that seeks to provide three concurrent investor benefits: inflation protection, diversification and compelling long-term returns. Specifically, the strategy has a primary benchmark of the Barclays U.S. TIPS 1-10 Year Index and a secondary benchmark of the Consumer Price Index (CPI) + 5%. PIMCO believes that this secondary benchmark reflects the Fund's long-term investment strategy more accurately than the Barclays U.S. TIPS 1-10 Year Index. As a result, the strategy may be an attractive solution for investors seeking returns that track and meaningfully exceed inflation in a manner that also helps diversify equity risk.

Process: Research Affiliates, LLC is primarily responsible for performing the asset allocation research and related activities that drive the selection of the underlying strategies, and by extension, the asset allocation mix. RALLC has developed a range of allocation models which embed its investment philosophy and provide discipline to the investment process. There is also a final subjective component that complements the model-driven segments.

	Gross Return
3 Mo	0.1%
YTD	0.1%
1 Yr	-1.4%
3 Yr	3.4%
5 Yr	5.9%
10 Yr	5.7%
2014	0.8%
2013	0.8%
2012	15.5%
2011	2.5%
2010	13.7%

As of 3/31/2015

Wellington: Real Total Return Inflation Hedge (CPI +4%)

Role in Portfolio: Tactical multi-asset class real return strategy with a focus on managing risk of active strategies used to gain exposure to attractive assets of markets

Firm (Strategy) Inception: 1928 (2007)

Firm (Strategy) Assets Under Management: \$939.3 bil (\$1.5 bil)

Headquarters: Boston, MA

Estimated Annual Expense: 0.55%

People: Stephen Gorman, Richard Wurster

Philosophy: The investment philosophy is the foundation for the selection of market exposures, active managers and risk management, and reflects these core beliefs:

- Assets with an attractive trend and valuation should produce attractive risk adjusted returns
- Displaced markets create a tailwind for talented managers to create sustainable alpha
- Balancing risk across the portfolio and hedging significant factor exposures against tail events minimizes the potential for significant drawdowns

Process: The portfolio's investment process is threefold and reflects the investment philosophy with a focus on 1) identifying attractive assets or market exposures, 2) investing in active strategies, and 3) managing risk. The process applies a structural multi-asset class allocation to market exposures based upon strategic fit, valuation, and the technical condition of the respective market.

	Gross Return
3 Mo	4.8%
YTD	4.8%
1 Yr	0.5%
3 Yr	2.7%
5 Yr	5.3%
10 Yr	-
2014	-2.5%
2013	0.2%
2012	7.9%
2011	8.9%
2010	8.8%

As of 3/31/2015

Adelante: Total Return

Domestic Real Estate (Wilshire REIT)

Role in Portfolio: Diversified portfolio of U.S. REITs with a focus on the underlying real estate assets

Firm (Strategy) Inception: 1993 (1995)

Firm (Strategy) Assets Under Management: \$2.4 bil (\$1.5 bil)

Headquarters: Oakland, CA

Estimated Annual Expense: 0.44%

People: Michael Torres, Jeung Hyun

Philosophy: Believes: 1) real assets are the key drivers of company performance - focusing on underlying real estate value is the differentiator to other growth-based competitors; 2) objective, on-site property research discerns the value of real estate assets - visiting properties owned by the portfolio companies is essential to ascertain NAV; 3) comparison of stock price to real estate value is the best way to determine return opportunities - investing based on the premise that stock price tends towards private market value over time.

Process: Each analyst has specific company coverage assignments, inclusive of companies currently in the portfolio, as well as companies in which there is not a current investment. Research assignments are made by property type domestically allowing analysts to be experts in local accounting/disclosure standards, asset supply and demand dynamics, and economic and capital market environments. Approximately 20% of the research comes from external sources. Receives sell-side research from a number of major investment banks and subscribe to independent research reports from Green Street Advisors as well as electronic mediums such as Bloomberg Financial Network, IDC, and FactSet. Also develops and maintains relationships with private owners, lenders and tenants to gain better insights into the commercial real estate market.

	Gross Return
3 Mo	6.0%
YTD	6.0%
1 Yr	28.5%
3 Yr	15.8%
5 Yr	17.6%
10 Yr	10.0%
2014	33.5%
2013	3.5%
2012	17.7%
2011	10.2%
2010	30.9%

As of 3/31/2015

INVESCO: Global ex-US RE Securities

International Real Estate (FTSE EPRA/NAREIT Developed ex-US)

Role in Portfolio: Diversified portfolio of non-US REITs with a focus on cash flow and dividends

Firm (Strategy) Inception: 1935 (2008)

Firm (Strategy) Assets Under Management: \$798.3 bil (\$96.8 mil)

Headquarters: Atlanta, GA

Estimated Annual Expense: 0.65%

People: Joe Rodriguez, Mark Blackburn

Philosophy: Relative to a given benchmark, IRE's portfolios are generally distinguished by the following characteristics: higher and more consistent cash flow per share growth, exceptional dividend coverage, lower leverage, larger market capitalizations and better liquidity, average market risk, and higher expected returns

Process: IRE's investment process is primarily a bottom-up stock selection methodology. However, the process also incorporates macro level risk control and the potential effects of variables such as country/currency exposure, tenant demand, metropolitan rent growth, and occupancy trends on the property holdings of each individual company. This macro component identifies real estate companies offering the best expected relative fundamentals. Individual stocks are then ranked and selected based upon expected excess return within defined risk constraints that include beta, tracking error, geographic region, country profile, property type, and liquidity. IRE screens out companies that do not meet minimum market capitalization resulting in a Qualified Universe. IRE then further narrows the universe by focusing on companies whose primary business is commercial real estate ownership, management and development. Companies that make the Qualified Universe are screened using the following steps:

	Gross Return
3 Mo	3.5%
YTD	3.5%
1 Yr	8.7%
3 Yr	12.0%
5 Yr	9.2%
10 Yr	-
2014	3.8%
2013	6.5%
2012	40.1%
2011	-16.2%
2010	15.1%

As of 3/31/2015

Closed End Funds – Fixed Income

Firm	Firm Inception	Headquarters	Strategy	Strategy Inception	Strategy Type	Commitment(s)
Torchlight Investors	1995	New York, NY	Debt Opportunity Fund II, III, IV, V	2006, 2008, 2012, 2015	Opportunistic	\$128 mil, \$75 mil, \$60 mil, \$75 mil

As of 3/31/2015

Closed End Funds – Real Assets

Firm	Firm Inception	Headquarters	Strategy	Strategy Inception	Strategy Type	Commitment(s)
Aether	2009	Denver, CO	Real Assets III	2013	Real Assets ex-Real Estate	\$75 mil
Commonfund	1971	Wilton, CT	CNR X	2013	Natural Resources	\$50 mil

As of 3/31/2015

Closed End Funds – Real Estate

Firm	Firm Inception	Headquarters	Strategy	Strategy Inception	Strategy Type	Commitment(s)
Angelo, Gordon & Co.	1988	New York, NY	Realty Fund VII	2012	Opportunistic	\$80 mil
DLJ Real Estate	1995	New York, NY	RECP II, III, IV, V	1999, 2005, 2008, 2014	Value-Add	\$40 mil, \$75 mil, \$100 mil, \$75 mil
INVESCO	1935	Atlanta, GA	Real Estate Fund I, II, III, IV	2005, 2007, 2013, 2014	Core (I, II, III) Value-Add (IV)	\$50 mil, \$85 mil, \$35 mil, \$35 mil
LaSalle	1980	Chicago, IL	Income & Growth Fund VI	2013	Value-Add	\$75 mil
Long Wharf	1995	Boston, MA	Fund II, III, IV	2004, 2007, 2013	Value-Add	\$50 mil, \$75 mil, \$25 mil
Oaktree	1995	Los Angeles, CA	REOF V, VI, VII	2001, 2013, 2015	Opportunistic	\$50 mil, \$80 mil, \$65 mil
Paulson & Co.	1994	New York, NY	Real Estate Fund II	2013	Core	\$20 mil
Siguler Guff & Co.	1991	New York, NY	Distressed RE Opps Fund I, II	2012, 2013	Opportunistic	\$75 mil, \$70 mil

As of 3/31/2015

Closed End Funds – Private Equity

Firm	Firm Inception	Headquarters	Strategy	Strategy Inception	Strategy Type	Commitment(s)
Adams Street	1972	Chicago, IL	Direct Fund I, Global Opps Secondary Fund II, Global Secondary Fund V, BPF 1996 Fund	1996, 2009, 2012, 1996	Diversified, Global Opp, Global Diversified, Venture Capital	\$210 mil, \$30 mil, \$40 mil, \$59.6 mil
DBL Investors (Bay Area EF)	2008	San Francisco, CA	Bay Area Equity Fund I, II	2004, 2009	Technology	\$10 mil, \$10 mil
Ares (EIF)	1997	Los Angeles, CA	EIF I, II, III, IV	2003, 2005, 2007, 2011	Energy	\$30 mil, \$50 mil, \$65 mil, \$50 mil
Pathway	1991	Irvine, CA	Investors Fund VI, VII, Equity Fund, Equity Fund 2008	2011, 2013, 1998, 2008	Diversified	\$40 mil, \$70 mil, \$125 mil, \$30 mil
Carpenter & Co.	1974	Irvine, CA	Community Bancfunds	2008	Regional Banks	\$30 mil
Nogales Investors	2001	Los Angeles, CA	Fund I	2004	Small-Mid Size	\$15 mil
Paladin	2001	Washington, DC	Paladin III	2007	Multi-Stage	\$25 mil
Ocean Ave	2010	Santa Monica, CA	Fund II	2014	Small/Micro-Cap	\$30 mil
Siguler Guff	1991	New York, NY	CCCERA Opps	2014	Opportunistic	\$200 mil

As of 3/31/2015

Closed End Funds – Opportunistic

Firm	Firm Inception	Headquarters	Strategy	Strategy Inception	Strategy Type	Commitment(s)
Oaktree	1995	Los Angeles, CA	PIF 2009	2010	Opportunistic	\$40 mil

As of 3/31/2015

Appendix

Date horizon of historical scenario analysis

<u>Scenario</u>	<u>From</u>	<u>To</u>
1972 - 1974 Oil Crisis (Dec. to Sep.)	December 1, 1972	September 30, 1974
1987 Market Crash (Oct. 14 to Oct. 19)	October 14, 1987	October 19, 1987
1989 - 1990 Nikkei Stock Price Correction	December 29, 1989	March 30, 1990
1992 - 1993 European Currency Crisis	September 1, 1992	August 13, 1993
1994 US Rate Hike	January 31, 1994	December 13, 1994
1997 - 1999 Oil Price Decline	January 8, 1997	February 16, 1999
2001 Dot-com Slowdown	March 10, 2001	October 9, 2002
2007 - 2008 Oil Price Rise	January 18, 2007	June 27, 2008
2007-2009 Subprime Mortgage Meltdown(Oct. to Feb.)	October 1, 2007	February 27, 2009
2009 July - January	July 1, 2009	December 31, 2009

Source: MSCI BarraOne

10 year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast	Ten Year Historical Sharpe Ratio
		Geometric	Arithmetic			
Equities						
US Large	S&P 500	5.7%	6.7%	14.7%	0.25	0.47
US Small	Russell 2000	4.7%	6.5%	19.8%	0.13	0.40
International Developed	MSCI EAFE	9.5%	11.0%	18.2%	0.41	0.25
International Small	MSCI EAFE Small Cap	9.2%	11.0%	19.7%	0.36	0.32
Emerging Markets	MSCI EM	11.5%	13.9%	23.7%	0.40	0.40
Private Equity	Cambridge Private Equity	7.7%	10.2%	23.7%	0.24	1.07
Fixed Income						
Cash	30 Day T-Bills	2.1%	2.1%	0.6%	-	-
US TIPS	Barclays US TIPS 5 - 10	2.6%	2.8%	6.3%	0.07	0.47
US Treasury	Barclays Treasury 7 - 10 year	2.2%	2.4%	6.4%	0.01	0.65
Global Sovereign ex US	Barclays Global Treasury ex US	2.5%	2.8%	7.9%	0.05	0.18
Core Fixed Income	Barclays US Aggregate Bond	3.1%	3.2%	3.2%	0.31	0.96
Core Plus Fixed Income	Barclays US Corporate IG	3.8%	4.0%	5.9%	0.29	0.67
Short-Term Gov't/Credit	Barclays US Gov't/Credit 1 - 3 year	2.3%	2.3%	1.3%	0.17	1.09
Short-Term Credit	Barclays Credit 1 - 3 year	2.6%	2.6%	2.3%	0.22	0.88
Long-Term Credit	Barclays Long US Corporate	3.7%	4.3%	11.0%	0.15	0.55
High Yield Corp. Credit	Barclays High Yield	5.2%	5.8%	10.5%	0.30	0.61
Bank Loans	S&P/LSTA	3.7%	4.1%	8.7%	0.19	0.44
Global Credit	Barclays Global Credit	1.9%	2.2%	7.4%	-0.02	0.49
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	5.7%	6.1%	8.9%	0.41	0.72
Emerging Markets Debt (Local)	JPM GBI EM Global Diversified	6.2%	7.0%	12.9%	0.32	0.46
Private Credit	High Yield + 200 bps	7.8%	8.4%	10.5%	0.55	-
Other						
Commodities	Bloomberg Commodity	4.1%	5.7%	18.2%	0.11	-0.10
Hedge Funds	HFRI Fund of Funds	6.0%	6.4%	9.1%	0.43	0.29
Core Real Estate	NCREIF Property	5.1%	5.9%	13.2%	0.23	0.93
REITs	Wilshire REIT	5.1%	8.1%	26.4%	0.11	0.38
Inflation		2.1%	-	-	-	-

Both geometric and arithmetic return forecasts have been included. It is important that users of this information understand how we derived it. Our forecast process involves the use of a wide range of data inputs (of a variety of different types) to create geometric return forecasts for individual asset classes – this is the process described at length in this document. We use an industry standard formula to convert these to arithmetic return forecasts, and provide both for client use.

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

More broadly, it is important that the user of these forecasts remembers that return forecasts (whoever provides them) are there to provide a guide to the likely future, no more. While we believe that the approach described in this document is an appropriate one to use for those purposes, and that the forecasts resulting from that approach are meaningful and fit for the uses to which they will be put, users of any such forecasts should always bear in mind the fact that the single most difficult thing to predict is the future, and approach that exercise with appropriate skepticism.

Correlation assumptions

	Cash	US Large	US Small	Developed Large	Developed Small	EM	PE	TIPS	US Treasury	Global Sovereign	US Core	US Core Plus	Short-Term Govt/Credit	Short-Term Credit	Long-Term Credit	US HY	Bank Loans	Global Credit	EMD USD	EMD Local	Commodities	Hedge Funds	Real Estate	REITs	Inflation
Cash	1																								
US Large	-0.1	1																							
US Small	-0.1	0.9	1																						
Developed Large	0.0	0.9	0.8	1																					
Developed Small	0.0	0.8	0.8	1.0	1																				
EM	0.1	0.8	0.7	0.9	0.9	1																			
PE	-0.2	0.7	0.7	0.8	0.8	0.7	1																		
TIPS	0.0	0.2	0.1	0.2	0.3	0.3	0.2	1																	
US Treasury	0.0	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	0.6	1																
Global Sovereign	0.0	0.2	0.2	0.4	0.4	0.4	0.5	0.6	0.5	1															
US Core	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.8	0.9	0.6	1														
US Core Plus	-0.1	0.4	0.3	0.5	0.5	0.5	0.6	0.7	0.5	0.5	0.8	1													
Short-Term Govt/Credit	0.3	-0.1	-0.1	0.1	0.1	0.1	-0.2	0.6	0.6	0.6	0.7	0.6	1												
Short-Term Credit	0.0	0.3	0.3	0.5	0.5	0.5	-0.2	0.6	0.2	0.5	0.6	0.8	0.7	1											
Long-Term Credit	-0.1	0.3	0.2	0.4	0.4	0.4	0.1	0.6	0.5	0.5	0.8	1.0	0.4	0.6	1										
US HY	-0.1	0.7	0.7	0.8	0.8	0.7	0.6	0.4	-0.2	0.3	0.2	0.6	0.1	0.6	0.5	1									
Bank Loans	-0.1	0.6	0.6	0.6	0.6	0.6	0.2	0.2	-0.4	0.0	0.0	0.4	-0.1	0.5	0.3	0.9	1								
Global Credit	-0.1	0.6	0.5	0.8	0.8	0.7	0.7	0.6	0.2	0.8	0.6	0.8	0.5	0.8	0.7	0.7	0.5	1							
EMD USD	-0.1	0.6	0.5	0.7	0.7	0.7	0.5	0.7	0.3	0.5	0.6	0.8	0.4	0.7	0.7	0.8	0.6	0.8	1						
EMD Local	0.1	0.7	0.6	0.8	0.8	0.8	0.6	0.5	0.1	0.6	0.4	0.6	0.3	0.5	0.5	0.7	0.4	0.8	0.8	1					
Commodities	0.1	0.5	0.4	0.6	0.6	0.7	0.2	0.3	-0.2	0.4	0.1	0.3	0.1	0.4	0.2	0.5	0.4	0.6	0.5	0.6	1				
Hedge Funds	0.1	0.7	0.6	0.8	0.8	0.8	0.7	0.2	-0.3	0.1	0.0	0.4	0.0	0.4	0.2	0.6	0.6	0.6	0.5	0.6	0.7	1			
Real Estate	-0.1	0.4	0.3	0.3	0.3	0.3	0.3	0.1	-0.1	0.1	0.0	0.2	-0.1	-0.1	0.1	0.2	0.0	0.2	0.2	0.3	0.0	0.3	1		
REITs	0.0	0.8	0.8	0.7	0.6	0.6	0.6	0.2	-0.1	0.3	0.2	0.4	0.0	0.3	0.4	0.7	0.5	0.6	0.6	0.6	0.3	0.4	0.4	1	
Inflation	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1	-0.3	0.0	-0.3	-0.2	-0.2	0.0	-0.3	0.2	0.4	0.0	0.0	0.1	0.3	0.2	0.1	0.1	1

Note: Correlation assumptions are based on the last ten years. Private Equity and Real Estate correlations are especially difficult to model – we have therefore used BarraOne correlation data to strengthen these correlation estimates.

**CONTRA COSTA COUNTY
Employees' Retirement
Association
BOARD OF RETIREMENT**

**Statement of General
INVESTMENT POLICIES
And GUIDELINES**

Adopted 7/9/85
Last revised 10/30/13

**Statement of General INVESTMENT POLICIES
and GUIDELINES**

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**STATEMENT OF GENERAL INVESTMENT POLICIES
AND GUIDELINES FOR THE RETIREMENT PLAN TRUST OF THE
CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

ADOPTED 7/9/85

**AMENDED: 1/14/86, 2/27/86, 10/13/87, 8/9/88, 6/13/89, 8/8/89, 1/8/91,
10/13/92, 2/9/93, 5/2/94, 10/14/97, 5/4/99, 1/9/01, 2/12/02, 06/11/02, 11/06/02,
1/28/04, 5/26/04, 7/28/04, 12/14/05, 10/24/07, 4/08/09, 10/30/13**

I. INTRODUCTION

The Board of Retirement (the "Board") of the Contra Costa County Employees' Retirement Association ("CCCERA") has established the following Statement of General Investment Policies and Guidelines (the "Statement") for the investment of the trust fund (the "Trust") of the CCCERA Retirement Plan (the "Plan"). The Board reserves the right at any time and from time to time to amend, supplement or rescind this Statement.

II. **AUTHORITY**

The investment of the assets of the Trust shall be in accord with applicable law, including but not limited to the following:

- A. Investments shall be solely in the interest of, and for the exclusive purposes of providing benefits to the participants in the Plan and their beneficiaries, minimizing the contributions of employers thereto, and defraying the reasonable expenses of administering the Trust (Cal. Gov. Code Sec. 31595 (a)).
- B. Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims (Cal. Gov. Code Sec 31595 (b)).
- C. Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so (Cal. Gov. Code Sec. 31595 (c)).
- D. In considering potential investment managers, it is the policy of the Board not to exclude managers from consideration based on ethnic background or gender, and not to arbitrarily exclude an emerging firm if, in the opinion of the Board, that firm has equal or superior capabilities to other candidates.
- E. It shall be the policy of the Board that an Economically Targeted Investment (ETI) can be considered if and only if it has return and risk characteristics attractive in comparison to other alternatives.

III. ASSET CATEGORIES

For the purpose of setting objectives and guidelines for the investment of the assets of the Trust, the assets shall be considered as divided into seven portions described as the **Global Equity Portion**, the **Global Fixed Income Portion**, the **Real Estate Portion**, the **Real Assets Portion**, the **Alternative Investments Portion**, the **Opportunistic Portion** and the **Incidental Cash Portion**. The Domestic and International Equity Programs are considered part of the Global Equity Portion. The Domestic Fixed Income Program, the High Yield Fixed Income Program and the Non-Traditional Fixed Income Program are considered parts of the Global Fixed Income Portion.

The Global Equity Portion, the Global Fixed Income Portion, the Real Estate Portion, the Real Assets Portion, the Alternative Investments Portion and the Opportunistic Portion shall be under the supervision of qualified Investment Managers and shall collectively and individually be called Managed Accounts. The term 'Investment Manager' shall include traditional investment managers that exercise discretionary authority in selecting investments, as well as general partners of limited partnerships in which CCCERA invests and similarly situated management of other entities in which CCCERA invests (collectively, 'Partnerships'). The term "Investment Manager" shall also include investment advisors retained by any such Partnerships, to the extent such investment advisors exercise discretionary authority in selecting investments for any such Partnerships.

- A: The **Global Equity Portion** shall consist of investments in common stock and other securities which are convertible into common stock and cash equivalents and securities which are being used as substitutes for common stock. The Global Equity Portion cash and cash equivalents of separate accounts shall be held and invested by the Custodian Bank described in Section V below. The Global Equity Portion may be further divided into domestic, international and global; large, mid and small capitalization; and growth, value, and core.
- B: The **Global Fixed Income Portion** shall consist of investments in fixed income securities including cash equivalents. Global Fixed Income may be divided into domestic, international and global core and core-plus, High Yield (publicly traded) and Non-Traditional Fixed Income.
- C: The **Real Estate Portion** shall consist of investments in real estate through the use of commingled and direct investments, and publicly traded real estate investment trusts (REITs), including cash equivalents.

- D: The **Real Assets Portion** shall consist of investments in real assets, in both public security and private partnership forms. The public security allocations shall be the temporary holder of capital to be called for the real asset private partnerships. Real Assets shall include, but not be limited to, investments in energy production, energy transmission, timber, agriculture, inflation protected securities, commodities and infrastructure.
- E: The **Alternative Investments Portion** shall consist of other investments of recognized institutional merit not included in III A, B, C, D or F, through the use of commingled and direct investments.
- F: The **Opportunistic Portion** shall consist of investments of recognized institutional merit. This allocation is intended to exploit temporary market or asset dislocations.
- G: The **Incidental Cash Portion** shall include short-term monies not allocated to the Managed Accounts, including but not limited to unallocated or prepaid contributions and funds formerly allocated to Investment Manager(s) awaiting reallocation to other Investment Manager(s). The Incidental Cash Portion shall be invested in short-term fixed income instruments.

IV. INVESTMENT OBJECTIVES

A. Total Fund Benchmarks

The general investment objective of **the Trust** is the preservation of capital plus a return from capital appreciation plus current income that meets Trust needs without taking undue risk. The relative return objective is a total return on a market value basis which exceeds that of a custom index composed of appropriate asset class indexes weighted proportionally by corresponding asset class targets. The minimum average annualized rate of return objective over a market cycle is 400 basis points in excess of the National Consumer Price Index for all Urban consumers over that market cycle.

B. Global Equity Portion

1. For the combined **Global Equity Portion**, the objective is an after fee rate of return in excess of a custom benchmark composed of **60% Russell 3000 and 40% MSCI World ex US**
2. For overall **Domestic Equities**, the objective is an after fee rate of return in excess of the Russell® 3000 and a rate of return within the upper half of a database of domestic equity portfolios.
3. For the **Domestic Large Capitalization** sub-set, a rate of return, after fees, on a risk-adjusted basis, which is in excess of the Standard & Poor 500 and a return within the upper half of the large capitalization database; and
4. For the **Domestic Small Capitalization** sub-set, a rate of return which, after fees, exceeds that of the Russell® 2000 Index and is within the upper half of the small capitalization database.
5. The objective of overall **International Equities** is a rate of return, after fees, in excess of the Morgan Stanley Capital International Europe, Australia and the Far East (MSCI EAFE) Index (gross); and which is within the upper half of the appropriate database of international equity investment managers.

C. Global Fixed Income

1. The objective of the overall **Global Fixed Income Portion** is a custom index composed of 80% Barclays Capital US Aggregate, 10% Barclays Capital Global Aggregate and 10% Merrill Lynch High Yield II.
2. The objective of overall **Domestic Fixed Income** (including non-traditional fixed income) is a rate of return which, after fees, is in excess of the Barclays

Capital Universal Bond Index and which is within the upper half of a database of domestic fixed income portfolios.

3. The objective of the publicly traded **Domestic High Yield Fixed Income** subset is to exceed, after fees, the Merrill Lynch High Yield II index and to achieve a rate of return within the upper half of its peer group.
4. The objective of the **Global Fixed Income portfolio(s)** is to exceed, after fees, the rate of return of the Barclays Capital Global Aggregate Bond Index.

D. Real Estate

1. The objective of the overall **Real Estate Portion** is a rate of return which, after fees, is in excess of a custom index weighted 64% in the NCREIF Index and 36% in the Dow Jones Wilshire REIT Index, and which is within the upper half of a database of real estate portfolios.
2. The objective for the investments in illiquid real estate (direct and commingled) is the NCREIF Index, plus an appropriate premium based upon the fund's risk profile, as detailed in Schedule III.

E. Real Assets

1. The objective of the overall **Real Assets Portion** is a rate of return, after fees, in excess of that of the CPI-U Index + 400 basis points
2. The objective for the investments in illiquid real assets (direct and commingled) is the CPI-U Index + 600 basis points.

F. Alternative Investments

The objectives of the **Alternative Investments Portion** are:

1. A rate of return after all fees which is in excess of that of the Standard & Poor's 500 stock index plus 4% per year.
2. A rate of return in excess of that of other comparable investments.

G. Opportunistic Investments

The objective of the **Opportunistic Portion** is:

1. A rate of return after all fees which is in excess of the Total Fund return target.

H. **Incidental Cash**

The objective of the **Incidental Cash Portion** is to achieve a return after fees in excess of that of Treasury Bills of a comparable average maturity.

I. **Individual Manager Objectives** are presented in Schedule III.

V. CUSTODIAN BANK and COUNTY TREASURER

- A. The custodian bank selected by the Board to act as the principal custodian of assets of the Trust (the "Custodian Bank") may be directed to invest in temporary short-term fixed income investments both for the Managed Account Investment Managers and as a part of the Incidental Cash Portion. Such investments are not to exceed 15 months in maturity. Cash managed for Managed Account Investment Managers shall be considered to be sub-portions of the asset Portions managed by the directing Investment Managers.
- B. The Custodian Bank shall be authorized to conduct a securities lending program within liquidity and risk constraints as established by the Board.
- C. The County Treasurer will manage any assets of the Incidental Cash Portion not managed by the Custodian Bank in accordance with Government Code Section 53601 et al.

VI. ASSET ALLOCATION

A. Targets

The asset allocation targets and their associated ranges, which are a function of the returns and risks from various asset classes and the nature of the Plan's liabilities, are set forth on Schedule I of this Statement. The Board may make tactical adjustments to these targets and ranges, and may change the targets and ranges as appropriate.

B. Rebalancing

To facilitate rebalancing the portfolio and transfer of excess cash with minimal transaction cost or disruption of individual managers' investment strategies:

1. All Investment Managers of separate accounts will remit interest, dividends and rents unless otherwise directed by the Board.
2. At a Board meeting in August and February, and at any other time deemed appropriate, the Board may consider rebalancing that has been, or is to be, implemented by staff as follows:
 - a. The under-funded class(es) may be rebalanced with funds from the class(es) that are over-funded according to the asset allocation targets.
 - b. Within each class, the under-funded Investment Manager(s) may be rebalanced with funds from the Investment Manager(s) who are over-funded according to the asset allocation targets.
 - c. Because of illiquidity and/or structure constraints, real estate, alternative investments and other privately traded investments will not have funds withdrawn if they are temporarily over-funded, with the exception of REIT investments.

C. Cash Allocation

1. Cash flow "in" that is expected to be needed to meet capital calls or other cash flow requirements will be temporarily placed in the most under-target asset class of either Domestic Equities, Domestic Fixed Income, or REITs according to Schedule II.
2. Cash flow "in" in excess of Item 1 will be allocated to the most under-target asset class which is able to accept new funds, and to the most under-target Investment Manager in the class, until that Investment Manager is brought to target, with the exception that if the Board has decided that an

Investment Manager will be precluded from new funding (Section VIII C.3), the next most under-target Investment Manager will be funded.

3. Cash flow "out" will be planned for and will generally come from available cash or from a designated portfolio as in Schedule II.

VII. INVESTMENT MANAGER SELECTION

A. Process for Identifying Investment Managers for Consideration

An investment manager candidate may be considered by the Board either as the result of a manager search the Board has authorized or because the candidate has been presented as an idea at a Board meeting by a Board member, by the Chief Investment Officer or by the Investment Consultant.

In the ordinary course of business, managers are to be identified and presented to the Board for consideration following the Standard Search Process, below. However, any Board member, the Chief Investment Officer or the investment consultant who thinks an investment idea or product merits consideration, may raise the matter at a Board meeting. If the Board agrees that the idea has merit, the Board's Investment Consultant may be asked to review and comment on the investment. If, after the Consultant's review the Board concurs that the idea or product merits consideration, the applicable Investment Manager may be invited to appear at a future Board meeting, subject to further due diligence. Alternatively, the Board member may request the matter be placed on an agenda to discuss whether a presentation should be scheduled. In this case, the Board Chair may request that the Board's Investment Consultant be prepared to offer comment during the meeting, with the intent that the Board could make a decision at the meeting regarding a presentation.

In connection with the Board's consideration of any presentation by an Investment Manager as outlined above, Board members and senior Investment Staff shall publicly disclose at the board meeting any prior communications they have had with the subject Investment Manager, and any actual or potential personal financial interests they may have that could be impacted by the Board's consideration of the Investment Manager.

Once a prospective Investment Manager has been invited to present to the Board, the manager and Board shall abide by the "quiet period" restrictions set forth in Sec. B. 2, below.

In all instances when CCCERA is considering a new investment, the prospective firm must complete the CCCERA Placement Agent questionnaire prior to presenting to the Board.

B. Standard Search Process

1. Ordinarily, the Board will identify a particular mandate for which one or more Investment Managers are to be engaged. The Board will direct the Investment Consultant and Staff to develop a detailed "Manager Profile,"

specifying the criteria sought for a manager or managers to fulfill the mandate.

2. Once the Board has directed the Investment Consultant and Staff to develop a Manager Profile, a "quiet period" will ensue, during which time no Board member may knowingly have any communication with any actual or potential candidate for the mandate, *unless* authorized by the Board in connection with the due diligence process in selecting managers. The quiet period shall cease upon the Board's entering into a contract for the Investment Manager(s) selected for the mandate. The Investment Consultant is responsible for alerting the candidates to the quiet period and its restrictions. A violation of the quiet period rule may result in disqualification of the candidate or other appropriate Board action.
3. An Investment Manager search may follow the Board's identification of a mandate. The Investment Consultant will conduct the search in accordance with the Manager Profile. The search criteria will include the scope of the mandate, the investment style, benchmark, fee structure and minimum qualifications for candidates. The minimum qualifications will include successful performance track record relative to benchmark, disciplined investment processes, effective risk management procedures, size of assets under management, experience and capability of staff, organizational stability and applicable regulatory certification and compliance.
4. The Investment Consultant initially will examine its database to identify possible candidates who fit the Manager Profile. Any member of the Board and Staff may also suggest that the Investment Consultant to examine the specific merits of a particular candidate.
5. The Investment Consultant will send out requests for information to qualified candidates meeting the requirements of the Candidate Profile.
6. The Investment Consultant will evaluate candidates and return to the Board with a semi-finalist list, and recommendations for narrowing the list to a finalist list for interview by the Board. Investment Consultant and Staff may perform on-site due diligence on finalist managers, as directed by the Board.
7. Any investment managers that present to the Board as finalists will have satisfied the Investment Consultant and Staff that they are appropriate candidates.
8. All Investment Manager contracts will be subject to final due diligence (including an on-site visit) and satisfactory documentation following Board approval.

C. Non-Standard Search Process

1. Some investments by their nature present unique opportunities and are not suited for a standard search. For example, time constraints may limit the ability to conduct a full search given the inherent features of closed end funds. Further, there may not be suitable competitors for a unique investment opportunity.
2. When such an investment is brought up at a Board meeting, the Board may request Staff and the Investment Consultant perform due diligence to evaluate the merits of the investment and its suitability, and identify competitive managers.
3. Following the requested due diligence report and an interview with the Investment Manager candidate, the Board may vote to move forward with the investment, subject to further due diligence and documentation following the Board vote.

D. Follow-on Funds

A follow-on fund is an investment which has essentially the same strategy as an illiquid closed end fund from the same Investment Manager in which CCCERA has already invested. When a follow-on fund investment becomes available in an asset class that is under its allocation target, the Board may determine to invest in such a fund without conducting a standard search. Such investment will follow the Non-Standard Search Process outlined in C, above.

E. Alternative Investments - Use of Fund-of-Funds

With investments in private equity, including without limitation, leveraged buyouts and venture capital, the Board has determined that it prefers to use fund-of-funds. This does not preclude the use of individual funds or partnerships, should the characteristics of a particular investment prove compelling and have merit for consideration.

F. Multiple Products with one Investment Manager

The Board will examine the use of one manager for more than one mandate on a case-by-case basis. It is the policy of the Board to restrict assets entrusted to any one investment management organization to no more than one-quarter of the total Trust assets.

VIII. INVESTMENT MANAGER MONITORING

A. Quarterly Review

1. All Investment Managers will report quarterly investment performance and compliance using a standard reporting format specified by the Board. In addition, Investment Managers are encouraged to provide their performance information in their own format as supplemental to the required report.
2. The agenda for each Quarterly Performance Review meeting is mailed to all Investment Managers in advance of the meeting. Quarterly reports are to be received in the Retirement Office in accordance with the instructions as set forth on the agenda.
3. Investment and compliance performance will be reviewed and evaluated quarterly. The Board's Investment Consultant, working with the Custodian Bank, will provide performance reports to the Board on each Investment Manager, on each asset class, and on the Trust assets in total.
4. The Board will review the income generated by its securities lending program on a quarterly basis as part of the Board's performance review process.

B. Custodial Reconciliation

1. All Investment Managers with Managed Accounts held at the Custodian Bank will provide monthly custodial market value reconciliation reports to the Retirement Accounting Manager with copies to the Investment Consultant. The reconciliation reports are to be received in the Retirement Office by the 25th day following the end of each month. This report must include a reconciliation of all cash, holdings and market values.

C. Under Review Policy

1. The Board will decide if an Investment Manager should be under review. Reasons for an Investment Manager to be under review include:
 - a. Poor performance,
 - b. Failure to meet Board requirements,
 - c. Deviation from mandate,
 - d. Change in personnel,
 - e. Adverse publicity,
 - f. Change in ownership,
 - g. Regulatory compliance issues,
 - h. Risk management issues,

- i. Lack of appropriate communication, or
 - j. Any other reason the Board deems appropriate.
2. If an Investment Manager is placed under review, staff will notify the manager in writing that it has been placed under review.
3. If an Investment Manager is placed under review, the Board will at the same time decide if the manager should be precluded from new funding.
4. At least each quarter, and whenever the Board deems appropriate, the Board will evaluate all Investment Managers under review, and for each such manager take one of three actions:
 - a. Decide the manager is no longer under review,
 - b. Terminate the manager, or
 - c. Keep the manager under review.
5. If the Board determines that an Investment Manager is no longer to be under review, staff will notify the manager in writing of this determination.
6. If the Investment Manager is kept under review, the Board may revisit the question of whether the manager should be precluded from new funding.

D. Investment Manager On-Site Due Diligence

1. The Board may authorize certain of its members to conduct visits to either the home office or a satellite office of a current or prospective Investment Manager or to a real estate property in the portfolio of a real estate Investment Manager.
2. Visits to investment management firms may include but are not limited to:
 - a. Review of back office procedures and record keeping
 - b. Review of trading operations and resources
 - c. Review of research capabilities and operations
 - d. Observing investment committee meetings
 - e. Review of decision-making processes
 - f. Review of risk management procedures
 - g. Review of compliance procedures
 - h. Review of disaster recovery plan
3. Visits to real estate properties may include but are not limited to:
 - a. Site inspection

- b. Tour of the surrounding area
 - c. Visits to competing properties in the area
 - d. Meetings with building management and leasing agent
 - e. Meetings with tenants
 - f. Observing construction or renovation activities
 4. The Board members, accompanied by the Investment Consultant and senior investment staff and/or CEO, will normally visit with a prospective Investment Manager in its offices prior to hiring, as approved by the Board.
 5. Visits to investment management firms may be conducted when an Investment Manager is placed under review or when there has been a change in firm ownership.
 6. Generally, not more than three Board members and no more than four will be authorized to conduct an Investment Manager visit.
 7. A written report on each Investment Manager visit shall be provided to the Board.
 8. Informal visits to an Investment Manager (existing or prospective) or to a real estate property by Board or staff members are encouraged when a Board member or staff member is in the area.
- E. Participation on Advisory Committees or Advisory Boards
1. The Board shall not appoint a representative to any advisory committee or board established in connection with any of the limited partnerships (or other entities) in which CCCERA invests, and a Board or staff member shall not accept such a position, unless:
 - a. The general partner (or other manager of the entity) has agreed, under the partnership agreement, or other agreements specifically incorporated therein, that such representative shall have no authority or discretion to vote to approve or disapprove, or consent to, the activities of the general partner or other manager;
 - b. The general partner and other manager or advisor have disclaimed any rights against such representative as a member of the advisory committee or board, including subrogation rights; and
 - c. The general partner and other manager or advisor has agreed that such representative, CCCERA and the partnership (or other entity) shall be indemnified by the partnership, the general partner and other manager or

advisor for any actions taken against any of them as to which the representative acted in good faith.

d. The general and limited partners, and other manager or advisor, have expressly agreed in writing that the representative and CCCERA do not owe a fiduciary duty to any of them by reason of its participation on such advisory committee or board.

2. The Board may appoint a representative to such a position on a case-by-case basis consistent with the foregoing provisions.

F. Emergencies

1. An "emergency" will be deemed to exist whenever:

a. A Managed Account suffers the resignation or other loss of its Investment Manager and no appropriate replacement is available; or

b. An Investment Manager dissolves, ceases to exist, or is otherwise incapable of carrying out its activities in the ordinary course of its business; or

c. An Investment Manager is "shut down" by a regulatory agency of a state or the Federal government or is accused of theft or fraud by a regulatory agency or other government body; and

2. Action to transfer management of the affected Managed Account shall be taken as soon as possible after CCCERA learns of the emergency.

3. In the case of an emergency, the Chief Executive Officer, or in the Chief Executive Officer's absence, the Deputy Chief Executive Officer or the Chief Investment Officer will:

a. Attempt to notify the Chair and Vice Chair immediately.

b. Notify the Custodian Bank that the Investment Manager's Managed Account is to be frozen and, except for those trades which are pending, no further trading is authorized.

c. Call an emergency meeting of the Board to take action of a more long-term nature.

IX. AUTHORITY OF INVESTMENT MANAGERS

Subject to the terms and conditions of this Statement, Investment Managers shall have full discretionary power to direct the investment, exchange, liquidation and reinvestment of the assets of the Managed Accounts. The Board expects that the Investment Managers will recommend changes to this Statement at any time when the Manager views any part of this Statement to be at variance with overall market and economic conditions.

The Managers shall place orders to buy and sell securities and, by notice to the Custodian Bank, shall cause said custodian to deliver and receive securities on behalf of the Trust.

The Board shall either vote or, through a third party administrator, direct the voting of its proxies for all stocks held in its separate account equity portfolios.

X. INVESTMENT GUIDELINES

The following guidelines apply to all Investment Managers. Any further constraints, limitations or authorities to an individual manager, which are specific to that manager and have been agreed to by the manager and CCCERA, also apply.

A. In General

1. All investments shall comply with all applicable laws of the State of California governing the investment of the pension funds of counties.
2. All securities transactions shall be executed by reputable broker/dealers or banks, including any bank acting as custodian, and shall be at a best execution including, without limitation, best price basis. Those Domestic Equity Investment Managers so directed by the Board are expected to direct up to 25% of their transactions to brokers participating in the Board's commission recapture program. All Investment Managers shall provide periodic transaction information so that the Board may monitor the placement of commissions.
3. Investments shall possess value and quality corroborated by accepted techniques and standards of fundamental economic, financial and security analysis.
4. Except for the private partnerships, fees paid to Investment Managers shall be based on the Custodian Bank's valuation of the manager's portfolio on a market and trade date basis.
5. All Domestic Equity and Domestic Fixed Income portfolios, unless exempted by the Board, shall not hold securities in any corporation that derives 15% or more of its revenue from tobacco products. All other Investment Managers are encouraged to avoid investments in companies that derive 15% or more of their revenues from tobacco products.

B. Global Equity Portion

The Global Equity Investment Managers may invest solely in equity securities as defined in III A above, subject to the following:

1. The maximum percentage of the value of a Managed Account which may be invested in the securities of a single corporation shall be 10% of the value of the Managed Account at market, unless a different maximum percentage is specified in the Investment Manager's agreement with CCCERA.

2. A Managed Account shall not hold more than 5% of the equity securities of an issuer, unless a different percentage is specified in the Investment Manager's agreement with CCCERA.
3. Derivatives shall only be used to obtain exposure to the equity markets, to reduce unwanted exposure to foreign currencies, or as a substitute for an underlying common stock. The Investment Manager shall explain any use of a derivative as a substitute for a common stock.
4. Other securities as detailed in accordance with the Investment Manager's agreement with CCCERA.

C. Global Fixed-Income Portion

1. Core plus fixed income account securities will be restricted to the following:
 - a. Obligations of the U.S. Treasury
 - b. Obligations guaranteed by an agency of the United States
 - c. Government, agency, quasi-government and supranational bonds.
 - d. Certificates of deposit and banker's acceptance of credit-worthy banks
 - e. Corporate, asset backed and mortgage backed securities and structured notes and other evidences of debt.
 - f. Eligible instruments issued pursuant to SEC Rule 144(a) or Regulation S.
 - g. Commercial paper (including variable rate notes) of issuers rated not less than P-2 by Moody's Investor Services and A-2 by Standard & Poor's.
 - h. Lower risk planned amortization class (PAC) collateralized mortgage obligations ("CMO") and Sequential CMOs. CMOs other than PACs and Sequentials are limited to a maximum of 10% of the fixed income portfolio at cost.
 - i. Currency Forwards and Non-Deliverable Forwards (NDF's). Such currency forwards shall only be with counterparty banks with A or better credit ratings by Standard & Poor's or Moody's.
 - j. Derivatives may be used to obtain exposure to the fixed income markets, to adjust portfolio risk, and to reduce unwanted exposure to foreign currencies.

k. Other use of derivatives than e. and h. above, including credit default swaps, interest rate swaps (except for centrally cleared,) IO's, PO's, inverse floaters and CMO support bonds, shall not in the aggregate exceed 15% of the portfolio measured at the time of investment.

l. Other securities as detailed in accordance with the Investment Manager's agreement with CCCERA.

2. High yield account(s)

a. Any security permitted for the Core Plus fixed income managers in X.D.1(a)-(e) above.

b. High yield securities as specified in accordance with the Investment Manager's agreement with CCCERA.

D. Incidental Cash Portion

The Incidental Cash Portion shall be invested in the same readily marketable and diversified assets as are enumerated in the Fixed Income Portion Guidelines. The maturity of such assets shall not exceed 15 months. The investments by the County Treasurer shall comply with the laws of the State of California.

The Board may invest in non-negotiable certificates of deposit if the following criteria are satisfied.

1. The CDs are registered in the name of CCCERA.
2. FDIC insurance coverage covers the entire invested amount, and,
3. FDIC insurance is not waived by CCCERA.

XI. SEPARATELY HELD REAL ESTATE

Market appraisals shall be conducted by an independent appraiser every three years on all properties which are separately held.

In accordance with the standards as set forth in the Government Accounting Standards Board (GASB) statement #25, all properties will be reflected in-CCERA's financial statements at fair value.

XII. SECURITIES LITIGATION

CCCERA's custodian is responsible for the filing and reporting of all proofs of claim in U.S. securities litigation class action lawsuits for which CCCERA is eligible. CCCERA will retain one or more law firms or securities monitoring services to monitor CCCERA's securities litigation class action lawsuits. For international class action lawsuits, staff may work with legal counsel to determine the proper course of action.

Further details are contained in the CCCERA Securities Litigation policy.

ADOPTION AND ACCEPTANCE

The Board of Retirement of the Contra Costa County Employees' Retirement Association hereby adopts this Statement of Investment Policies and Guidelines and Schedules thereto.

By: _____

Date: _____

The undersigned Investment Manager acknowledges receipt of this Statement and:

1. Warrants that it is currently, and will maintain registration as:
 - ◆ An investment advisor under the Investment Advisers Act of 1940,
 - ◆ A bank (as defined in that act),
 - ◆ An insurance company qualified to perform investment management services under state law in more than one state,
 - ◆ A trust operating as an investment company under the Investment Company Act of 1940, or
 - ◆ A state-chartered trust company authorized to carry on a trust banking business.
2. By signing this acceptance, acknowledges that it is a fiduciary with respect to assets of the Trust under its management or control (including assets of any Partnership attributable to the Trust).
3. Agrees to include within its periodic report to the Board of Retirement assurance that it believes its investment decisions are in accord with the provisions of this Statement.
4. Agrees to recommend to the Board changes to this Statement at any time when the Investment Manager views any part of this Statement to be at variance with overall market and economic conditions.
5. States that it is unable to provide an unqualified acknowledgment and acceptance of item(s) _____ above but has agreed to explain same and to provide a modified acknowledgment and acceptance as to such item(s), which may be found in _____.

ACCEPTED

By: *Daria L. Foster*
Signature

Date: March 18, 2014

Name Daria L. Foster
Print

Company Name LOED, GIBBETT & CO. LLC
Print

INVESTMENT POLICY

SCHEDULE I

ASSET CLASS TARGETS

	<u>Target</u>	<u>Range</u>
Global Equity	42.6 %	40- 55%
Global Fixed Income	24.4 %	20 - 30 %
High Yield Fixed Income	5%	2 - 9 %
Real Estate	12.5 %	10 - 16 %
Real Assets	5%	0 - 10 %
Alternative Investments	10 %	5 - 12 %
Opportunistic	0%	0 - 5 %
Cash	0.5 %	0 - 1 %

INVESTMENT POLICY

SCHEDULE II

ALLOCATION OF CASH RECEIVED

IF THE MOST UNDER-TARGET
ASSET CLASS IS:

TEMPORARILY PLACE
CASH IN:

Equities	PIMCO Stocks Plus portfolio
Fixed Income	Core Plus Fixed Income (ie. PIMCO and/or Lord Abbett and/or Goldman Sachs (core plus account))
Real Estate	Adelante Capital Management
Real Assets	Wellington Total Return

ALLOCATION OF CASH DISPERSED

IF THE MOST OVER-TARGET
ASSET CLASS IS:

TEMPORARILY DISPERSE
FROM:

Equities	PIMCO Stocks Plus portfolio
Fixed Income	Core Plus Fixed Income (ie. PIMCO and/or Lord Abbett and/or Goldman Sachs (core plus account))
Real Estate	Adelante Capital Management
Real Assets	Wellington Total Return

**INVESTMENT POLICY
SCHEDULE III
INVESTMENT MANAGER BENCHMARKS**

<u>Manager</u>	<u>Index</u>	<u>Database</u>
Ceredex	Russell 2000® Value	US Eq Small Value
Delaware	Russell 1000® Growth	US Eq Large Growth
Emerald	Russell 2000® Growth	US Eq Small Growth
Intech Large Cap Core	S&P 500	US Eq Large Core
PIMCO Stocks Plus	S&P 500	US Eq Large Core
Robeco Boston Partners	Russell 1000® Value	US Eq Large Value
TBD	MSCI EAFE Value	Intl Equity
William Blair	MSCI ACWI ex-US Growth	Intl Equity
Artisan Partners	MSCI ACWI	Global Equity
First Eagle	MSCI ACWI	Global Equity
INTECH	MSCI ACWI	Global Equity
JP Morgan	MSCI ACWI	Global Equity
AFL-CIO Housing	Barclays Capital US Aggregate	US Fixed Income
Goldman Sachs	Barclays Capital US Aggregate	US Fixed Income
Lord Abbett	Barclays Capital US Aggregate	US Fixed Income
PIMCO	Barclays Capital US Aggregate	US Fixed Income
Torchlight I, II, III, IV	Merrill Lynch Hi Yield Master II	US High Yield
Allianz Global	Merrill Lynch Hi Yield Master II	US High Yield
Lazard Asset	Barclays Capital Global Aggregate	Global Fixed Income
Adelante	Wilshire REIT	US REIT
Invesco (Int'l REIT)	FTSE EPRA/NAREIT Global ex-US	Int'l REIT
PIMCO All Asset	CPI + 400 bps	N/A
Wellington Total Return	CPI + 400 bps	N/A
Commonfund IX	CPI + 600 bps	N/A
Angelo Gordon VIII	NCREIF + 500 bps	US Real Estate
DLJ RECP II, III, IV, V	NCREIF + 500 bps	US Real Estate
Hearthstone I, II	NCREIF + 500 bps	US Real Estate
Invesco I, II, III	NCREIF + 300 bps	US Real Estate
LaSalle	NCREIF + 300 bps	US Real Estate

Long Wharf II, III, IV	NCREIF + 300 bps	US Real Estate
Oaktree REOF V, VI	NCREIF + 500 bps	US Real Estate
Siguler Guff DREOF I, II	NCREIF + 300 bps	US Real Estate
Adams Street	S&P 500 + 400 bps	
Bay Area Equity 1,2	S&P 500 + 400 bps	
Carpenter	S&P 500 + 400 bps	
Energy Inv. USPF 1, 2, 3, 4	S&P 500 + 400 bps	
Nogales	S&P 500 + 400 bps	
Paladin	S&P 500 + 400 bps	
Pathway	S&P 500 + 400 bps	
Oaktree PIF 2009	CPI + 400 bps	

CCCERA Board Meetings 2015

Meeting Date
07/23/15
Agenda Item
#8

Eff. 7.23.15

January						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	B	15	16	17
18	19	20	SB	22	23	24
25	26	27	B	29	30	31

H - New Year's Day
H - Martin Luther King Jr. Day

February						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	B	12	13	14
15	16	17	SB	19	20	21
22	23	24	Q	26	27	28

H - Presidents' Day

March						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	C
C	C	C	B	12	13	14
15	16	17	18	SB	20	21
22	23	24	B	26	27	28
29	CII	CII				

April						
Su	Mo	Tu	We	Th	Fr	Sa
			CII	2	3	4
5	6	7	B	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	W	W	W	W		

May						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
N	N	N	N ^B	N	8	9
10	S	S	S	S	S	16
17	18	19	20	21	22	23
24	25	26	27	Q	29	30
31						

H - Memorial Day

June						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	B	11	12	13
14	15	16	17	18	19	20
21	22	23	24	B	26	27
28	29	30				

July						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	B	9	10	11
12	13	14	15	16	17	18
PPI	PPI	PPI	PPI	SB	24	25
26	27	28	29	30	31	

H - Independence Day

August						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	B	13	14	15
16	17	18	19	20	21	22
23	24	P	P	Q	P	29
30	31					

September						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	B	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	B			

H - Labor Day

October						
Su	Mo	Tu	We	Th	Fr	Sa
				CII	CII	3
4	5	6	B	8	9	10
11	12	13	14	SB	16	17
18	19	20	21	B	23	24
25	26	27	28	29	30	31

November						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	B	5	6	7
I	I	I	I	11	12	13
15	16	S	S	S	S	21
22	23	Q	25	26	27	28
29	30					

H - Veterans Day
H - Thanksgiving

December						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	B	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

H - Christmas Day

B Board Meeting	CII CII	P Pepperdine University: Principles of Pension Management
Q Quarterly Meeting	C CALAPRS	PPI SACRS: Public Pension Investment Management
SB Special Board Meeting	N NCPERS	W Wharton: Portfolio Concepts
S SACRS	I IFEBP	

2014 CCCERA Benefit Statement



000012

JOHN DOE
 111 MAIN STREET
 CONCORD, CA 94520

Dear John,

Your 2014 CCCERA Benefit Statement contains your current retirement contribution balance and your service credit total as of December 31, 2014. You will also find retirement allowance estimates to help you understand the present and future value of your benefits for your financial planning.

Personal Information

The table below lists your personal information as of December 31, 2014. The information used to prepare this statement is the same information used to determine your actual benefits when you retire or terminate employment. Accuracy is very important. Please review your statement carefully. If you find inaccuracies or have questions, please submit the enclosed *Data Correction and Request Form* to CCCERA.

Name:	John Doe
Employee Number:	11111
Social Security Number:	xxx-xx-1111
Date of Birth:	01/01/1976
Employment Status:	Full-time
Membership Status:	Active
Employer:	CCC Fire Protection District
Reciprocity:	4.2220 Years
If you have a retirement membership account with another public retirement system and meet all necessary requirements, you have established reciprocity.	
CCCERA Entry Date:	04/01/2013
Current Plan:	Safety A Enhanced
Your current plan as of 12/31/14. Throughout your membership in CCCERA, you may have acquired multiple plan types depending on your entry date and job classifications. For a breakdown of your plan type, please contact CCCERA.	
Average Monthly Salary:	\$6,984.79
For Tier 1, Tier 3, and Safety A, salary is the monthly average for the last consecutive 12 months. For Tier 2, Safety C, and all PEPRA Tiers, salary is the monthly average for the last consecutive 36 months.	



Questions?

Visit the cccera.org webpage for more information or call us at (925) 521-3960.

Making changes?

Fill out and return the enclosed Data Correction and Request Form to CCCERA.

Updating Beneficiaries?

Request and complete a Beneficiary Designation Form, available from CCCERA.

John Doe

Beneficiary Information

The tables below list your current primary and alternative beneficiaries as of December 31, 2014. Please review this information for accuracy. To make corrections, you must submit a beneficiary designation form (CCCERA Form 102). Note: When changing beneficiary(ies), spouses/registered domestic partners have legal rights to benefits, which supersede any other named beneficiary(ies). If you wish to name someone other than your spouse/domestic partner as your beneficiary, you and your spouse/domestic partner must sign a spousal/domestic partner waiver form (CCCERA Form 303).

Your Primary Beneficiary(ies)*

Name	Relationship to You	Benefit Percentage
Jane Doe	Spouse	100%

*Our records indicate that you have more than five (5) primary beneficiaries. For a complete listing of beneficiaries, contact CCCERA's Benefits Department.

Your Service Totals as of December 31, 2014

Tier	Current Service Years	Service Purchased	Total Years of Service
Safety A Enhanced	1.0834		1.0834
PEPRA Safety D	0.5833		0.5833
Total Service Years for Retirement Benefit:			1.6667

Service credit is the years of service earned (or purchased, if applicable) used to determine retirement eligibility and calculate your retirement allowance.

The service credit totals include all plan types. The term *Service Purchased* includes service purchase contracts completed in 2014. A purchase contract is complete after the purchase has been fully paid for. Service purchase contracts initiated in 2014 or earlier and completed in 2015 will be included in next year's statement. *Total Years of Service* includes purchased medical leave without pay service and converted service.

All purchases and/or service conversions under contract will be posted at the completion of any required payments.



Your Contribution Totals as of December 31, 2014

Eligible CCCERA members receive a guaranteed lifetime benefit at retirement, calculated by a set formula. Employee contributions are not part of the formula. Information about the Retirement Benefit Formula can be found on page 4 of this statement. Employee contributions are accounted for because they are refundable to you after termination of employment, if you wish to relinquish your rights to a CCCERA pension. Contributions may also be payable to your beneficiary upon your death, if your beneficiary(ies) is/are not eligible for a continuance.

Tier	Contributions *	Interest Amount**	Total
Safety A Enhanced	\$23,454.98	\$507.27	\$23,962.25
PEPRA Safety D	\$7,216.72	\$632.59	\$7,849.31
Total Account Balances	\$30,671.70	\$1,139.86	\$31,811.56

* Contributions stated above are employee paid only. Employer contributions are not provided as they are payable only upon retirement in the form of a monthly pension payment.

** Interest has been credited to your account at the rate of 3.875% as of 06/30/2014 and 3.5616% as of 12/31/14.

Your Retirement Allowance Estimates

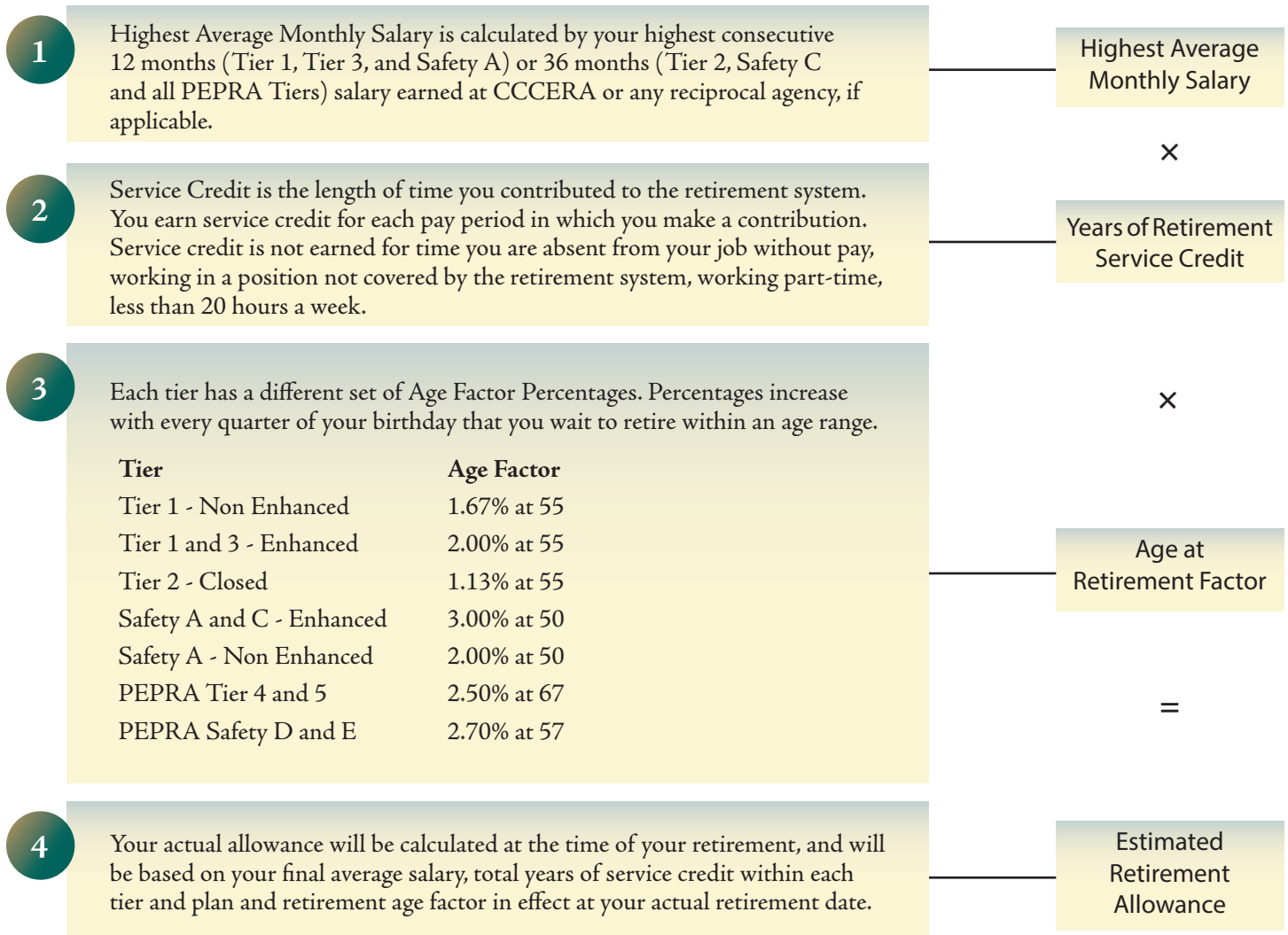
The table below shows the estimated monthly allowance you will receive at various retirement ages. If you are currently eligible to retire, estimated ages are determined based on your next birthday after 01/01/15. Otherwise, they are estimated ages when you may be eligible to retire. Keep in mind that the allowance amounts shown are estimates only and do not factor the affect of inflation.

Estimated Retirement Age	50	53	55
Years of Service at Retirement Age	12.8345	15.8345	17.8345
Estimated Monthly Allowance	\$2,648.65	\$3,289.50	\$3,716.74
Accrued Sick Leave Would Add*:	\$10.48	\$10.48	\$10.48
Estimated Total Monthly Allowance:	\$2,659.13	\$3,299.98	\$3,727.22
Estimated % of Average Monthly Salary at Retirement Age	38.07%	47.25%	53.36%

The **estimated allowances** shown above are based on the following assumptions:

- ✦ You chose the Unmodified Allowance.
- ✦ Your average monthly salary rate, \$6,984.79, remains unchanged until the retirement age shown.
- ✦ This amount is based on compensation reported to CCCERA by your employer in 2014. It may include pay items that will not be included in compensation for retirement purposes.
- ✦ You will meet all eligibility requirements at the projected retirement ages.
- ✦ There are no changes in between now and the ages indicated.
- ✦ You will work continuously at your current employment and membership type.
- ✦ If you are currently working in a part-time status, note that projected future service credit used to determine the estimated allowances is based on full-time credit. Your estimate may be overstated if you plan to work part-time until your retirement date.
- ✦ All purchases and/or service conversions under contract will be posted at the completion of any required payments.
- ✦ Post-retirement cost-of-living adjustments are not added to the estimates above.
- ✦ If you wish to receive additional estimates for different dates or scenarios, please complete a retirement estimate request form (CCCERA Form 108) by calling CCCERA or visiting cccera.org.

How Your Retirement Benefit is Calculated



If you have service credit in more than one tier, a separate calculation is made for each tier of service, since retirement age factors are different for each membership category. Those amounts are added together to make your monthly benefit.

After retirement, all retirement allowances are adjusted effective April 1 to reflect changes in the Consumer Price Index. Annual increases are limited to a maximum of 2%, 3% or 4% depending on tier and bargaining unit. At the time of retirement, your pension will be calculated by the appropriate benefit structure for your service in the applicable tier.

About this Statement

Changes made to your retirement account after December 31, 2014, are not reflected in this statement. Service purchases completed by December 31, 2014 are included in this statement. This statement reflects your contributions and service through the November 2014 payroll.

The benefit plans described in this statement are subject to change. Your rights to benefits are determined by the actual documents, contracts, policies and laws in effect at the time of your retirement, as well as your actual circumstances (age, service, salary, etc.) at the time of your retirement.

This statement is intended to be an overview of the benefits available and may not contain complete information. This statement is not binding on CCCERA, and should discrepancies occur between this document and your actual retirement benefits under the law, the law will take precedence.

John Doe



Data Correction and Request Form

This form should only be used for correcting certain personal data and/or requesting a review of account information.

1. Person making request or correction:

Name (first, last): _____ Daytime Phone (include area code): _____
 Employee Number/SSN (last 4 digits): _____

2. My data is incorrect:

Please correct all that apply.

Documentation that may be required

Name*: _____
 Address*: _____
 SSN*: _____
 Date of Birth*: _____
 Reciprocity: _____
 Employer: _____
 Termination Date: _____
 CCCERA Entry Date: _____
 Tier: _____

Copy of marriage certificate or court order
 Address change form (CCCERA Form 301)
 Copy of social security card
 Copy of birth certificate or passport
 Reciprocity form (CCCERA Form 103)

*Active Members must correct name, address, SSN, and date of birth with current employer.

3. I want to change beneficiaries—To make these changes, complete a beneficiary designation form (CCCERA Form 102).

4. I request a review/audit of my data—Please summarize your request below and a representative from CCCERA will research your request and respond to you shortly.

5. Signature: _____ **Date:** _____

CCCERA forms are available from the CCCERA office or cccera.org.

Please return the completed and signed form with any required documentation to:

Contra Costa County Employees' Retirement Association (CCCERA)
 1355 Willow Way, Suite 221
 Concord, CA 94520

Alternative Investment Strategies

Previously Named Hedge Funds, Real Estate and Other Alternative Investments
July 27-29, 2015 | Wharton | *San Francisco* | San Francisco, California

Meeting Date
07/23/15
Agenda Item
#10a.

Alternative Investment Strategies is a 2½-day specialty program that focuses on the topics of hedge funds and real estate investing for benefit funds. Alternative Investment Strategies is held every two to three years at the Wharton | *San Francisco* campus.

Objective

This program is for those who have a solid grasp of investment fundamentals and seek to learn more about how their fund could **assess the use of alternative investments**.

Alternative Investment Strategies is designed to build upon participants' existing knowledge base and experience. While there are no formal prerequisites for this program, those without prior knowledge of fundamental investment theory will most likely find this program too advanced and are encouraged to register for the Portfolio Concepts and Management program.

Outline

MONDAY, JULY 27

7:30-8:30 a.m.

Registration and Breakfast

Provided at Wharton | *San Francisco*

8:30-10:00 a.m.

Introduction and Overview of Hedge Funds and Other Alternative Investments

- Defining alternative investments
- The state of the world and the demand for hedge funds
- Setting the stage—why talk about hedge funds?
- Myths and facts about hedge funds
- Volatility considerations

10:15-11:45 a.m.

Institutional Interest in Hedge Funds

- Why, how and who invests in hedge funds?
- Statistical trends and examples

Hedge Fund Styles and Flows

- Defining hedge fund styles
- Funds of funds
- Private equity and venture capital
- Comparison of strategies

MONDAY, JULY 27 (Cont.)

12:00 noon-1:00 p.m.

Lunch

Provided at Wharton | *San Francisco*

1:00-2:30 p.m.

Hedge Fund Investing I

- Asset allocation
- Performance management
 - Quantitative measures
 - Qualitative criteria
- Hedge fund selection
- Exposure analysis
- Do hedge funds hedge?

2:45-4:15 p.m.

Hedge Fund Investing II

- Manager selection
 - Manager strategy
 - Business structure, principals and personnel
 - Conditioning
 - Warnings
- Performance persistence fees
- Operational due diligence
- Market timing

Alternative Investment Strategies

TUESDAY, JULY 28

7:30-8:30 a.m.

Breakfast

Provided at Wharton | *San Francisco*

8:30-10:00 a.m.

Topics in Hedge Fund Alternatives

- Elements of the funds of funds investment process
 - Approach to allocation
 - Manager sourcing
 - Manager selection process
 - Fund performance and risk analysis
 - Ongoing monitoring and self-discipline
 - Liquidity parameters
 - Tax implications
- Portable alpha

10:15-11:45 a.m.

Other Alternative Investment Trends and the Future

- Market to market rules
- Hedge fund replication
- Current trends

12:00 noon-1:00 p.m.

Lunch

Provided at Wharton | *San Francisco*

TUESDAY, JULY 28 (Cont.)

1:00-4:15 p.m.

Equity Investments in Real Estate

- Basics of real estate valuation
- Valuing real estate cash flow
- Current state of the real estate market
- Real estate fundamentals and cycles
- Structured debt and its dangers
- The real estate investment trust (REIT) market
- Real estate private equity
- The risk/return profile of equity real estate and portfolio allocation
- Risks and opportunities in real estate

WEDNESDAY, JULY 29

7:30-8:30 a.m.

Breakfast

Provided at Wharton | *San Francisco*

8:30-11:15 a.m.

Debt Investments in Real Estate

- Structured debt vs. traditional lending
- Commercial mortgage-backed securities
- Collateralized debt obligations
- Mezzanine debt

11:15 a.m.-12:00 noon

Wrap-Up and Program Integration

Fantastic course, really opened my eyes to the diversity, volatility and diligence needed to make good decisions in the investment arena today.

William T. Greer
Vice President
BAC Local 9 of PA
Pittsburgh Allied Crafts Chapter
Pittsburgh, Pennsylvania

This program takes a complicated subject and breaks it down so that you can understand it, as well as giving you information that you can take away and use to help review appropriate strategies.

Lori A. Werner
Director, UFCW Benefits Office
UFCW International Union
Washington, D.C.

REGISTRATION/2015

Wharton Investment Programs

CUSTOMER INFORMATION (Please print clearly)


Priority code 15WHAR W Individual ID# or CEBS® ID# _____
 Full first name _____ M.I. _____ Last name _____
 Employer _____
 Title _____
 Address _____ Business Home
 City _____ State/Province _____ Country _____ ZIP/Postal code _____
 Phone _____ Fax _____
 E-mail _____
 Last 4/3 digits of SSN/SIN _____ Date of birth (mm/dd/yyyy) _____
 See policies regarding registration/cancellation/refund/record retention/photo release and privacy at www.ifebp.org/policies.

NOT A MEMBER? JOIN NOW AND SAVE!

Individual \$295* Organizational \$835* Join now and pay the lower member rate.
 *Membership dues are prorated quarterly. Visit www.ifebp.org/join for current rates.

REGISTRATION INFORMATION

Organization representing _____ Organization # _____
 Badge name _____ Badge title _____
 Special dietary requirements—specify _____
 Form completed by _____ Phone _____

 Special assistance?
 Yes No

Alternative Investment Strategies (H5-15H5)

July 27-29, 2015 | Wharton San Francisco | San Francisco, California

	Until June 15	After June 15
Member fee.....	<input type="checkbox"/> \$3,595	<input type="checkbox"/> \$3,845
Nonmember fee.....	<input type="checkbox"/> \$3,895	<input type="checkbox"/> \$4,145

Advanced Investments Management (63-1563)

Tuesday, Sept. 29-Oct. 2, 2015 | The Wharton School, University of Pennsylvania | Philadelphia, Pennsylvania

	Until August 17	After August 17
Member fee.....	<input type="checkbox"/> \$4,695	<input type="checkbox"/> \$4,945
Nonmember fee.....	<input type="checkbox"/> \$5,095	<input type="checkbox"/> \$5,345

Refresher Workshop (63-PC01)

Monday, Sept. 28, 2015 | Sheraton University City Hotel | Philadelphia, Pennsylvania

	Until August 17	After August 17
Member fee.....	<input type="checkbox"/> \$395	<input type="checkbox"/> \$520
Nonmember fee.....	<input type="checkbox"/> \$495	<input type="checkbox"/> \$620

2015 CANCEL POLICY: Early cancel fee is \$50/meeting day. Within 30 days of meeting, cancel fee is 50% of registration fee.

HOTEL

Mention the International Foundation for special rate. After the deadline, reservations and rate will be based on availability (credit card will be required).

July: Hyatt Regency San Francisco, San Francisco, California Reservations phone: (888) 421-1442
 Rate: \$259 single/double (16.25% tax plus \$0.13 nightly assessment) Reservation deadline: **July 6**
September: Sheraton Philadelphia University City Hotel, Philadelphia, Pennsylvania Reservations phone: (888) 627-7071
 Rate: \$169 single/double (15.5% tax) Reservation deadline: **September 8**

CONTINUING EDUCATION CREDIT

\$25 continuing education service charge due at time of registration (if applicable). The International Foundation will apply for CE credit based on requests. You must indicate the profession for which credit is requested.

Actuary CFP CIMA CPA
 PHR/SPHR/GPHR Other, specify _____

Licensed in the state of _____
 License/NPN/BAR/CPA # _____

Note: Request made for CE on this form does not guarantee administration of credit.

CEBS CPE Continuing education forms are not required to earn CEBS CPE credit. By checking this box you will be provided with continuing education forms in your registration packet. These forms can be turned in at the program for a CPE certificate for documentation and to assist you with self-reporting your CEBS CPE credits. *\$25 CE fee does not apply.* Visit www.cebscpe.org for additional information on reporting CEBS CPE credit hours.


PAYMENT INFORMATION


Full payment in U.S. funds must accompany order. Make check payable to International Foundation.


Check # _____ \$ _____
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 Credit card # _____
 Exp. date _____
 Cardholder's name (print) _____


REGISTRATION/ORDER SUMMARY

Membership fee \$ _____
 Registration fee \$ _____
 Registration fee \$ _____
 Continuing education fee (\$25) \$ _____
Total (U.S. funds) \$ _____

 Register online at www.ifebp.org

 Mail the registration form with check or credit card number to:
 International Foundation—Conference,
 P.O. Box 689954, Chicago, IL 60695-9954

 Fax your registration with credit card number:
 (262) 364-1818

 For information, e-mail edreg@ifebp.org, or phone toll-free
 (888) 334-3327, option 2, or (262) 786-6710, option 2.

Invitation-Only Fiduciaries' Forum

Presented by Nossaman LLP's Public Pensions and Investments Practice Group

Meeting Date
07/23/15
Agenda Item
#10b.

September 24-25, 2015 | Le Méridien San Francisco | San Francisco, CA

Please join us for Nossaman's Public Pensions and Investments Fiduciaries' Forum – a nearly decade-long tradition – hosted by Ashley Dunning and Michael Toumanoff.

Program Details:

Thursday, September 24, 2015

Visit our San Francisco Office for a Pre-Dinner Welcome Reception: 6:00 - 7:00 p.m.
Nossaman LLP: 50 California Street, 34th Floor, San Francisco

Keynote Presentation and Dinner: 7:15 - 9:00 p.m.
Prospect Restaurant: 300 Spear Street, San Francisco
Presentation: *What to Expect from Sacramento in 2016*
Presented by Assemblyperson Rob Bonta, Chair of the Assembly Public Employees, Retirement, and Social Security Committee.
Introduction by Cloey Hewlett

Friday, September 25, 2015

Fiduciaries' Forum: 8:30 a.m. – 4:00 p.m.
Le Méridien San Francisco: 333 Battery St., San Francisco

Morning Sessions Include:
Recent Court Cases on PEPPRA and Voter-Initiatives Regarding Pensions and Vested Rights
Presented by Ashley Dunning and Michael Toumanoff

Current Trends in Alternative Investment Documentation and Diligence
Presented by Yuliya Oryol and Danielle Gensch

Lunchtime Keynote
Infrastructure Investments: Insights for Pension Funds Into the Legal Framework of These Investments
Presented by Corey Boock

Afternoon Sessions Include:
Employment Issues in a Civil Service World
Presented by John Kennedy and George Joseph

A Bird's-Eye View of Real Asset Investing
Presented by David Kimport and Karla MacCary

RSVP for the Reception, Dinner, and Fiduciaries' Forum to Jennifer Barry-Smith at jbarry-smith@nossaman.com or 415.438.7232.

Attendance is limited to 50 attendees and is restricted to trustees (less than a quorum), executive staff, and in-house counsel only. Clients and prior participating plans have priority for registration.

Cost: \$250.00 per person (covers the cost of meals and incidentals for the events on Thursday and Friday). Registration is filling up quickly!

PAYMENT OPTIONS:

Credit Card Payment

Please print and complete a credit card authorization form and return to Jennifer Barry-Smith by fax at 415.398.2438. You may also complete the form online and use the submit button to automatically email the form to Ms. Barry-Smith.

Check

Make checks payable to Nossaman LLP and mail to:

Nossaman LLP – Public Pensions and Investments Fiduciaries' Forum
Attn: Jennifer Barry-Smith
50 California Street, 34th Floor
San Francisco, CA 94111

EVENT DETAILS

Le Méridien San Francisco
333 Battery St.
San Francisco, CA 94111
MAP

Hotel Rooms
Nossaman has reserved a block of rooms at a reduced rate of \$299 per night.

Please click here to reserve your room by August 25, 2015. The reduced rate cannot be guaranteed after August 25.

NOSSAMAN PRESENTERS



Ashley Dunning
Partner



Yuliya Oryol
Partner



Michael Toumanoff
Of Counsel



John Kennedy
Partner



David Kimport
Partner



Clothilde Hewlett
Partner



Danielle Gensch
Partner



Corey Boock
Partner



George Joseph
Partner



Karla MacCary
Partner

KEYNOTE SPEAKER

JOHN A. PÉREZ SPEAKER EMERITUS

CALIFORNIA STATE
ASSEMBLY



John A. Pérez was elected to the Assembly in November, 2008, representing Downtown Los Angeles and communities of East Los Angeles. In January, 2010, his colleagues elected him California's 68th Assembly Speaker. He was subsequently reelected in 2010 and 2012, making him one of the longest serving Speakers in the era of term limits. Prior to his service in the Assembly, Speaker Emeritus Pérez was a lifetime member of the Labor Movement, eventually serving as the Political Director for the California Labor Federation.

In 2010, he successfully blocked former Governor Schwarzenegger's final budget proposal, which would have wiped out 430,000 jobs for police officers, firefighters, teachers and nurses. His *California Jobs Budget*, which balanced the budget and created a ten billion dollar private sector job creation fund, forced Gov. Schwarzenegger to agree to a compromise which protected virtually every job eliminated by the initial proposal.

As Speaker, he brought together his colleagues to end California's era of chronic budget deficits. He worked with Governor Brown and members of the Senate to eliminate the structural deficit that left California's budget imbalanced for more than a decade.

Speaker Emeritus Pérez lead California's implementation of the Patient Protection and Affordable Care Act. He authored AB 1602, which was signed into law in 2010, creating California's first-in-the-nation Health Benefits Exchange, Covered California.

He has made affordability and accessibility of higher education one of the most important statewide priorities through passage of the Middle Class Scholarship Act. This effort, which brought together thousands of California's students and parents, sought to reduce student fees by two-thirds for middle class families, and was later adopted in a modified capacity by the 2013 State Budget. The landmark Middle Class Scholarship Act, has provided tuition relief of up to 40 percent for nearly 100,000 California State University and University of California Students.

In 2012, he was the only state legislative leader in the United States to address the Democratic National Convention. In August of 2012, he was elected by fellow Speakers from across the nation to serve as President of the National Speakers Conference. He has previously been appointed by President Bill Clinton and President George W. Bush to serve on the President's Commission on HIV/AIDS and is a longtime member of the Democratic National Committee. He currently serves as an appointed member of the UC Board of Regents.

SEMINAR DATE

October 1, 2015

9am - 4pm

Registration: 8am



Register Today!

PUBLICRETIREMENTJOURNAL.ORG

Cancellation Policy

Full refund if notified by 5pm
on September 18, 2015

LOCATION

CalPERS Auditorium
400 Q Street
Sacramento, CA

REGISTRATION : \$200

Includes breakfast,
lunch & seminar
materials



SEMINAR TOPICS

Defined Benefits Are Under Attack

We will hear from experts about the history behind the failed attempts to end defined benefit plans and cut pensions for existing workers and the likelihood of a 2016 initiative.

CalPERS - Rate Increases on the Horizon?

We'll explore why CalPERS actuaries believe the pension fund needs to be taking less risk, and we'll take look at why, when and how contribution rate will increase over the next five to ten years, and beyond.

Legislators at Work

The pension gurus of the Legislature will be on hand to discuss the current legislative session - the current political climate, issues of importance, and an overview of the bills that may become law by January 2016.

Actuarial Realities of Pension Benefits - GASB 68, Are You Ready?

Despite politics and legislation, there's still the reality of funding promised benefits. We'll hear from a top pension actuary about the impact of GASB 68, as public agencies grapple with implementation, other changes being discussed by GASB, issues on the horizon, and other current topics.

Labor's Perspective on Retirement - Is a Statewide Initiative Expected for 2016?

We'll hear from labor representatives about their take

on current events. How is the PEPR going to affect bargaining? What will happen on the statewide ballot in 2016?

Management and Labor

We will have attorneys from both sides discussing the implications of the recent ruling on Chapter 9 bankruptcies, concessions at the bargaining table, increases in rates and how that will play into decisions made at the state and local level.

Local Agency Bankruptcies - A U.S. Bankruptcy Court Ruling

Bankruptcy has become a bigger issue for local governments that anyone would liked. Speakers will talk about those who have gone down this path and what it means for employees' pension benefits and the employers' pension liabilities.

Retiree Health Care

Are these vested benefits? In the wake of the Affordable Care Act implementation and the rising costs of health care coverage, are your retiree benefits volatile?

Local Ordinances to Scale Back Pensions

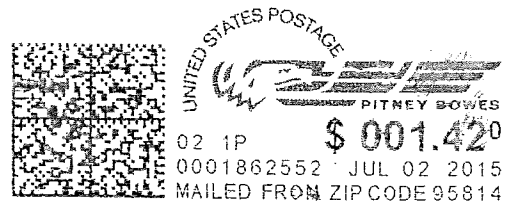
We will discuss the legal challenges facing local agencies whose elected bodies vote to either scale back existing benefits, implement new tiers, or terminate their contracts with their retirement systems.

Stay informed about future seminars and public retirement news.



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The Inside Stories on Retirement in California

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27th Annual Northern California

PUBLIC RETIREMENT SEMINAR

October 1, 2015

REGISTER TODAY!



Organization Name: _____

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Payment Method (Circle): Check Credit Card

Card Number: _____

Exp Date and 3 Digit VCode: _____

Dietary Restrictions: _____