



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
December 9, 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.
3. Approve minutes from the October 7, 2015 Board meeting.
4. Routine items for December 9, 2015.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept Asset Allocation Report

CLOSED SESSION

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

| <u>Member</u> | <u>Type Sought</u> | <u>Recommendation</u> |
|------------------|--------------------|-----------------------|
| a. Keith Chelini | Service Connected | Service Connected |
6. The Board will go into closed session under Govt. Code Section 54956.81 to consider the sale of a particular pension fund investment.
7. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding anticipated litigation (two cases).

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

8. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(4) to confer with legal counsel regarding the initiation of litigation (one case).

OPEN SESSION

9. Consider and take possible action regarding the collection of pension overpayments from Contra Costa County due to its erroneous reporting of panel management pay as pensionable compensation.
10. Consider and take possible action to adopt the 2016 Compliance Activity Plan as recommended by the audit committee.
11. Legislative Update
12. Consider and take possible action to add a Board meeting on December 16, 2015.
13. Consider authorizing the attendance of Board and/or staff:
 - a. Advanced Principles of Pension Management, CALAPRS, January 27-29, 2016, Los Angeles, CA.
 - b. Aether's 2016 annual meeting, Aether Investment Partners, January 28, 2016, Denver, CO.
 - c. Commonfund Forum 2016, Commonfund, February 27 - March 1, 2016, Orlando, FL.
14. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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



Meeting Date
12/09/15
Agenda Item
#3

MINUTES

RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY BOARD MEETING

October 7, 2015
9:00 a.m.

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

Present: Debora Allen, Candace Andersen, Brian Hast, Jerry Holcombe, Louie Kroll, John Phillips, William Pigeon, Todd Smithey and Belinda Zhu

Absent: Scott Gordon, Gabe Rodrigues, Jerry Telles and Russell Watts

Staff: Gail Strohl, Retirement Chief Executive Officer; Karen Levy, Retirement General Counsel; Tim Hoppe, Retirement Benefits Manager; and Christina Dunn, Retirement Admin/HR Manager

Outside Professional Support:
Susan Hastings
Masa Shiohira

Representing:
Laughlin, Falbo, Levy & Moresi LLP
Wiley Price and Radulovich LLP

1. Pledge of Allegiance

Smithey led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Routine Items

It was M/S/C to approve the routine items of the October 7, 2015 meeting with 2 corrections to the Death Benefits report. Jaad Ajlouny was employed by Contra Costa County Fire District and Norma Lofgran was employed by Contra Costa County. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957, 54957(b)(1) and 54956.9(d)(1).

The Board moved into open session.

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

- a. Daniel Williams – Non-service Connected (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

Pigeon recused himself from Item 4.b.

- b. Troy Auzenne – Service Connected (Yes: Andersen, Hast, Holcombe, Kroll, Phillips, Smithey and Zhu. Abs.: Allen)

5. There was no reportable action related to Govt. Code Section 54957(b)(1).

6. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

7. **Consider and take possible action to accept written acknowledgement that the CEO understands the current and future costs of medical benefit changes for CCCERA employees, as determined by Milliman in its letter of September 18, 2015.**

Strohl read the acknowledgement regarding the current and future costs of the medical benefit changes for CCCERA employees as determined by Milliman in its letter of September 8, 2015.

It was M/S/C to accept written acknowledgement that the CEO understands the current and future costs of medical benefit changes for CCCERA employees, as determined by Milliman in its letter of September 18, 2015. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

8. **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 with health, dental and vision modifications and authorize Retirement CEO to execute said MOU.**

Shiohira reported an agreement has been reached with the union and that the agreement was ratified unanimously by the union.

It was M/S/C 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 with health, dental and vision modifications and authorize Retirement CEO to execute said MOU. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

9. **Consider and take possible action to adopt Resolution 2015-9 providing for salary and benefits for unrepresented employees of CCCERA effective January 1, 2016**

Dunn noted this is a revision to the resolution for salary and benefits for unrepresented employees that mirrors the revisions that were placed into the AFSCME Local 2700 MOU effective January 1, 2016.

It was M/S/C to adopt Resolution 2015-9 providing for salary and benefits for unrepresented employees of CCCERA effective January 1, 2016. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

10. **Consider and take possible action to cancel the October 15, 2015 meeting.**

Strohl reported she would like the Board to consider cancelling the October 15, 2015 meeting.

It was M/S/C to cancel the October 15, 2015 meeting. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

11. Consider and take possible action to adopt the CCCERA Procurement of Products and Services policy.

Levy reviewed the purpose of the policy noting the current process is that all contracts come before the Board for approval. The proposed policy would authorize the CEO to enter into contracts that do not exceed \$50,000 and contracts exceeding \$50,000 would require Board approval.

The Board discussed the dollar limit of contracts, the time limit of contracts, and the core and non-core providers.

After discussion, it was **M/S/C** to adopt the CCCERA Procurement of Products and Services Policy with amendments to Section IV. Policy. C.3. - changing the wording to "The custodial bank" and C.9. – adding "if either the term of the contract exceeds 5 years or the amount exceeds \$25,000" and adding "the policy will be revisited after 1 year." Also, any contract that is under \$25,000 will appear on the routine items each month. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

12. Miscellaneous

(a) Staff Report –

Strohl reported staff is requesting additional comments on the new website; she will be providing written notice to the County regarding termination of certain services they have been providing; open enrollment will be at the end of October and third party providers will meet one-on-one with staff to assist in the transition; and today marks CCCERA's budget kickoff for the 2016 calendar year.

Levy gave an update on the vacation straddling lawsuit that is pending noting there is a hearing tomorrow regarding the State of California's request to intervene. There is no tentative ruling to date.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Kroll asked for an update on the PDOCC hearings. Strohl stated they have not been scheduled yet.

Phillips attended the Carpenter Bancfund Investor Conference with Price and Chu and felt it was impressive.

Smithey asked if the time frame for the Lookback Project will be impacted due to personnel changes. Strohl indicated the time frame will change to December or possibly January but the time frame is not related to personnel changes.

Pigeon asked Strohl for an update on the open CCCERA positions. She reported interviews for the Accounting Manager and Supervising Accountant are scheduled for the next two weeks.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Andersen, Hast, Holcombe, Kroll, Phillips, Pigeon, Smithey and Zhu)

John Phillips, Chairman

Scott Gordon, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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December 9, 2015

Items requiring Board Action

Meeting Date
12/09/15
Agenda Item
#4

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

B. Service and Disability Retirement Allowances:

| <u>Name</u> | <u>Number</u> | <u>Effective Date</u> | <u>Option Type</u> | <u>Group</u> | <u>Selected</u> |
|---------------------|---------------|-----------------------|--------------------|--------------|-----------------|
| Arellano, Pat | 70049 | 09/01/15 | SR | III | Unmod |
| Alysworth, Mary | 61096 | 08/15/15 | SR | III | Unmod |
| Burch, Charles | D3406 | 07/18/15 | SR | I | Option 1 |
| Butler, Pamela | 49382 | 08/31/15 | SR | II & III | Unmod |
| Cho, Eric | 61437 | 09/11/15 | SR | III | Unmod |
| Davidson, Tamara | D3406 | 09/05/15 | SR | I | Unmod |
| Farley, Charles | 71963 | 03/31/15 | SCD | SC | Unmod |
| Fernandez, Debra | 53977 | 08/25/15 | SR | II & III | Unmod |
| Garcia, Fernando | 36984 | 08/02/15 | SR | II & III | Unmod |
| Givins, Bryan | D9990 | 02/03/12 | SCD | I | Unmod |
| Griffith, Julie | 56232A/P | 10/03/15 | SR | II & III | Unmod |
| Hannon, Jennifer | D9500 | 07/31/15 | SR | III | Unmod |
| Harbison, James | 65662 | 09/10/15 | SCD | SA | Unmod |
| Hinds, Cyril | 48007 | 08/01/15 | SR | II & III | Unmod |
| McPherson, Michelle | 62642 | 03/13/15 | NSD | I | Unmod |
| Murillo, Psyche | 42163 | 08/08/15 | SR | II & III | Unmod |
| Pendleton, Jane | 38852 | 08/01/15 | SR | II & III | Unmod |
| Valentine, Joseph | 69977 | 09/01/15 | SR | III | Unmod |
| Warren, Leslie | 48575 | 09/01/15 | SR | SA | Unmod |
| Watson, Vickie | 50613 | 09/12/15 | SR | II & III | Unmod |
| Zell, Susan | 27673 | 09/01/15 | SR | II & III | Unmod |

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

| <u>Name</u> | <u>Number</u> | <u>Filed</u> | <u>Type</u> |
|-------------|---------------|--------------|-------------|
| None | | | |

D. Deaths:

| <u>Name</u> | <u>Date of Death</u> | <u>Employer</u> |
|-------------------|----------------------|---------------------|
| Anderson, Raymond | 10/4/2015 | Contra Costa County |
| Baker, Alan | 10/9/2015 | Contra Costa County |
| Berumen, Beatrice | 11/23/2015 | Contra Costa County |

KEY:

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

Option
* = County Advance
Selected w/option

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

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Page 2

December 9, 2015

| | | |
|--------------------------|------------|--|
| Booth, Mary | 11/21/2015 | Contra Costa County |
| Cohen, Lorraine | 10/23/2015 | Contra Costa County |
| Domes, Elene | 11/15/2015 | Contra Costa County |
| Flores, Anne | 11/3/2015 | Contra Costa County |
| Fugitt, Jane | 10/4/2015 | Beneficiary |
| Hampton, James | 8/13/2015 | Central Contra Costa Sanitary District |
| Harberg, Nancy | 11/17/2015 | Contra Costa County |
| Heruth-Nation, Josephine | 11/6/2015 | Beneficiary |
| Jonaris, Lily | 11/16/2015 | Central Contra Costa Sanitary District |
| Lobb, Auris | 11/2/2015 | Contra Costa County |
| Lynde, George | 11/10/2015 | Contra Costa County |
| McCarthy, Nancy | 3/25/2015 | Contra Costa County |
| Owens, Felisha | 10/3/2015 | Contra Costa County |
| Ross, Lois | 10/31/2015 | Beneficiary |
| Rygh, Doris | 11/22/2015 | Beneficiary |
| Shera, Doris | 11/6/2015 | Beneficiary |
| Winchester, Ruth | 10/11/2015 | Contra Costa County |

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S/A = Safety Tier A
S/C = Safety Tier C

Option
* = County Advance
Selected w/option

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

CERTIFICATION OF MEMBERSHIPS

Meeting Date
12/09/15
Agenda Item
#4a.

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|------------------------|------------------------|-------------|------------------------|------------------------------|
| Alfaro, Frarinz | 82278 | P5.2 | 10/01/15 | Contra Costa County |
| Arevalo Jr., Jose | 82294 | P5.2 | 10/01/15 | Contra Costa County |
| Augusta, Vincent | 44002 | III | 10/01/15 | Contra Costa County |
| Bordley, LaDonna | 82249 | P5.2 | 10/01/15 | Contra Costa County |
| Brady, Sara | 82228 | P5.2 | 10/01/15 | Contra Costa County |
| Briggs, Meagan | 82285 | P5.2 | 10/01/15 | Contra Costa County |
| Brooker, Corbyn | 82251 | P5.2 | 10/01/15 | Contra Costa County |
| Calderon, Yoselin | 82283 | P5.2 | 10/01/15 | Contra Costa County |
| Caruso, Charles | 82338 | P5.2 | 10/01/15 | Contra Costa County |
| Chatwal, Parmjit | 81084 | P5.3 | 10/01/15 | Contra Costa County |
| Chen, Wenkun | 82289 | P5.2 | 10/01/15 | Contra Costa County |
| Clough, Mary | 68340 | P5.2 | 10/01/15 | Contra Costa County |
| Collier, Tanzinea | D9500 | P5.3 | 10/01/15 | Superior Courts |
| Corcoran, Kimberly | 82078 | P4.3 | 10/01/15 | Rodeo-Hercules Fire District |
| Cotten, Shaun | 81096 | P5.2 | 10/01/15 | Contra Costa County |
| Cox, Alexis | 82235 | P4.3 | 10/01/15 | CCCERA |
| Dalbey, Jeanette | 82225 | P5.2 | 10/01/15 | Contra Costa County |
| Dazo, Reginald | 82172 | P5.2 | 10/01/15 | Contra Costa County |
| DeBacker, Sherry | 82327 | P5.2 | 10/01/15 | Contra Costa County |
| Deno, Jessica | 82284 | P5.2 | 10/01/15 | Contra Costa County |
| Dillard, Patricia | 82269 | P5.2 | 10/01/15 | Contra Costa County |
| Downing, Michael | 82171 | P5.2 | 10/01/15 | Contra Costa County |
| Eager, Lisa | 81876 | P5.2 | 10/01/15 | Contra Costa County |
| Echiverri, Angela | 82224 | P5.2 | 10/01/15 | Contra Costa County |
| Fenton, Rachel | 82234 | P5.2 | 10/01/15 | Contra Costa County |
| Ferreira, Alex | 82135 | P5.2 | 10/01/15 | Contra Costa County |
| Franklin, Portia | 82244 | P5.2 | 10/01/15 | Contra Costa County |
| Funderburgh, Ann-Marie | 82245 | P5.2 | 10/01/15 | Contra Costa County |
| Galdamez, Ana | 68729 | P5.2 | 10/01/15 | Contra Costa County |
| Gallagher, Brandon | 82297 | P5.2 | 10/01/15 | Contra Costa County |
| Garvey, Angela | 82354 | P5.2 | 10/01/15 | Contra Costa County |
| Gastile, Sharice | 82243 | P5.2 | 10/01/15 | Contra Costa County |
| Gonzalez, Adam | 82355 | P5.2 | 10/01/15 | Contra Costa County |
| Gonzalez, Leyra | 82248 | P5.2 | 10/01/15 | Contra Costa County |
| Gosney, Terri | 77838 | III | 10/01/15 | Contra Costa County |
| Greenwood, Robert | 82333 | P5.2 | 10/01/15 | Contra Costa County |

Key:

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

CERTIFICATION OF MEMBERSHIPS

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|-----------------------------|------------------------|-------------|------------------------|---------------------------|
| Grewats, Jennifer | 82183 | P5.2 | 10/01/15 | Contra Costa County |
| Grumbine, Kathryn | D3406 | P4.3 | 10/01/15 | Central Sanitary District |
| Guido, Daniel | 82329 | P5.2 | 10/01/15 | Contra Costa County |
| Hamilton, Christina | 76302 | III | 10/01/15 | Contra Costa County |
| Hart, Norman | 82296 | P5.2 | 10/01/15 | Contra Costa County |
| Hernandez, Arlette | 82173 | P5.2 | 10/01/15 | Contra Costa County |
| Hernandez, Blanca | 82390 | P5.2 | 10/01/15 | Contra Costa County |
| Holmes, Julie | 71216 | III | 10/01/15 | Contra Costa County |
| Irao, Ian | 82188 | P5.2 | 10/01/15 | Contra Costa County |
| Kammerer, Jessica | 82270 | P5.2 | 10/01/15 | Contra Costa County |
| Karnsouvang, Christina | 82326 | P5.2 | 10/01/15 | Contra Costa County |
| Kaur, Dilpreet | 81585 | P5.2 | 10/01/15 | Contra Costa County |
| Keith, Megan | 82247 | P5.2 | 10/01/15 | Contra Costa County |
| Kooy, Christopher | 82293 | P5.2 | 10/01/15 | Contra Costa County |
| Krieg, John | 82281 | P5.2 | 10/01/15 | Contra Costa County |
| Kumar, Tina | 82223 | P5.2 | 10/01/15 | Contra Costa County |
| Lagamon, Ramon | 82272 | P5.2 | 10/01/15 | Contra Costa County |
| Lee, Teddy | 82275 | P5.2 | 10/01/15 | Contra Costa County |
| Lewis, Mark | 82357 | P5.2 | 10/01/15 | Contra Costa County |
| Leyva, Erika | 71294 | P5.2 | 10/01/15 | Contra Costa County |
| Lim, Kristine | 82175 | P5.3 | 10/01/15 | Contra Costa County |
| Lopez, Clemente | 82177 | P5.2 | 10/01/15 | Contra Costa County |
| Ludwig, Lauren | 82341 | P5.2 | 10/01/15 | Contra Costa County |
| Lujano, Eva | 61038 | III | 10/01/15 | Contra Costa County |
| Mackay, Derek | 82205 | P5.2 | 10/01/15 | Contra Costa County |
| McGee, Ashley | 82240 | P5.2 | 10/01/15 | Contra Costa County |
| Melendez De Parada, Claudia | 82263 | P5.2 | 10/01/15 | Contra Costa County |
| Micael, Arielle | 82127 | P5.2 | 10/01/15 | Contra Costa County |
| Mills, Kevin | 82315 | P5.2 | 10/01/15 | Contra Costa County |
| Moreno, Erika | 82306 | P5.2 | 10/01/15 | Contra Costa County |
| Moss, James | 82236 | P5.2 | 10/01/15 | Contra Costa County |
| Najar-Ramirez, Yesenia | 73733 | III | 10/01/15 | Contra Costa County |
| Nava, Victoria | 82227 | P5.2 | 10/01/15 | Contra Costa County |
| Nicolau, Myra Jay | 82130 | P5.3 | 10/01/15 | Contra Costa County |
| Nowlin, Thomas | 82298 | P5.2 | 10/01/15 | Contra Costa County |
| Ortman, Lynda | 82187 | P5.2 | 10/01/15 | Contra Costa County |

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| | P5.3 = PEPRA Tier 5 (3% COLA) | S/E = Safety Tier E |

CERTIFICATION OF MEMBERSHIPS

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|------------------------|------------------------|-------------|------------------------|--------------------------------|
| Owens-Hoy, Teresa | 82239 | P5.2 | 10/01/15 | Contra Costa County |
| Pastor, Ivonne | 74216 | III | 10/01/15 | Contra Costa County |
| Pham, Phuong | 82178 | P5.3 | 10/01/15 | Contra Costa County |
| Ramirez Escobar, Rocio | 82182 | P5.2 | 10/01/15 | Contra Costa County |
| Ramos, Michele | 82314 | P5.2 | 10/01/15 | Contra Costa County |
| Randhawa, Sumeet | 81667 | P5.2 | 10/01/15 | Contra Costa County |
| Riley, Wendy | 82208 | P4.2 | 10/01/15 | CCC Fire Protection District |
| Rincon, Steven | 70518 | P5.2 | 10/01/15 | Contra Costa County |
| Rios, Javier | 82291 | P5.2 | 10/01/15 | Contra Costa County |
| Rocha, Marta | 82159 | P5.2 | 10/01/15 | Contra Costa County |
| Rodas, Melany | 78762 | P5.2 | 10/01/15 | Contra Costa County |
| Rupnow, Steven | 82255 | S/E | 10/01/15 | CCC Fire Protection District |
| Santos, Joejay | 82374 | P4.2 | 10/01/15 | CCC Fire Protection District |
| Scherbenske, Aaron | 68500 | III | 10/01/15 | Contra Costa County |
| Sierra, Tiara | 82252 | P5.2 | 10/01/15 | Contra Costa County |
| Stephenson, Tiffany | 82335 | P5.2 | 10/01/15 | Contra Costa County |
| Tarte, Shannon | 82233 | P5.2 | 10/01/15 | Contra Costa County |
| Taylor, Mary | 82264 | P5.2 | 10/01/15 | Contra Costa County |
| Taylor, Peter | 81779 | S/D | 10/01/15 | Contra Costa County |
| Thompson, Sonja | 82350 | P4.3 | 10/01/15 | Children & Families Commission |
| Tupou, Mele | 79596 | P5.2 | 10/01/15 | Contra Costa County |
| Tyler, Deborah | 66970 | III | 10/01/15 | Contra Costa County |
| Varney, Gail | 80299 | P5.2 | 10/01/15 | Contra Costa County |
| Veiluva, Mardi | 80999 | P5.2 | 10/01/15 | Contra Costa County |
| Venzon, Jessica | 82370 | P5.2 | 10/01/15 | Contra Costa County |
| Walker, Johna | 82241 | P5.2 | 10/01/15 | Contra Costa County |
| Webb, Carlos | 82229 | P5.2 | 10/01/15 | Contra Costa County |
| Webster, Katherine | D9500 | P5.3 | 10/01/15 | Superior Courts |
| Weston III, William | 82287 | P5.2 | 10/01/15 | Contra Costa County |
| Wiseman, Jennifer | 82271 | P5.2 | 10/01/15 | Contra Costa County |
| Yarnell, Tiffany | 82279 | P5.2 | 10/01/15 | Contra Costa County |
| Young, Daniel | 75195 | III | 10/01/15 | Contra Costa County |
| Zantua, Joel | 82288 | P5.2 | 10/01/15 | Contra Costa County |

Key:

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

TIER CHANGES

| <i>Name</i> | <i>Employee Number</i> | <i>Old Tier</i> | <i>New Tier</i> | <i>Effective Date</i> | <i>Employer</i> | <i>Reason for Change</i> |
|----------------------|------------------------|-----------------|-----------------|-----------------------|------------------------------|--------------------------|
| Knapp, Garrett | 81284 | S/E | S/A | 03/01/15 | CCC Fire Protection District | Reciprocity |
| Kwapnoski, Christine | 81483 | P5.2 | P4.3 | 10/01/15 | CCC Fire Protection District | Position Change |
| Schiess, Todd | 78410 | P5.2 | S/D | 10/01/15 | CCC Fire Protection District | Position Change |

Key:

| | | |
|-----------------------|--------------------------------------|----------------------------|
| I = Tier I | P4.2 = PEPRA Tier 4 (2% COLA) | S/A = Safety Tier A |
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ASSET ALLOCATION

Current Assets (Market Value)

\$7,347,278,000

Reporting Month End: October 31, 2015

Prepared By: Chih-Chi Chu

Robeco

Jackson Square Partners (fka Delaware)

Emerald Advisors

Intech (Core)

PIMCO Stocks+ Absolute Return

Ceredex

Total Domestic Equity

Pyrford (BMO)

William Blair

Total International Equity

JPMorgan Global Opportunities

First Eagle

Artisan Global Opportunities

Intech (Global Low Volatility)

Total Global Equity

Total Equity

AFL-CIO Housing Investment Trust

PIMCO Total Return

GSAM "Park" Portfolio

Goldman Sachs Asset Management

Lord Abbett

Torchlight Debt Opportunity Funds

Total Domestic Fixed Income

Lazard Asset Management

Total Global Fixed Income

Allianz Global Investors (fka Nicholas Applegate)

Total High Yield Fixed Income

Wellington Real Total Return

PIMCO All Asset

Private Real Asset

Total Real Asset

Total Real Estate

Total Alternative Investments

County Treasurer

State Street Bank

Total Cash & Equivalents

Total Market Opportunities

TOTAL ASSETS

Meeting Date

12/09/15

Agenda Item

#4e.

| A | B | C | D | C-B | D-A | Range |
|-------------|---------------|---------------|---------------|---------------|--------------|------------|
| % of Target | Target Assets | Market Value | Actual Assets | Over (Under) | Over (Under) | |
| 4.3% | 315,932,954 | 308,889,000 | 4.20% | (7,043,954) | (0.10%) | |
| 4.3% | 315,932,954 | 315,437,000 | 4.29% | (495,954) | (0.01%) | |
| 3.0% | 220,418,340 | 201,359,000 | 2.74% | (19,059,340) | (0.26%) | |
| 4.0% | 293,891,120 | 298,934,000 | 4.07% | 5,042,880 | 0.07% | |
| 4.0% | 293,891,120 | 262,745,000 | 3.58% | (31,146,120) | (0.42%) | |
| 3.0% | 220,418,340 | 212,464,000 | 2.89% | (7,954,340) | (0.11%) | |
| 22.6% | 1,660,484,828 | 1,599,828,000 | 21.77% | (60,656,828) | (0.83%) | |
| 5.3% | 389,405,734 | 375,768,000 | 5.11% | (13,637,734) | (0.19%) | |
| 5.3% | 389,405,734 | 378,291,000 | 5.15% | (11,114,734) | (0.15%) | |
| 10.6% | 778,811,468 | 754,059,000 | 10.26% | (24,752,468) | (0.34%) | |
| 4.0% | 293,891,120 | 276,758,000 | 3.77% | (17,133,120) | (0.23%) | |
| 4.0% | 293,891,120 | 293,923,000 | 4.00% | 31,880 | 0.00% | |
| 4.0% | 293,891,120 | 290,015,000 | 3.95% | (3,876,120) | (0.05%) | |
| 0.3% | 22,041,834 | 22,459,000 | 0.31% | 417,166 | 0.01% | |
| 12.3% | 903,715,194 | 883,155,000 | 12.02% | (20,560,194) | (0.28%) | |
| 45.5% | 3,343,011,490 | 3,237,042,000 | 44.06% | (105,969,490) | (1.44%) | 40% TO 55% |
| 3.3% | 242,460,174 | 243,870,000 | 3.32% | 1,409,826 | 0.02% | |
| 5.6% | 411,447,568 | 409,022,000 | 5.57% | (2,425,568) | (0.03%) | |
| 0.0% | 0 | 4,000 | 0.00% | 4,000 | 0.00% | |
| 4.6% | 337,974,788 | 338,824,000 | 4.61% | 849,212 | 0.01% | |
| 4.6% | 337,974,788 | 339,268,000 | 4.62% | 1,293,212 | 0.02% | |
| 1.9% | 139,598,282 | 126,401,000 | 1.72% | (13,197,282) | (0.18%) | |
| 20.0% | 1,469,455,600 | 1,457,389,000 | 19.84% | (12,066,600) | (0.16%) | |
| 4.0% | 293,891,120 | 292,140,000 | 3.98% | (1,751,120) | (0.02%) | |
| 24.0% | 1,763,346,720 | 1,749,529,000 | 23.81% | (13,817,720) | (0.19%) | 20% TO 30% |
| 5.0% | 367,363,900 | 353,261,000 | 4.81% | (14,102,900) | (0.19%) | |
| 5.0% | 367,363,900 | 353,261,000 | 4.81% | (14,102,900) | (0.19%) | 2% TO 9% |
| 0.8% | 55,104,585 | 194,994,000 | 2.65% | 139,889,415 | 1.90% | |
| 1.8% | 128,577,365 | 121,096,000 | 1.65% | (7,481,365) | (0.10%) | |
| 2.5% | 183,681,950 | 49,447,000 | 0.67% | (134,234,950) | (1.83%) | |
| 5.0% | 367,363,900 | 365,537,000 | 4.98% | (1,826,900) | (0.02%) | 0% TO 10% |
| 12.5% | 918,409,750 | 986,702,000 | 13.43% | 68,292,250 | 0.93% | 10% TO 16% |
| 7.0% | 514,309,460 | 579,061,000 | 7.88% | 64,751,540 | 0.88% | 5% TO 12% |
| | | - | 0.00% | | | |
| | | 35,509,000 | 0.48% | | | |
| 0.5% | 36,736,390 | 35,509,000 | 0.48% | (1,227,390) | (0.02%) | 0% TO 1% |
| 0.5% | 36,736,390 | 40,637,000 | 0.55% | 3,900,610 | 0.05% | 0% TO 5% |
| 100.0% | 7,347,278,000 | 7,347,278,000 | 100% | 0 | 0% | |

UNDER REVIEW:
Nogales Investors - Performance, Board Action 05/28/08

**Private Real Estate Alternative Investments
As of October 31, 2015**

| REAL ESTATE INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|---|----------------|--------------------|----------------|---------------------|------------------------|----------------------|----------------------|------------------|------------------------|
| DLJ Real Estate Capital Partners, L.P. II | 07/31/99 | 07/31/09 | 3rd 2 YR | LP | 6/30/2015 | 40,000,000 | 3,906,000 | 0.05% | |
| DLJ Real Estate Capital Partners, L.P. III | 06/30/05 | 06/30/14 | 1st 2 YR | GP | 6/30/2016 | 75,000,000 | 46,420,000 | 0.63% | 18,958,000 |
| DLJ Real Estate Capital Partners, L.P. IV | 12/31/07 | 09/30/16 | | | | 100,000,000 | 81,980,000 | 1.12% | 19,476,000 |
| DLJ Real Estate Capital Partners, L.P. V | 07/31/13 | 12/31/22 | | | | 75,000,000 | 38,352,000 | 0.52% | 54,002,000 |
| Hearthstone Partners II | 06/17/98 | 12/31/09 | | | | 6,250,000 | (32,000) | 0.00% | |
| Invesco IREF I | 10/22/03 | 04/30/11 | 3rd 1 YR | GP | 4/30/2014 | 50,000,000 | 5,625,000 | 0.08% | |
| Invesco IREF II | 05/30/07 | 12/31/15 | | | | 85,000,000 | 29,530,000 | 0.40% | |
| Invesco IREF III | 08/01/13 | 08/01/20 | | | | 35,000,000 | 22,478,000 | 0.31% | 20,305,000 |
| Invesco IREF IV | 12/01/14 | 12/01/21 | | | | 35,000,000 | 11,807,000 | 0.16% | 24,315,000 |
| Long Wharf FREG II | 07/18/03 | 02/28/12 | NOT DEF | LP | 12/31/2014 | 50,000,000 | 794,000 | 0.01% | |
| Long Wharf FREG III | 03/30/07 | 12/30/15 | | | | 75,000,000 | 18,801,000 | 0.26% | |
| Long Wharf FREG IV | 08/14/13 | 09/30/21 | | | | 25,000,000 | 21,353,000 | 0.29% | 115,000 |
| Oaktree Real Estate Opportunities Fund V | 12/15/11 | 12/31/16 | | | | 50,000,000 | 43,039,000 | 0.59% | |
| Oaktree Real Estate Opportunities Fund VI | 09/30/13 | 09/30/20 | | | | 80,000,000 | 97,443,000 | 1.33% | 5,682,000 |
| Oaktree Real Estate Opportunities Fund VII | 02/28/15 | 02/28/23 | | | | 65,000,000 | 0 | 0.00% | 65,000,000 |
| Siguler Guff Distressed Real Estate Opp. Fund | 12/31/11 | 12/31/16 | | | | 75,000,000 | 76,663,000 | 1.04% | 13,243,000 |
| Siguler Guff Distressed Real Estate Opp. Fund II | 08/31/13 | 08/31/13 | | | | 70,000,000 | 38,175,000 | 0.52% | 50,075,000 |
| Paulson Real Estate Fund II | 11/10/13 | 11/10/20 | | | | 20,000,000 | 18,772,000 | 0.26% | 5,800,000 |
| Angelo Gordon Realty Fund VIII | 12/31/11 | 12/31/18 | | | | 80,000,000 | 66,724,000 | 0.91% | 18,145,000 |
| Angelo Gordon Realty Fund IX | 10/10/14 | 10/10/22 | | | | 65,000,000 | 0 | 0.00% | 65,000,000 |
| LaSalle Income & Growth Fund VI | 01/31/12 | 01/31/19 | | | | 75,000,000 | 91,111,000 | 1.24% | 3,946,000 |
| Adelante Capital Management (REIT) | | | | | | 0 | 184,153,000 | 2.51% | |
| INVECO International REIT | | | | | | 0 | 79,608,000 | 1.08% | |
| Willows Office: \$10,774,100 *** | | | | | | 0 | 10,000,000 | 0.14% | |
| *** Purchase price \$10,600,000 plus acquisition cost and fees \$174,100. | | | | | | | | | |
| Outstanding Commitments | | | | | | 1,336,250,000 | 986,702,000 | 13.43% | 364,062,000 |
| Total | | | | | | 722,941,000 | 364,062,000 | | |
| | | | | | | | 1,350,764,000 | | |

| PRIVATE DEBT INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|--------------------------------------|----------------|--------------------|----------------|---------------------|------------------------|--------------------|--------------------|------------------|------------------------|
| Torchlight Debt Opportunity Fund II | 09/28/06 | 09/30/16 | | | | 128,000,000 | 60,447,000 | 0.82% | |
| Torchlight Debt Opportunity Fund III | 09/30/08 | 09/30/16 | | | | 75,000,000 | 10,291,000 | 0.14% | |
| Torchlight Debt Opportunity Fund IV | 08/01/12 | 08/30/20 | | | | 60,000,000 | 51,878,000 | 0.71% | 3,143,000 |
| Torchlight Debt Opportunity Fund V | 12/31/14 | 09/17/22 | | | | 75,000,000 | 3,785,000 | 0.05% | 71,250,000 |
| Outstanding Commitments | | | | | | 338,000,000 | 126,401,000 | 1.72% | 74,393,000 |
| Total | | | | | | | 74,393,000 | | |
| | | | | | | | 200,794,000 | | |

**Private Real Estate Alternative Investments
As of October 31, 2015**

| ALTERNATIVE INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|----------------------------------|----------------|--------------------|----------------|---------------------|------------------------|----------------------|--------------------|------------------|------------------------|
| Adams Street Partners | 12/22/95 | INDEFINITE | | | | 180,000,000 | 126,267,000 | 1.72% | 99,179,000 |
| Adams Street Secondary II | 12/31/08 | 12/31/20 | | | | 30,000,000 | 24,605,000 | 0.33% | 12,637,000 |
| Adams Street Secondary V | 10/31/12 | 10/31/22 | | | | 40,000,000 | 16,117,000 | 0.22% | 23,499,000 |
| Pathway | 11/09/98 | 05/31/21 | | | | 125,000,000 | 61,655,000 | 0.84% | 18,249,000 |
| Pathway 2008 | 12/26/08 | 12/26/23 | | | | 30,000,000 | 23,454,000 | 0.32% | 7,911,000 |
| Pathway 6 | 05/24/11 | 05/24/26 | | | | 40,000,000 | 25,432,000 | 0.35% | 17,330,000 |
| Pathway 7 | 02/07/13 | 02/07/28 | | | | 70,000,000 | 24,831,000 | 0.34% | 44,622,000 |
| Signer Gulf OCCERA Opportunities | 06/03/14 | 05/31/25 | | | | 200,000,000 | 38,155,000 | 0.52% | 162,579,000 |
| EIF USPF I | 11/08/02 | 11/08/12 | 3rd YR | LP | 11/08/15 | 30,000,000 | 821,000 | 0.01% | 0 |
| EIF USPF II | 06/15/05 | 06/15/15 | | | | 50,000,000 | 39,078,000 | 0.53% | 0 |
| EIF USPF III | 02/28/07 | 02/28/17 | | | | 65,000,000 | 56,875,000 | 0.77% | 0 |
| EIF USPF IV | 06/28/10 | 06/28/20 | | | | 50,000,000 | 51,181,000 | 0.70% | 3,978,000 |
| Nogales Investment | 02/15/04 | 02/15/14 | | | sold last inv. | 15,000,000 | | 0.00% | 0 |
| Bay Area Equity Fund | 06/14/04 | 01/15/13 | 1st 2 YR | LP | 1/15/2015 | 10,000,000 | 8,070,000 | 0.11% | 0 |
| Bay Area Equity Fund II | 2/29/09 | 12/31/17 | | | | 10,000,000 | 9,999,000 | 0.14% | 767,000 |
| Paladin III | 11/30/07 | 12/31/17 | | | | 25,000,000 | 19,449,000 | 0.26% | 0 |
| Carpenter Community BancFund | 01/31/08 | 01/31/16 | | | | 30,000,000 | 40,827,000 | 0.56% | 1,479,000 |
| Ocean Avenue Fund II | 06/11/14 | 05/31/24 | | | | 30,000,000 | 12,245,000 | 0.17% | 17,584,000 |
| Outstanding Commitments | | | | | | 1,030,000,000 | 579,061,000 | 7.88% | 409,814,000 |
| Total | | | | | | | 409,814,000 | | |
| | | | | | | | 988,875,000 | | |

Outstanding Commitments
Total

| MARKET OPPORTUNITIES | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|---|----------------|--------------------|----------------|---------------------|------------------------|--------------------|--------------------|------------------|------------------------|
| Oaktree Private Investment Fund 2009 | 02/28/10 | 01/31/17 | | | | 40,000,000 | 25,637,000 | 0.35% | 5,163,000 |
| Angelo Gordon Energy Credit Opportunities | 09/10/15 | 09/10/20 | | | | 75,000,000 | 15,000,000 | 0.20% | 60,000,000 |
| Outstanding Commitments | | | | | | 115,000,000 | 40,637,000 | 0.55% | 65,163,000 |
| Total | | | | | | | 65,163,000 | | |
| | | | | | | | 105,800,000 | | |

Outstanding Commitments
Total

| REAL ASSET INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|---|----------------|--------------------|----------------|---------------------|------------------------|--------------------|--------------------|------------------|------------------------|
| Commonfund Capital Natural Resources IX | 06/30/13 | 06/30/20 | | | | 50,000,000 | 18,600,000 | 0.25% | 31,500,000 |
| Aether III & III Surplus | 11/30/13 | 11/30/20 | | | | 75,000,000 | 30,847,000 | 0.42% | 44,034,000 |
| Outstanding Commitments | | | | | | 125,000,000 | 49,447,000 | 0.67% | 75,534,000 |
| Total | | | | | | | 75,534,000 | | |
| | | | | | | | 124,981,000 | | |

Outstanding Commitments
Total

Market value column is the latest ending quarter plus any additional capital calls after the ending quarter.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.

MEMORANDUM

Date: November 4, 2015

To: CCCERA Board of Retirement

From: Gail Strohl, Chief Executive Officer
Karen Levy, General Counsel
Wrally Dutkiewicz, Compliance Officer

Subject: Consider and Take Possible Action Regarding the Collection of Pension Overpayments from the County Due to Its Erroneous Reporting of Panel Management Pay As Pensionable Compensation.

Background

Panel Management Pay (PMP) refers to the delivery of primary care services through telephone and electronic communication with patients and other members of the medical team and the coordination of patient care including specialty care delivered at multiple locations. The duties required to implement the Panel Management care model were performed outside of a physician's traditional work schedule. In 2011, the Contra Costa County Health Services Department began to compensate those physicians who performed "Panel Management" duties by paying them one (1) hour and thirty (30) minutes of on-call pay for each day worked at the straight time rate (1.0) of the physician's base rate of pay. This Panel Management Pay was paid to physicians using the existing on-call pay earnings code D32 and pension contributions were collected on the PMP amounts paid.

Pursuant to Government Code §31461(a) and (b)(3) CCCERA staff reviewed the conditions and duties under which "Panel Management" on-call pay was paid to physicians and deemed that the pay was not pensionable compensation as the payments were for additional services rendered by physicians outside of normal working hours. Upon notification of this determination the County performed the following corrective actions for its active CCCERA membership:

- Adopted Resolution No. 2013/372 on 9/24/2013 to ratify prior PMP payments and establish a designated form of pay to replace the use of the D32 on-call pay code;
- Refunded pension contributions collected on behalf of its active members who received PMP payments for the period 2011 through 2013 and issued corrected W2C for the 2011 and 2012 tax years. The 2013 contributions were refunded and then reported wages adjusted for 2013 W2 tax form reporting;

- Provided CCCERA with the County’s correction files including copies of the payment warrants issued to all affected active members who received PMP pay.

In order to assist the County in correcting its error in reporting PMP under earn code D32, it was deemed necessary for CCCERA to refund the interest that had accrued on the contributions collected on the PMP payments to active membership. Staff prepared an analysis and calculated the appropriate interest refund amounts for each member. The refund disbursements to PMP payment recipients were completed by October 2014.

Pension Overpayments Attributed to the Inclusion of PMP in FAS

During the review of the data that had been provided by the County there were five (5) retired members that were identified that had received PMP payments coded as D32 during their service which, at the time of their retirement, had been included in their final average salary (FAS) for pension calculation purposes.

Staff reviewed each of the five (5) pension calculations to determine what each retiree’s adjusted prospective pension would be with the exclusion of the PMP payments in FAS and, to what extent an overpayment had been made. Once these calculations had been finalized there were four (4) retirees identified as having overpayments. Each of the retirees were notified via letters dated August 7th, 2015.

The following pension overpayments, net of contributions plus interest, were calculated as having been paid to the retirees:

\$ 35,821.66
29,969.58
27,763.22
16,495.73
\$ 110,050.19

Recommendation

With respect to the overpayments paid to retirees that were attributed to the erroneous coding of Panel Management Pay as a pensionable compensation item by the County, it is recommended that the Board directs staff to seek from the County the amount of \$110,050.19 representing the amount of overpayment paid to four retirees and that staff is directed to return with an update about the resolution of this issue vis-à-vis the County. This would be consistent with Internal Revenue Service correction programs which provide that an appropriate correction method may include having the employer contribute the amount of overpayment with appropriate interest to the plan in lieu of seeking recoupment from plan participants and beneficiaries. Rev. Proc. 2015-27, Sec. 3.02(3). Compliance with IRS corrections provisions would protect the tax-qualified status of the plan.

| BOR Memo – Panel Management Pay (PMP) Corrections – Background Documents | | |
|--|-----|--|
| Attachment | 1. | MOU Between Contra Costa County and Physicians’ and Dentists’ Organization of Contra Costa (PDOCC) – October 1, 2005 – September 30, 2008, pgs. 30-34 |
| | 2. | MOU Between Contra Costa County and Physicians’ and Dentists’ Organization of Contra Costa (PDOCC) – October 1, 2008 – October 31, 2016, pgs. 17,24-25 |
| | 3. | Email Dated 9/18/2013 from Elizabeth Verigin, Contra Costa County Assistant Auditor Controller to Marilyn Leedom, CCCERA CEO re: Panel Management Pay Final Resolution (Attached) |
| | 4. | Letter from Robert Campbell, Contra Costa County Auditor Controller dated 9/26/2013 re: Retirement Determination for New Pay Code |
| | 5. | Letter from Marilyn Leedom, CCCERA CEO to Robert Campbell, Contra Costa County Auditor Controller dated 10/14/2013 re: Retirement Compensable Determinations of New Pay Codes |
| | 6. | Email from Haj Nahal, Contra Costa County Assistant Auditor Control to Kurt Schneider, CCCERA Deputy CEO dated 12/29/2013 re: Panel Management Pay – Terminated/Retirees List |
| | 7. | Email from Kurt Schneider, CCCERA Deputy CEO to Karen Davis, Retirement Benefits Coordinator dated 2/3/2014 re: Panel Management Pay Corrections |
| | 8. | Email from Wrally Dutkiewicz, CCCERA Compliance Officer to Haj Nahal, Contra Costa County Assistant Auditor Controller dated 6/17/2014 re: Panel Management – Terms/Retirees requesting documentation follow up with response attached dated 6/18/2014 |
| | 9. | Email from Kurt Schneider, CCCERA Deputy CEO to Robert Campbell, Contra Costa County Auditor Controller and Marie Rulloda, Contra Costa County Chief Accountant dated 6/29/2014 re: Prepayment True Up and Panel Management Pay Adjustments |
| | 10. | Letter from Kurt Schneider, CCCERA Deputy CEO to Marie Rulloda, Contra Costa County Chief Accountant dated 9/4/2014 re: Prepayment True Up and Panel Management Adjustments |
| | 11. | Copy of Contra Costa County Warrant Listing Report dated 3/25/2014 evidencing Panel Management Pay contribution refunds to active members |
| | 12. | Roster Panel Management Pay – Interest on Contributions Adjustments Completed - |
| | 13. | CCCERA Policy Governing the Overpayment or Underpayment of Member Benefits 12/10/2014 |
| | 14. | Letters from Kurt Schneider, CCCERA Deputy CEO to Retirees dated 8/7/2015 re: Panel Management Pay Adjustments and Pension Overpayments |

Attachment #1

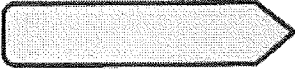
MEMORANDUM OF UNDERSTANDING
BETWEEN
CONTRA COSTA COUNTY
AND
PHYSICIANS' AND DENTISTS'
ORGANIZATION
OF
CONTRA COSTA



OCTOBER 1, 2005 – SEPTEMBER 30, 2008

SECTION 6 - DAYS AND HOURS OF WORK

- A. Administrative Time. The basic physician and dentist schedule, excluding Registrars and physicians assigned primarily to the Emergency Department, for a forty (40) hour position will consist of thirty-six (36) hours of direct patient care, and four (4) hours of administrative time. This administrative time shall be prorated for all employees working in a twenty (20) hour or greater position according to the following schedule. The nature of the administrative time shall be decided by the appropriate Department Head.



| <u>Total Hours per Week</u> | <u>Average Admin. Hours per Week</u> |
|-----------------------------|--------------------------------------|
| 36 - 40 | 4 |
| 28 - 35 | 3 |
| 20 - 27 | 2 |

Twenty percent (20%) of the administrative time per ten week cycle will be "at risk" to fill in for unscheduled absences and/or for any absences for short notice clinics, small clinics with two or fewer providers, the detention facilities, or at the discretion of the Department Head, to other clinics as necessary to allow for maximum latitude in approving leave requests. "At risk" administrative time will be scheduled in four (4) hour blocks. In addition, all Registrars with appropriate medical skills, the Department Head and Division Heads of the Department of Family Medicine, and the Residency Director, shall be "at risk" for six (6) four-hour blocks of time per calendar year to fill in for absences as described in this paragraph. Registrar eligibility and scheduling shall be coordinated between the

SECTION 6 - DAYS AND HOURS OF WORK

head of the appropriate department and the head of the Department of Family Medicine. The decision of the appointing authority or designee regarding eligibility and scheduling of "at risk" blocks shall be final. On call time may be scheduled instead of "direct patient care" with the employee's approval at a ratio of four (4) hours of on call time to one (1) hour of "direct patient care" time.

- B. Administrative Time – Emergency Department. The basic schedule for full time physicians assigned primarily to the Emergency Department will consist of thirty two (32) hours of direct patient care, four (4) hours of administrative time and four (4) hours of time in lieu of "Back Up" coverage. Administrative time and "Back Up" coverage time, for part time physicians assigned primarily to the Emergency Department is as follows:

| <u>Position Hrs/Week</u> | <u>Admin. Hrs/Week</u> | <u>Back-Up Hrs/Week</u> |
|------------------------------|----------------------------|-----------------------------|
| 40 | 4 | 4 |
| 34-39 | 3 | 3 |
| 38-33 | 2 | 2 |
| <28 | 0 | 0 |

The nature of the administrative time will be determined by the appointing authority or designee.

Physicians assigned primarily to the Emergency Department will be assigned to provide "back-up coverage" for physicians who are unable to work

SECTION 6 - DAYS AND HOURS OF WORK

their assigned Emergency Department shifts due to unplanned absences. The "back-up coverage" schedule will be developed and administered by the Appointing Authority or designee. All physicians who receive Emergency Department Administrative hours are required to provide "back-up coverage" when assigned. Time worked as "back-up coverage" will be paid at the rate set forth in Section 6.6 - Emergency Pay, for the shift worked.

"Back-up coverage" shall be assigned among individual physicians as a ratio of their individual hours assigned to the Emergency Department divided by the total physician hours assigned to the Emergency Department.

C.

Administrative Time – Family Practice. Physicians who are scheduled to work an average of six (6) or more Family Practice Clinics per week may request, in writing, additional administrative time such that their average total amount of administrative time weekly equals one hour for every Family Practice Clinic scheduled. No other clinic assignments qualify for this formula. Physicians choosing this option agree that this formula for administrative time in 6.1C supplants the formula in 6.1A for administrative time and also agree not to reduce their scheduled number of Family Practice clinics while exercising this option. Schedule changes will be implemented within ninety (90) days of receipt and approval of the physician's written request.



SECTION 6 - DAYS AND HOURS OF WORK

Physicians who are scheduled to work an average of 5.5 or more "qualifying clinics" per week may request, in writing, the following adjustments in their schedules based upon their years of service as a County employee:

On or after the completion of twelve (12) years of County service in a permanent status, "at risk" Administrative Time as described in Section 6.1.A may be reduced from twenty percent (20%) to zero percent (0%).

Physicians who are scheduled to work an average of seven (7) or more "qualifying clinics" per week may request, in writing, the following adjustments in their schedules based upon their years of service as a County employee:

On or after the completion of fifteen (15) years of County service in a permanent status, Staff Development Time as described in Section 6.1.F may be increased to the following total weekly hours:

| <u>Position</u> <u>Hours per Week</u> | <u>Staff Development</u> <u>Hours Per Week</u> |
|--|---|
| 36-40 | 8 |
| 28-35 | 4 |
| 24-27 | 3 |

On or after the completion of twenty (20) years of County service in a permanent status, an average of four (4) hours of Staff Development

SECTION 6 - DAYS AND HOURS OF WORK

time per week may be converted to administrative time that is not "at risk".

"Qualifying clinics" are Family Practice Clinics, Scheduled Short Notice Clinics, Float Time (i.e., time in physician's schedule designated to cover primary care responsibilities), HIV, Older Adults, Vietnamese and Laotian Clinics. When granted, schedule changes will be effective within ninety (90) days after receipt of the written request by the appointing authority or his designee.

- D. Administrative Time – Dental Clinics. Dentists who are scheduled to work an average of six (6) or more dental clinics per week may request, in writing, the following adjustments in their schedules based upon their years of service as a County employee:

On or after the completion of twelve (12) years of County service in a permanent status, "at risk" Administrative Time as described in Section 6.1.A may be reduced from twenty percent (20%) to zero percent (0%).

On or after the completion of fifteen (15) years of County service in a permanent status, Staff Development time may be allowed in accordance with Section 6.1.F as follows:

| <u>Position</u> | <u>Staff Development</u> |
|-----------------------|--------------------------|
| <u>Hours per Week</u> | <u>Hours Per Week</u> |
| 36-40 | 8 |
| 28-35 | 4 |

Attachment #2

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CONTRA COSTA COUNTY
AND
PHYSICIANS' AND DENTISTS' ORGANIZATION
OF
CONTRA COSTA**



OCTOBER 1, 2008 – OCTOBER 31, 2016

SECTION 6 - DAYS AND HOURS OF WORK

- D. The County shall defend, indemnify, and hold PDOCC harmless against any legal claims filed in any forum against PDOCC by EPs who are members of PDOCC that challenge whether PDOCC has legal authority to agree to a Memorandum of Understanding that requires EPs to reassign to the County their EHR incentive payments from the EHR Incentive Program pursuant to the HITECH Act. This provision will expire when the EHR Incentive Program ends in 2021. This provision 5.16.D. is not subject to the grievance procedure.
- E. Except as indicated in D., above, any disputes concerning the application and/or interpretation of section 5.16 shall be resolved through the grievance procedure of this MOU.

SECTION 6 - DAYS AND HOURS OF WORK



6.1 Work Week Defined. The work week for employees, except Residents, is five (5) eight-hour days, or a total of forty (40) hours, between 12:01 a.m. on Sunday and 12:00 midnight on Saturday. However, when operational requirements require deviations from the usual pattern of five eight-hour days, an employee may be scheduled otherwise to meet operational requirements.

6.2 Employee Physicians on Weekly Schedules. Permanent full time and part time employee physicians (hereafter "physicians") on weekly work schedules will be scheduled to work their designated position hours each week. Any hours worked by a physician on a weekly work schedule in excess of the physician's daily scheduled hours will be paid at the rate of 1.0 times his/her base rate of pay (not including differentials) for all hours worked, except when the physician is paid one or more of the following differential pays under the stated conditions:

- A. Weekend Rounds Differential (D20). A physician is eligible for this differential when the physician works rounds at the hospital between the hours of 5:00p.m. on Friday and 8:00a.m. on Monday in excess of the physician's designated weekly position hours. This differential is paid at the rate of 1.0 times his/her base rate of pay (not including differentials) plus \$42 per hour, with a minimum pay of three (3) hours. However, only a single three (3) hour minimum will be allowed for each 24 hour period.
- B. Holiday Rounds Differential (D23). A physician is eligible for this differential when the physician works rounds at the hospital on a holiday observed by the County in excess of the physician's designated weekly position hours. This differential is paid at the rate of 1.0 times his/her base rate of pay (not including differentials) plus \$42 per hour, with a minimum pay of three (3) hours. However, only a single three (3) hour minimum will be allowed for each 24 hour period.
- C. Physician On-Call OBGYN In-House Differential (D39). This differential is paid at the rate of 1.0 times his/her base rate of pay (not including differentials) plus \$10 per hour. A physician is eligible for this differential when the physician stays at the hospital and is on call for OBGYN duties under any one of the following conditions:

SECTION 6 - DAYS AND HOURS OF WORK

6.9 Emergency Room Pay. A physician working in the Emergency Room will be paid the following differentials in addition to his/her regular base pay:

| | | |
|-------------------|------------------------|---------------|
| Monday – Thursday | 7:00 a.m. - 11:00 p.m. | \$14 per hour |
| Friday | 7:00 a.m. - 7:00 p.m. | \$14 per hour |
| Monday – Thursday | 11:00 p.m. - 7:00 a.m. | \$42 per hour |
| Fri., Sat., Sun. | 7:00 p.m. - 7:00 a.m. | \$56 per hour |
| Saturday, Sunday | 7:00 a.m. - 7:00 p.m. | \$28 per hour |

Holidays will be paid as weekends. New Year's Eve and Christmas Eve will be paid as week-ends, beginning at 7:00 p.m.

A physician working in the Emergency Room in addition to his/her regular basic schedule, will be paid at the hourly equivalent of his/her base pay plus the appropriate differential.

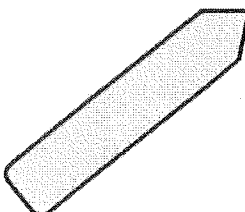
6.10 Panel Management Compensation. In recognition of the panel management duties performed in excess of an employee's designated position hours, permanent full-time and part-time employees in the classification of Exempt Medical Staff Physicians (VPW9) are eligible to receive a panel management differential at the straight time rate (1.0) of the employee's base rate of pay for one (1) hour and thirty (30) minutes for each day worked subject to the following criteria:

- A. Saturday, Sunday, observed and worked holidays, and hours in a paid status due to the use of accruals are not considered as days worked and are excluded from Panel Management Compensation. Exceptions to this specific criteria are regularly scheduled qualifying clinics performed for system needs that fall on Saturday subject to the approval of the Director of Health Services or his/her designee.
- B. Panel Management duties are performed in excess of the physician's weekly or monthly schedule and include updating and reviewing medical records, preparing correspondence, communicating with patients and care team members by telephone and electronically, prescription management, and other related duties associated with panel management care.
- C. The physician must work at the same Contra Costa County Health Center location for a quarterly average of eighteen (18) hours or more per week in a primary care clinic defined as a "Qualifying Clinic" below.
- D. A maximum of four (4) hours per week worked in a Prenatal Clinic can count towards meeting the quarterly average of eighteen (18) hours or more per week.
- E. Physicians assigned a schedule that includes "short notice float hours" will have those "short notice float hours" worked at any health center location counted towards meeting the quarterly average of eighteen (18) hours or more per week.
- F. Physicians must be available for automatic panel assignment and all clinic hours that qualify for panel management compensation must be used in calculating adjusted primary care panel sizes for the purposes of assigning patients to primary care provider panels.

SECTION 7 - HOLIDAYS

G. Final determination of whether a physician's schedule qualifies for the Panel Management Compensation differential is at the discretion of the Director of Health Services or his/her designee.

H. The following are considered Qualifying Clinics for Panel Management Compensation:

- 
1. Family Medicine
 2. Pediatric
 3. Adult Medicine
 4. Prenatal Clinic (up to 4 hours as described in D., above)
 5. Positive Health Clinic
 6. Language-Specific Clinics
 7. Family Medicine Clinic Resident Precepting
 8. Prenatal Group
 9. Diabetes Group
 10. Active Healthy Families' Group
 11. Well Baby Group

6.11 Time Stamping. Permanent Intermittent (hourly) employees must time stamp in and out as they begin and end their work shifts and take meal periods. Permanent full-time and part-time employees on a weekly schedule must report time off and time worked for special pays on the electronic timecard. Permanent full-time and part-time employees on a monthly schedule must report start and end times on each day worked, time off, and time worked for special pays on the electronic timecard.

6.12 Time Reporting and Pay Practices Waiver. PDOCC agrees to the implementation of an Automated Timekeeping System. PDOCC waives its right to meet and confer regarding any impacts that may result from the County's implementation of an automated timekeeping system, including but not limited to, changes to current departmental time reporting and pay practices. PDOCC agrees to convert from the current payroll cycle when the County is able to upgrade the current payroll system or implement a new County payroll system.

SECTION 7 - HOLIDAYS

7.1 Holidays Observed. The County will observe the following holidays:

- A. January 1st, known as New Year's Day
Third Monday in January known as Dr. M. L. 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 day after Thanksgiving
December 25th, known as Christmas Day

Attachment #3

From: Elizabeth Verigin
Sent: Wednesday, September 18, 2013 9:47 AM
To: Marilyn Leedom
Attachments: Panel Management Final Res.pdf

Attached is the document. Note it is for in excess of employee's position hours, which is in excess of scheduled hours.



To: Board of Supervisors
From: Ted Cwiek
Date: September 24, 2013

Contra
Costa
County

Subject: Panel Management Pay for Physicians in Specified Clinics

RECOMMENDATION(S):

ADOPT Resolution No. 2013/372 to allow Exempt Medical Staff Physicians employed by Contra Costa County in the Health Services Department to receive Panel Management Pay for panel management duties as described below and RATIFY prior payments for this purpose as Panel Management Pay. To the extent that employees previously received payments for performing panel management duties, no recoupment is required.

FISCAL IMPACT:

The implementation of this recommendation will not create any fiscal impact to the County. Physicians already receive an equivalent amount for these services.

BACKGROUND:

Recently, there have been many changes to how health care services are provided to patients in the United States and specifically at the Contra Costa County Health Centers. Although those changes partially are driven by the federal Affordable Care Act, they also represent the outcome of a continual effort to provide more effective medical care, develop patient-centered medical homes, and provide primary care services to patients that are more comprehensive.

In the old model

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: 09/24/2013 APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES 5 NOES _____

ABSENT _____ ABSTAIN _____

RECUSE _____

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 24, 2013

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Dorothy Sansoe,
925-335-1009

By: Chris Heck, Deputy

BACKGROUND: (CONT'D)

of health care, physicians provided primary care services mainly through direct patient contact during a medical visit. In the new model of health care, primary care services are delivered throughout the year through telephone and electronic communications with the patient and with other members of the medical home team, and by coordinating all aspects of patient care including specialty care and care delivered at multiple locations . This new model of health care often is referred to as “panel management.”

The duties required to implement the new panel management model often are performed outside of a physician’s traditional work schedule. In 2011, the Health Services Department began to compensate those physicians who performed the new panel management duties by paying them one (1) hour and thirty (30) minutes of on-call pay for each day worked at the straight time rate (1.0) of the physician’s base rate of pay.

The proposed action before the Board would establish a designated form of pay for panel management duties to replace the current use of on-call pay and would authorize the County to pay the new Panel Management Pay differential to those physicians performing panel management duties under the criteria set forth in the resolution.

CONSEQUENCE OF NEGATIVE ACTION:

If the recommended action is not implemented, staff in the specified clinics will not be appropriately compensated for their time. This could adversely impact recruitment and retention in these vital clinics.

CHILDREN'S IMPACT STATEMENT:

Not Applicable.

Attachment #4

Office of the Auditor-Controller
Contra Costa County

REC'D OCT 01 2013

Robert R. Campbell
Auditor-Controller



Elizabeth A. Verigin
Assistant Auditor-Controller

625 Court Street
Martinez, California 94553-1282
Phone (925) 646-2181
Fax (925) 646-2649

September 26, 2013

Kurt Schneider, Deputy Chief Executive Officer
CCCERA
1355 Willow Way Suite 221
Concord, CA 94518

Re: Retirement Determination for New Pay Code

Dear Mr. Schneider,

The Contra Costa County Board of Supervisors approved Resolution 2013/372 on September 24, 2013 which allows Exempt Medical Staff Physicians to receive Panel Management Pay. Our office will need to establish a new pay code as result of this action. Attached is a copy of the Resolution and the Board of Supervisors approval.

We are requesting the Contra Costa County Employees' Retirement Association (CCCERA) review the attached language and provide a written response with a determination of whether this new pay item is to be established as Retirement Compensable earnings or Non Retirement Compensable earnings.

If you have any questions regarding this request, please contact Harjit Nahal (Haj), Assistant Auditor Controller, at (925) 646-2660 or Michelle Johnston, Accountant III, at (925) 646-2167.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Campbell", with a long horizontal line extending to the right.

Robert Campbell
Auditor-Controller
By Harjit S. Nahal
Assistant Auditor Controller

c: Tanya Stulken Duarte, Payroll Systems Administrator

Attachment #5



October 14, 2013

Robert Campbell
Auditor-Controller
625 Court Street
Martinez, CA 94518

Dear Mr. Campbell:

This letter is in response to your request for a determination as to whether the following three new County pay codes are retirement compensable.

- Sheriff Law Enforcement Longevity Differential
(20 years of sworn County service, 2%)
- Executive Assistant to the County Administrator Differential
(while performing work on special project assignments, 5%)
- Panel Management Pay
(1.5 hours of straight time pay for each day worked)

Please note that the statutes and CCCERA Board policies governing retirement compensable pay are different for "classic/legacy" members and for PEPRA members. In accordance with these statutes and policies, we find as follows:

Sheriff Law Enforcement Longevity Differential

Legacy Members: Included* in Compensation Earnable.

PEPRA Members: Excluded from Pensionable Compensation, since it is in excess of base pay. On September 4, 2013, after consideration and analysis of all pay items beyond base pay, the CCCERA Board determined that no pay items beyond base pay will be used in the calculation of the retirement benefit for members covered by the PEPRA benefit formulas, and that all employers should continue to report to CCCERA as pensionable, and collect contributions, on base pay only.

Executive Assistant to the County Administrator Differential

Legacy Members: Included* as "compensation earnable" so long as it is for hours worked within the normally scheduled or regular working hours (i.e., not paid for overtime work). The resolution does not make it clear whether the additional pay is being paid because the special projects require additional skill, additional time, etc., or some combination of factors.

PEPRA Members: Excluded from Pensionable Compensation, since it is in excess of base pay.

October 14, 2013
Robert Campbell
Page 2

Panel Management Pay

Legacy Members: Excluded from Compensation Earnable, since it is paid for overtime work.

PEPRA Members: Excluded from Pensionable Compensation, since it is paid for overtime work, and it is in excess of base pay.

***IMPORTANT NOTE REGARDING INCLUDED PAY ITEMS:** CCCERA's general determination as to the "pensionability" of pay items for Legacy members is without prejudice to its rights under law to determine at any time that any included pay item or any portion thereof should be *excluded* from a particular member's calculation for reasons including, but not limited to, that it was paid to enhance the member's retirement benefit (*see* Government Code Section 31461(b)(1)).

Finally, please note that this advisory reflects our understanding of current law and the Board's current policies. This issue has not been placed before the Board for specific action, and the Board may come to a different conclusion, based on matters that may be presented to the Board for its consideration.

If you have any further questions, please do not hesitate to contact me.

Sincerely,



Marilyn Leedom
Retirement Chief Executive Officer

Cc: Harjit S. Nahal
Tanya Stulken Duarte

Attachment #6

Wrally Dutkiewicz

From: Kurt Schneider
Sent: Monday, December 30, 2013 8:28 AM
To: Wrally Dutkiewicz
Subject: FW: Panel Mgmt Pay - terms/retirees
Attachments: Panel Mgmt Pay List - CCCERA.xlsx

Follow Up Flag: Follow up
Flag Status: Completed

From: Haj Nahal [Haj.Nahal@ac.cccounty.us]
Sent: Sunday, December 29, 2013 1:27 PM
To: Kurt Schneider
Subject: Panel Mgmt Pay - terms/retirees

Kurt

Attached is list of employees that Health Services has provided us requiring adjustments to panel mgmt. pay. There are 14 employees that have either retired or terminated – please let me know how your office would like corrections for these former employees handled.

The active employees we will issue corrections through either Payroll (for 2013) or through Accounts payable (2012-2011 corrections). Our goal is to have 2013 corrections generated by off-cycle this up coming week.

Harjit S. Nahal (Haj)
Assistant Auditor-Controller
Phone: (925) 646-2660
Fax: (925) 646-2480

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Attachment #7

Wrally Dutkiewicz

From: Kurt Schneider
Sent: Monday, February 03, 2014 10:35 AM
To: Karen Davis; Jessica Huffman; Wrally Dutkiewicz
Subject: Panel Management Pay Corrections
Attachments: Panel Mgmt Pay 2013 Corrections to CCCERA.XLSX

Follow Up Flag: Follow up
Flag Status: Flagged

The attached spreadsheet is the one Haj sent me last week with all the corrections for 2013. I also received paper copies of the checks they issued to these people. They are still working on 2011 and 2012 corrections, but we should receive those shortly.

Thanks

Kurt

Attachment #8

Wrally Dutkiewicz

From: Haj Nahal <Haj.Nahal@ac.cccounty.us>
Sent: Wednesday, June 18, 2014 9:31 AM
To: Wrally Dutkiewicz
Subject: RE: Panel Management - Terms/Retirees
Attachments: Panel Mgmt Pay 2011 Corrections to CCCERA.xlsx; Panel Mgmt Pay 2012 Corrections to CCCERA.xlsx

Wally

Actually this may be quicker attached are excel files for the 2011 and 2012 corrections. The amounts listed in Column AB of each spreadsheet should reflect refunds issued to employees

For those marked No Refund - Info to CCCERA those were the ones we were directed not to refund but to instead provide your office information. I'll make sure all supporting documents are sent to.

Harjit S. Nahal (Haj)
Assistant Auditor-Controller

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From: Wrally Dutkiewicz [mailto:WDutkiewicz@ret.cccounty.us]
Sent: Tuesday, June 17, 2014 5:20 PM
To: Haj Nahal
Subject: Panel Management - Terms/Retirees

Haj,

Just doing a quick follow-up on the 2011 & 2012 Final Adjustments. I don't think that we have received them yet to follow through on our side. Can you send me an update or the details for the adjustments?

Thanks in advance.

Wrally Dutkiewicz CFE
Retirement Compliance Officer



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Attachment #9

Wrally Dutkiewicz

From: Kurt Schneider
Sent: Tuesday, July 29, 2014 11:45 AM
To: 'mrull@ac.cccounty.us'; 'Bcamp@ac.cccounty.us'; 'Haj Nahal (Haj.Nahal@ac.cccounty.us)'
Cc: Vickie Kaplan; Wrally Dutkiewicz
Subject: Prepayment true-up and panel management pay adjustments
Attachments: True-Up CONTRA COSTA CO 13-14 Draft.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Marie and Bob,

Attached is a draft letter regarding the annual true-up. This is how we propose making the adjustments for the panel management pay corrections. We are basically giving the County credit towards future contributions rather than refunding any money to the County.

The way we did it was ignore all the 2013 adjustments, since those were made through payroll in 2013. We are only looking at the 2011 and 2012 adjustments. For the member contributions we are crediting the County with contributions only, since the County paid only contributions (not interest). For the employer contribution adjustments we are crediting the County with contributions and interest.

All the members are listed along with employee numbers, so you know which department to credit. Some people show zero adjustments. This is because they only had adjustments in 2013. They are only listed on the attachment for completeness.

Let me know if you have any questions.

Thanks

Kurt Schneider
Deputy Chief Executive Officer
Contra Costa County Employees' Retirement Association
(925) 521-3960

Attachment #10

CONTRA
COSTA
COUNTY
Employees' Retirement Association

CCCERA

September 4, 2014

Marie Rulloda
Contra Costa County
625 Court Street, 1st Floor
Martinez, CA 94553

Dear Marie:

In fulfillment of the agreement between Contra Costa County and CCCERA, we are providing you with a "true-up" for the prepayment of Fiscal Year 2013-2014 employer contributions.

The true-up is calculated by comparing your prepayment, before applying the discount factor, which includes any overpayment from 2012-2013, to your contribution on actual payroll. The difference is adjusted with interest through July 31, 2014. This results in a total credit of \$4,055,240.82 to be applied toward Fiscal Year 2014-15.

| | |
|---|------------------------|
| Prepayment | \$ 176,000,000.00 |
| Adjusted Prepayment (w/o discount) | 183,333,333.34 |
| Contribution (due on actual payroll) | 180,142,031.13 |
| Excess 415 Benefit Amount – See Attachment 1 | <u>(314,091.85)</u> |
| Net Contribution (due on actual payroll) | 179,827,939.28 |
| Overpayment (Adjusted Prepayment less Net Contribution) | 3,505,394.06 |
| Interest Factor | <u>1.0344</u> |
| Overpayment for FY 2013-2014 | \$ 3,625,979.62 |
| Panel Management Pay Adjustment – See Attachment 2 | <u>429,261.20</u> |
| Adjusted Overpayment for FY 2013-2014 | <u>\$ 4,055,240.82</u> |

If you have any questions, please don't hesitate to contact me.

Sincerely,



Kurt Schneider
Deputy Retirement Chief Executive Officer
KSchneider@ret.cccounty.us

Cc: Robert Campbell, Auditor-Controller

Attachment 1
415(m) Benefit Payments
Contra Costa County

| <i>Last Name</i> | <i>First Name</i> | <i>Tier</i> | <i>Unit</i> | <i>9/1/2013</i> | <i>10/1/2013</i> | <i>11/1/2013</i> | <i>12/1/2013</i> | <i>Total</i> |
|------------------|-------------------|-------------|-------------|-----------------|------------------|------------------|------------------|-------------------|
| | | 1 | CCC | - | 1,026.04 | 16,425.85 | 16,425.85 | 33,877.74 |
| | | 1 | CCC | - | - | 9,386.05 | 10,912.86 | 20,298.91 |
| | | 1 | CCC | - | 8,680.59 | 15,625.68 | 15,625.68 | 39,931.95 |
| | | 1 | CCC | 11,953.53 | 11,953.53 | 11,953.53 | 11,953.53 | 47,814.12 |
| | | 3 | CCC | 15,778.73 | 15,778.73 | 15,778.73 | 15,778.73 | 63,114.92 |
| | | SAFETY | CCC | - | - | 1,260.13 | 19,456.60 | 20,716.73 |
| | | 3 | CCC | - | - | - | 9,250.97 | 9,250.97 |
| | | 3 | CCC | - | - | 13,981.90 | 17,029.39 | 31,011.29 |
| | | 1 | CCC | - | - | - | 560.96 | 560.96 |
| | | 1 | CCC | - | - | - | 3,390.45 | 3,390.45 |
| | | 3 | CCC | - | - | 14,421.90 | 15,240.30 | 29,662.20 |
| | | 3 | CCC | - | - | 115.29 | 14,346.32 | 14,461.61 |
| | | | | | | | | 314,091.85 |

SOURCE: Letters from Jessica Huffman to Contra Costa County (Bob Campbell) dated July 29, 2013 and August 13, 2013.

**Attachment 2
Panel Management Pay Adjustment**

| Name | Emp. No. | Employer Overpayments (Discounted at 0.960) | | |
|------|----------|---|----------|-----------|
| | | 2011 | 2012 | Total |
| | | | 7,866.05 | 7,866.05 |
| | | | 1,596.30 | 1,596.30 |
| | | 3,172.30 | 6,858.98 | 10,031.28 |
| | | 602.33 | 7,698.93 | 8,301.26 |
| | | 389.89 | 6,457.53 | 6,847.42 |
| | | | | 0.00 |
| | | | | 0.00 |
| | | | 5,484.84 | 5,484.84 |
| | | 965.05 | 7,384.80 | 8,349.85 |
| | | 2,799.84 | 7,756.69 | 10,556.53 |
| | | 2,112.63 | 6,220.86 | 8,333.49 |
| | | 513.72 | | 513.72 |
| | | 2,541.03 | 7,392.16 | 9,933.19 |
| | | 2,782.05 | 3,503.91 | 6,285.96 |
| | | | | 0.00 |
| | | 2,378.31 | 6,102.78 | 8,481.09 |
| | | 2,086.53 | 5,982.80 | 8,069.33 |
| | | 2,343.26 | 6,003.79 | 8,347.05 |
| | | 1,292.87 | 2,981.08 | 4,273.95 |
| | | | | 0.00 |
| | | 1,707.71 | 4,024.07 | 5,731.78 |
| | | 709.43 | 269.09 | 978.52 |
| | | 1,084.11 | 6,868.90 | 7,953.01 |
| | | 2,058.17 | 6,906.93 | 8,965.10 |
| | | 1,583.04 | 7,702.09 | 9,285.13 |
| | | 2,384.46 | 6,319.94 | 8,704.40 |
| | | 1,580.99 | 758.68 | 2,339.67 |
| | | | 1,506.21 | 1,506.21 |
| | | 1,173.63 | 6,907.64 | 8,081.27 |
| | | | 1,561.64 | 1,561.64 |
| | | 2,324.02 | 5,346.03 | 7,670.05 |
| | | | | 0.00 |
| | | 2,287.79 | 6,976.25 | 9,264.04 |
| | | | | 0.00 |
| | | | 2,324.55 | 2,324.55 |
| | | | | 0.00 |
| | | | | 0.00 |
| | | | 1,281.72 | 1,281.72 |
| | | | 3,553.95 | 3,553.95 |
| | | | 2,815.58 | 2,815.58 |

**Attachment 2
Panel Management Pay Adjustment**

| Name | Emp. No. | Employer Overpayments (Discounted at 0.960) | | |
|---------------|----------|---|-------------------|-------------------|
| | | 2011 | 2012 | Total |
| | | | | 0.00 |
| | | 2,143.05 | 6,057.55 | 8,200.60 |
| | | 2,194.47 | 4,888.06 | 7,082.53 |
| | | 2,673.38 | 7,458.58 | 10,131.96 |
| | | 2,233.59 | 5,769.74 | 8,003.33 |
| | | | | 0.00 |
| | | | 4,139.80 | 4,139.80 |
| | | 2,439.07 | 7,266.68 | 9,705.75 |
| | | | 2,203.98 | 2,203.98 |
| | | | 5,958.43 | 5,958.43 |
| | | 2,429.24 | 6,308.80 | 8,738.04 |
| | | 1,146.65 | 5,293.53 | 6,440.18 |
| | | 1,069.59 | | 1,069.59 |
| | | 2,240.81 | 5,402.26 | 7,643.07 |
| | | | 964.90 | 964.90 |
| | | 1,357.88 | 5,508.93 | 6,866.81 |
| | | | 1,166.06 | 1,166.06 |
| | | 2,950.76 | 6,435.43 | 9,386.19 |
| | | | 1,340.23 | 1,340.23 |
| | | 1,056.76 | | 1,056.76 |
| | | 2,634.21 | 1,203.27 | 3,837.48 |
| | | | 4,724.55 | 4,724.55 |
| | | | 1,853.26 | 1,853.26 |
| | | | 4,372.71 | 4,372.71 |
| | | 1,565.64 | 2,274.99 | 3,840.63 |
| | | 2,520.69 | 5,914.28 | 8,434.97 |
| | | 2,121.48 | 6,998.76 | 9,120.24 |
| | | 2,425.36 | 6,163.39 | 8,588.75 |
| | | 2,588.39 | 6,099.16 | 8,687.55 |
| Totals | | 78,664.18 | 270,182.10 | 348,846.28 |

| | | |
|-----------------------------|-----------|-----------------------|
| w/o Discount (÷ 0.960) | 81,941.85 | 281,439.69 |
| 7/31/2011 | 81,941.85 | |
| Interest at 7.75% per annum | 7/31/2012 | 88,292.35 281,439.69 |
| | 7/31/2013 | 95,135.01 303,251.26 |
| | 7/31/2014 | 102,507.97 326,753.23 |

Totals Adjustments 7/31/2014 0.00 0.00 102,507.97 326,753.23 429,261.20

Attachment #11

| FUND | ORGN ACCT | PAYEE NAME | DATE | TC | WARRANT NO | DISBURSEMENT AMOUNT | ENCUMB NO | ENCUMB LIQ AMOUNT |
|------------|-----------|------------|------|----|------------|---------------------|-----------|-------------------|
| 880200 | | | | | | 170,419.50 | | *** |
| FUND TOTAL | | | | | | 170,419.50 | | |
| [REDACTED] | | | | | | | | |

| | | | | | | | | |
|------------------|------|------|--|--|--|---------------|--|-----|
| 880600 | 0000 | 0510 | | | | 12,561,607.36 | | * |
| POSTING TOTAL | | | | | | 12,561,607.36 | | |
| 880600 | 0000 | | | | | 12,561,607.36 | | ** |
| DEPARTMENT TOTAL | | | | | | 12,561,607.36 | | |
| 880600 | | | | | | 12,561,607.36 | | *** |
| FUND TOTAL | | | | | | 12,561,607.36 | | |

| | | | | | | | | |
|--------|------|------|------|--------------------|----------|----|--|--------|
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 718.24 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 200.19 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 90.68 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 209.76 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 642.06 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 478.30 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 113.18 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 674.76 |
| 890100 | 0000 | 0302 | 2011 | PNL MGT PY RET ADJ | 03-25-14 | 52 | | 664.72 |

| | | | | | | | | |
|------------|--|--|--|--|--|--|--|--|
| [REDACTED] | | | | | | | | |
|------------|--|--|--|--|--|--|--|--|

| FUND | ORGN | ACCT | PAYEE NAME | DATE | FC | WARRANT NO | DISBURSEMENT AMOUNT | ENCUMB NO | ENCUMB LIQ AMOUNT |
|--------|------|------|-------------------------|----------|----|------------|---------------------|-----------|-------------------|
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 516.97 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 538.13 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 308.92 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 371.21 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 158.20 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 278.81 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 546.80 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 403.68 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 287.78 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 512.01 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 568.76 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 491.43 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 552.95 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 781.00 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 512.20 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 638.80 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 620.28 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 273.97 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 245.28 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 535.39 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 307.44 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 694.91 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 242.32 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 344.32 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 588.06 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 313.02 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 602.96 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 634.72 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 2,310.10 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,489.70 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 2,453.78 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,762.99 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,397.91 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,215.87 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,710.89 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,350.78 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,693.87 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 793.84 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,272.29 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,482.56 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 704.10 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 877.69 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 15.29 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,685.38 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,787.04 | | |
| 890100 | 0000 | 0302 | 2011 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 193.72 | | |

SCANNED
 CCCERA
 JAN 21 2015

DAILY CASH DISBURSEMENT JOURNAL

PROCESS DATE 03/25/14

| FUND | DRGN | ACCT | PAYEE NAME | DATE | TC | WARRANT NO | DISBURSEMENT AMOUNT | ENCUMB NO | ENCUMB LIQ AMOUNT |
|--------|------|------|-------------------------|----------|----|------------|---------------------|-----------|-------------------|
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 268.39 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,674.69 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 320.55 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,139.05 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,087.76 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 484.16 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 263.50 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,080.21 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 636.71 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,334.51 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,294.51 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 2,105.56 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,270.86 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 935.05 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,838.76 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 511.69 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,547.85 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,243.11 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,234.92 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,232.05 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,196.47 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,283.23 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,450.39 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 567.17 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,208.89 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 589.14 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 501.22 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 3,319.33 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,628.08 | | |
| 890100 | 0000 | 0302 | 2012 PNL MGT PY RET ADJ | 03-25-14 | 52 | | 1,430.27 | | |
| 890100 | 0000 | | 0880 POSTING TOTAL | | | | 74,044.19 | | |
| 890100 | 0000 | | DEPARTMENT TOTAL | | | | 74,044.19 | ** | |
| 890100 | 0000 | | FUND TOTAL | | | | 74,044.19 | *** | |
| 900000 | 0000 | | | 03-11-14 | 49 | 310208 | 96,925.66- | | |
| 900000 | 0000 | | | | | | POSTING TOTAL | | |
| 900000 | 0000 | | | | | | 96,925.66- | * | |
| | | | | | | | DEPARTMENT TOTAL | | ** |

SCANNED
CCCERA
JAN 21 2015

Attachment #12

Panel Management Adjustments

| Date Tax Form Mailed | Adjustment Processed | Check Issue Date | Status | ER | Gross Refund | Last Name Key | EE Basic Contrib | EE COLA Contrib | ER Subvention of EE Basic Contrib (non-Ref Sub) |
|----------------------|----------------------|------------------|--------|--------|--------------|---------------|------------------|-----------------|---|
| | | | | | | | | | |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 23.70 | | -68.56 | -68.32 | -65.27 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 25.62 | | -122.56 | -115.09 | -116.68 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 31.79 | | -147.57 | -147.32 | -140.48 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 31.80 | | -152.14 | -142.91 | -144.83 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 38.72 | | -179.78 | -179.49 | -171.15 |
| n/a | 7/22/2014 | 7/30/2014 | D | AAV \$ | 42.46 | | -129.25 | -128.79 | -123.06 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 44.36 | | -212.26 | -199.27 | -202.08 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 44.48 | | -212.99 | -199.68 | -202.77 |
| n/a | 7/22/2014 | 7/30/2014 | D | AAV \$ | 50.74 | | -146.77 | -146.29 | -139.75 |
| n/a | 7/22/2014 | 7/30/2014 | D | AAV \$ | 51.34 | | -148.56 | -148.06 | -141.45 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 58.50 | | -271.33 | -271.33 | -258.32 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 76.92 | | -368.16 | -345.47 | -350.5 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 107.12 | | -309.62 | -309.15 | -294.78 |
| n/a | 7/22/2014 | 7/30/2014 | D | AAV \$ | 116.34 | | -357.68 | -356.07 | -340.55 |
| n/a | 7/22/2014 | 7/30/2014 | D | AAV \$ | 124.92 | | -536.18 | -503.79 | -510.49 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 131.59 | | -630.00 | -590.8 | -599.77 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 134.04 | | -579.51 | -543.65 | -551.7 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 154.53 | | -501.22 | -499.46 | -477.21 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 165.23 | | -708.74 | -665.38 | -674.74 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 168.88 | | -808.59 | -758.2 | -769.77 |
| n/a | 7/22/2014 | 7/30/2014 | D | AAV \$ | 171.94 | | -593.40 | -591.65 | -564.95 |
| n/a | 7/22/2014 | 7/30/2014 | A | AAV \$ | 199.72 | | -704.97 | -703.65 | -671.13 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV \$ | 229.65 | | -859.38 | -857.55 | -818.21 |

| Date Tax Form Mailed | Date Processed | Adjustment Date | Check Issue Date | Status | ER | Gross Refund | Last Name Key | EE Basic Contrib | EE COLA Contrib | ER Subvention of EE Basic Contrib (non-Ref Sub) |
|----------------------|----------------|-----------------|------------------|--------|----|--------------|---------------|------------------|-----------------|---|
| | | | | | | | | | | |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 234.64 | | -870.02 | -868.53 | -828.31 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 250.82 | | -855.68 | -853.7 | -814.66 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 260.79 | | -1004.01 | -1002.21 | -955.89 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 269.90 | | -1090.17 | -1033.4 | -1037.89 |
| 7/24/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 272.66 | | -963.18 | -960.54 | -917.05 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 286.04 | | -1029.30 | -1027.05 | -979.97 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 288.62 | | -1036.92 | -1034.46 | -987.23 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 289.34 | | -1040.24 | -1038.36 | -990.35 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 290.09 | | -1020.77 | -1016.78 | -971.86 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 292.56 | | -1061.73 | -1059.91 | -1010.84 |
| 7/24/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 292.58 | | -1105.52 | -1101.5 | -1052.5 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | D | AAV | \$ | 293.17 | | -1060.83 | -1058.28 | -1009.98 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 298.12 | | -1132.60 | -1128.71 | -1078.33 |
| 7/24/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 310.48 | | -1109.01 | -1107.16 | -1055.86 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 310.52 | | -1123.48 | -1120.88 | -1069.63 |
| 7/24/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 333.82 | | -1201.64 | -1197.18 | -1144.03 |
| 7/24/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 334.37 | | -1205.68 | -1201.23 | -1147.88 |
| 7/24/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 340.01 | | -1242.88 | -1238.23 | -1183.34 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 349.76 | | -1248.95 | -1246.08 | -1189.09 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 350.11 | | -1261.16 | -1256.58 | -1200.74 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 356.92 | | -1299.14 | -1294.3 | -1236.86 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 362.40 | | -1284.52 | -1282.32 | -1222.94 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 379.66 | | -1367.99 | -1364.62 | -1302.43 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 390.55 | | -1570.22 | -1474.3 | -1494.96 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 395.10 | | -1310.84 | -1561.84 | -1251.78 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 410.28 | | -1359.11 | -1619.8 | -1297.86 |
| 7/23/2014 | 8/20/2014 | 10/23/2014 | A | AAV | \$ | 466.33 | | -1680.07 | -1674.82 | -1599.6 |
| * 7/23/2014 | 9/11/2014 | 10/23/2014 | A | AAV | \$ | 332.95 | | -1367.36 | -1283.88 | -1301.82 |

| Date Tax Form Mailed | Date Adjustment Processed | Date Check Issue | Status | ER | Gross Refund | Last Name Key | EE Basic Contrib | EE COLA Contrib | ER Subvention of EE Basic Contrib (non-Ref Sub) |
|----------------------|---------------------------|------------------|--------|----|--------------|---------------|------------------|-----------------|---|
| | | | | | | | -\$41,652.24 | -\$41,578.02 | -\$39,663.33 |

Attachment #13

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

**POLICY GOVERNING THE OVERPAYMENT OR UNDERPAYMENT
OF MEMBER BENEFITS**

Adopted: 12/10/2014

I. INTRODUCTION

The Board of Retirement ("Board") has a fiduciary obligation to the retirement fund to conserve fund assets and protect the integrity of the fund, for the benefit of the members and beneficiaries ("Members") of the Contra Costa County Employees' Retirement Association ("CCCERA").

Members have a right to accurate pension benefit payments. Except as determined by a court of law or this Board pursuant to this Policy, no Member has the right to receive or retain retirement benefit payments that exceed the amounts to which a Member is entitled, and no Member should be deprived of any benefit payments that he or she is entitled to receive. Subject to all applicable laws, it shall be CCCERA's policy to remit to a Member the amount of any underpayment of benefits, and to make every reasonable effort to recover from a Member the amount of any overpayment of benefits consistent with this Policy and the procedures established herein by the Board.

Accordingly, after discovery of an overpayment or underpayment of benefits, and within a reasonable period of time after written notification to the affected Member, CCCERA will adjust future benefit payments to the Member to reflect the correct total amount to which the Member is entitled, as indicated below; and will pay or assess the Member for the overpayment or underpayment, as the case may be, in a lump sum, installment payments, adjustments to future monthly benefits, or a combination of these methods.

This Policy is designed for use when calculation and other errors affect an *individual* member's retirement benefits. In the event of a system-wide error that affects *multiple* members' benefits, the Board may implement a system-wide correction process that it determines is appropriate under all the circumstances.

In the event of any inconsistency between applicable law and this Policy, the law shall take precedence.

II. PURPOSE

The purpose of this Policy is to set forth procedures for handling the overpayment and underpayment of benefits to members.

III. POLICY

A. Overpayment of Benefits To Members

1. CCCERA will adjust the Member's monthly benefit going forward to the correct amount at the earliest practical time after discovering the error.
2. CCCERA shall take all reasonable steps to recover the full amount of all overpayments, with "appropriate interest," subject to the provisions of this Policy and applicable law. If the overpayment was due to fraudulent, improper or inaccurate information provided to CCCERA by the member, appropriate interest shall be CCCERA's actuarially assumed rate of return that was applicable during the period in which the overpayments were made, running until such amounts are fully repaid. If the overpayment was the result of an error by CCCERA or the member's employer, appropriate interest shall be 3% per annum during the period in which the overpayments were made, running until such amounts are fully repaid.
3. CCCERA will recover overpayments by (a) a lump sum payment from the Member, (b) periodic installment payments from the member or (c) offsetting the amount to be recovered against future benefits, over a period of time as determined by the Board, or a combination of these methods; unless the Board, in its discretion and because of legal or practical considerations, determines that another process is warranted.
4. The Board believes that considerations of cost effectiveness make it prudent and reasonable to pursue recovery of overpayments only where the cumulative total amount overpaid to the Member is \$50 or more. Accordingly, the Retirement CEO is authorized to not seek recovery of any overpayments where the total amount overpaid to the Member is less than \$50.
5. The Retirement CEO shall have authority, on the advice of legal counsel, to compromise recovery of overpayments when the total amount of overpayment, not including interest, is less than \$5,000. Only the Board may compromise claims in which the total amount of overpayment, not including interest, is \$5,000 or more. Among other things, the likelihood of collection, the cost of collection, the amount of possible recovery and extreme hardship to the member will be considered by the Retirement CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial forgiveness of the amounts overpaid. The Retirement CEO and Board will also consider seeking recovery from the employer.
6. The Board adopts the following procedures for accomplishing the recovery of overpaid benefits:
 - A. Upon discovery of an overpayment, CCCERA shall send a letter by certified mail, return receipt requested, or by express delivery service, to the Member advising the Member of the overpayment and proposing a repayment schedule, as follows:

- i. The letter will identify the circumstances of the overpayment and the fact that adjustments will be made to all future benefit payments.
 - ii. The letter will request payment to CCCERA of the amount overpaid, subject to the provisions of this Policy.
 - iii. The letter will include an agreement to repay excess benefits and a consent form for the spouse or beneficiaries, if applicable.
 - iv. The agreement to repay excess benefits will provide three options, one of which may be selected by the Member:
 - (1) Option 1 — equal installments over the same length of time that the overpayments occurred, with appropriate interest (as that phrase is defined in No. 2 above) applied during the overpayment period and during the repayment period.
 - (2) Option 2 — lump sum payment to CCCERA for the full amount overpaid, with appropriate interest (as that phrase is defined in No. 2 above) applied during the overpayment period.
 - (3) Option 3 — reduction of monthly benefit to zero until the overpayment is paid in full, with appropriate interest (as that phrase is defined in No. 2 above) applied during the overpayment period and during the repayment period.
 - v. The letter and agreement to repay excess benefits will provide that Option 3 will go into effect by default if a written response from the Member is not received within 30 days following the date the letter was delivered.
- B. If the amount of the overpayment, not including interest, is \$5,000 or more, CCCERA staff will attempt to contact the Member by phone to schedule a meeting to discuss the contents of the letter before the letter is sent out for delivery.
 - C. CCCERA may pursue all legal remedies to collect overpayments, including making a claim on an estate or trust, if appropriate.
 - D. Upon the death of the Member before full repayment has been made, CCCERA shall pursue a claim or claims against the Member's estate, survivors, heirs and/or beneficiaries to recover the unpaid amounts.
 - E. CCCERA will maintain a permanent record of all amounts of overpayments and the repayment to CCCERA of those overpayments.

B. Underpayment of Benefits To Members

- 1. When CCCERA has underpaid benefits, the Member shall be entitled to a prospective adjustment to his or her retirement benefits necessary to correct the underpayment, as well

as a lump sum payment for all past underpayments, with interest at CCCERA's actuarially assumed rate(s) of return throughout the applicable period of underpayment. Interest shall accrue on each underpayment amount from the date of the underpayment to the date of the lump sum corrective payment. The payment shall be made as soon as is reasonably practicable following CCCERA's discovery of the underpayment.

2. If a Member who was underpaid benefits has died prior to payment of the lump sum amount due, the following procedures will be followed:

A. Member With Designated Beneficiary

- If the Member has named a designated beneficiary, the payment will be made directly to the designated beneficiary. *See CERL Section 31452.7.*

B. Member Without Designated Beneficiary

- If there is an open estate (*i.e.*, no order for final distribution yet), payment will be made to the estate (through the personal representative).
- If final distribution of the estate has already been made, CCCERA staff will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
- If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with CCCERA. *See Prob. Code Section 13101.*
- CCCERA staff shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter by certified mail, return receipt requested, to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. *See CERL Section 31783.5(b).*
- If, after taking the above steps, CCCERA staff has not been able locate a person entitled to payment, CCCERA shall hold the funds on behalf of that person for five years. If the funds are not claimed within five years, the funds may be transferred into the system's pension reserve fund. If someone later appears to claim the funds, the Board will consider such claims on a case-by-case basis. *See CERL Section 31783.5(c).*
- CCCERA will maintain a permanent record of all amounts of outstanding refunds of underpayments and any amounts that have been transferred into the pension reserve fund.

- In cases where there is no designated beneficiary and the total amount of underpayment is less than \$50, CCCERA staff need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to CCCERA, however, will be considered regardless of size.
3. Underpayments of \$5 or less will only be refunded at the request of the member.

Attachment #14

CONTRA
COSTA
COUNTY
Employees' Retirement Association

CCCERA

COPIY

August 7, 2015

Krista Farey
[REDACTED]

CERTIFIED MAIL

Re: Notice to Retirees Concerning Panel Management Correction

Dear Ms. Farey:

As you may know, your retirement allowance was calculated based on compensation paid to you during a period of one year (for Tiers 1, 3 and Safety) or three years (for Tier 2). On September 24, 2013, the Contra Costa County Board of Supervisors adopted Resolution No. 2013/372 to allow exempt medical staff physicians to receive panel management pay, which is not considered as pensionable compensation. At the time of this adoption, a piece of previously paid on call was reclassified as panel management pay. This means that your retirement contribution and your retirement allowance were initially calculated based on an overstated amount of pensionable compensation. Each year since your retirement, you have been overpaid by an incorrect amount plus compounding cost-of-living increases on the incorrect amount.

We have now carefully reviewed and recalculated benefits for all affected participants. Your current benefit amount is [REDACTED] and after recalculating your benefit without panel management pay your current benefit amount should be [REDACTED]. On September 1, 2015, you will begin receiving a benefit amount of [REDACTED].

You have received excess pension benefits since your retirement in the amount of \$18,840.48, including interest. The County also collected retirement contributions from you on your non-pensionable pay. The total amount of excess employee contributions you paid to CCCERA is \$2,344.75, including interest. The net amount due to CCCERA is \$16,495.73.

There are three options for repayment available to you:

- 4) Deduct the amount owed, \$16,495.73, in equal installments over the same length of time that the overpayments occurred with interest. There would be 31 payments of \$583.38 from September 1, 2015 through March 1, 2018.
- 5) Lump sum payment of \$16,495.73, due September 1, 2015.
- 6) Reduction of monthly benefit to zero until the overpayment is paid in full. The pension amount would be zero for two months (9/1 and 10/1) and then \$4,623.29 would be deducted from the 12/1/15 pension amount.

Please inform CCCERA of your desired option. If the selected option is not received within 30 days, option 3 will go into effect October 1. Thank you.

Sincerely,



Kurt Schneider
Deputy Chief Executive Officer

CONTRA
COSTA
COUNTY **CCCERA**
Employees' Retirement Association

COPY

August 7, 2015

David P. Hearst
[REDACTED]

CERTIFIED MAIL

Re: Notice to Retirees Concerning Panel Management Correction

Dear Mr. Hearst:

As you may know, your retirement allowance was calculated based on compensation paid to you during a period of one year (for Tiers 1, 3 and Safety) or three years (for Tier 2). On September 24, 2013, the Contra Costa County Board of Supervisors adopted Resolution No. 2013/372 to allow exempt medical staff physicians to receive panel management pay, which is not considered as pensionable compensation. At the time of this adoption, a piece of previously paid on call was reclassified as panel management pay. This means that your retirement contribution and your retirement allowance were initially calculated based on an overstated amount of pensionable compensation. Each year since your retirement, you have been overpaid by an incorrect amount plus compounding cost-of-living increases on the incorrect amount.

We have now carefully reviewed and recalculated benefits for all affected participants. Your current benefit amount is [REDACTED] and after recalculating your benefit without panel management pay your current benefit amount should be [REDACTED]. On September 1, 2015, you will begin receiving a benefit amount of [REDACTED].

You have received excess pension benefits since your retirement in the amount of \$38,447.64, including interest. The County also collected retirement contributions from you on your non-pensionable pay. The total amount of excess employee contributions you paid to CCCERA is \$2,625.98, including interest. The net amount due to CCCERA is \$35,821.66.

There are three options for repayment available to you:

- 1) Deduct the amount owed, \$35,821.66, in equal installments over the same length of time that the overpayments occurred with interest. There would be 32 payments of \$1,230.73 from September 1, 2015 through April 1, 2018.
- 2) Lump sum payment of \$35,821.66, due September 1, 2015.
- 3) Reduction of monthly benefit to zero until the overpayment is paid in full. The pension amount would be zero for four months (9/1, 10/1, 11/1, and 12/1) and then \$2,443.80 would be deducted from the 1/1/16 pension amount.

Please inform CCCERA of your desired option. If the selected option is not received within 30 days, option 3 will go into effect October 1. Thank you.

Sincerely,



Kurt Schneider
Deputy Chief Executive Officer

CONTRA
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COUNTY
Employees' Retirement Association

CCCERA

COPY

August 7, 2015

Priscilla Hinman
[REDACTED]

CERTIFIED MAIL

Re: Notice to Retirees Concerning Panel Management Correction

Dear Ms. Hinman:

As you may know, your retirement allowance was calculated based on compensation paid to you during a period of one year (for Tiers 1, 3 and Safety) or three years (for Tier 2). On September 24, 2013, the Contra Costa County Board of Supervisors adopted Resolution No. 2013/372 to allow exempt medical staff physicians to receive panel management pay, which is not considered as pensionable compensation. At the time of this adoption, a piece of previously paid on call was reclassified as panel management pay. This means that your retirement contribution and your retirement allowance were initially calculated based on an overstated amount of pensionable compensation. Each year since your retirement, you have been overpaid by an incorrect amount plus compounding cost-of-living increases on the incorrect amount.

We have now carefully reviewed and recalculated benefits for all affected participants. Your current benefit amount is [REDACTED] and after recalculating your benefit without panel management pay your current benefit amount should be [REDACTED]. On September 1, 2015, you will begin receiving a benefit amount of [REDACTED].

You have received excess pension benefits since your retirement in the amount of \$30,883.93, including interest. The County also collected retirement contributions from you on your non-pensionable pay. The total amount of excess employee contributions you paid to CCCERA is \$3,120.71, including interest. The net amount due to CCCERA is \$27,763.22.

There are three options for repayment available to you:

- 1) Deduct the amount owed, \$27,763.22, in equal installments over the same length of time that the overpayments occurred with interest. There would be 31 payments of \$981.85 from September 1, 2015 through March 1, 2018.
- 2) Lump sum payment of \$27,763.22, due September 1, 2015.
- 3) Reduction of monthly benefit to zero until the overpayment is paid in full. The pension amount would be zero for three months (9/1, 10/1, and 11/1) and then \$3,740.29 would be deducted from the 12/1/15 pension amount.

Please inform CCCERA of your desired option. If the selected option is not received within 30 days, option 3 will go into effect October 1. Thank you.

Sincerely,



Kurt Schneider
Deputy Chief Executive Officer

CONTRA
COSTA
COUNTY **CCCERA**
Employees' Retirement Association

August 7, 2015

Dana Slauson
[REDACTED]

CERTIFIED MAIL

Re: Notice to Retirees Concerning Panel Management Correction

Dear Ms. Slauson:

As you may know, your retirement allowance was calculated based on compensation paid to you during a period of one year (for Tiers 1, 3 and Safety) or three years (for Tier 2). On September 24, 2013, the Contra Costa County Board of Supervisors adopted Resolution No. 2013/372 to allow exempt medical staff physicians to receive panel management pay, which is not considered as pensionable compensation. At the time of this adoption, a piece of previously paid on call was reclassified as panel management pay. This means that your retirement contribution and your retirement allowance were initially calculated based on an overstated amount of pensionable compensation. Each year since your retirement, you have been overpaid by an incorrect amount plus compounding cost-of-living increases on the incorrect amount.

We have now carefully reviewed and recalculated benefits for all affected participants. Your current benefit amount is [REDACTED] and after recalculating your benefit without panel management pay your current benefit amount should be [REDACTED]. On September 1, 2015, you will begin receiving a benefit amount of [REDACTED].

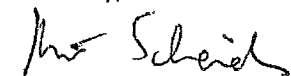
You have received excess pension benefits since your retirement in the amount of \$31,257.94, including interest. The County also collected retirement contributions from you on your non-pensionable pay. The total amount of excess employee contributions you paid to CCCERA is \$1,288.36, including interest. The net amount due to CCCERA is \$29,969.58.

There are three options for repayment available to you:

- 1) Deduct the amount owed, \$29,969.58, in equal installments over the same length of time that the overpayments occurred with interest. There would be 41 payments of \$824.25 from September 1, 2015 through January 1, 2019.
- 2) Lump sum payment of \$29,969.58, due September 1, 2015.
- 3) Reduction of monthly benefit to zero until the overpayment is paid in full. The pension amount would be zero for three months (9/1, 10/1, and 11/1) and then \$577.22 would be deducted from the 12/1/15 pension amount.

Please inform CCCERA of your desired option. If the selected option is not received within 30 days, option 3 will go into effect October 1. Thank you.

Sincerely,



Kurt Schneider
Deputy Chief Executive Officer

CCCERA 2016 COMPLIANCE ACTIVITY PLAN

Prepared by Wrally Dutkiewicz, CFE
Retirement Compliance Officer
November 2015

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Introduction

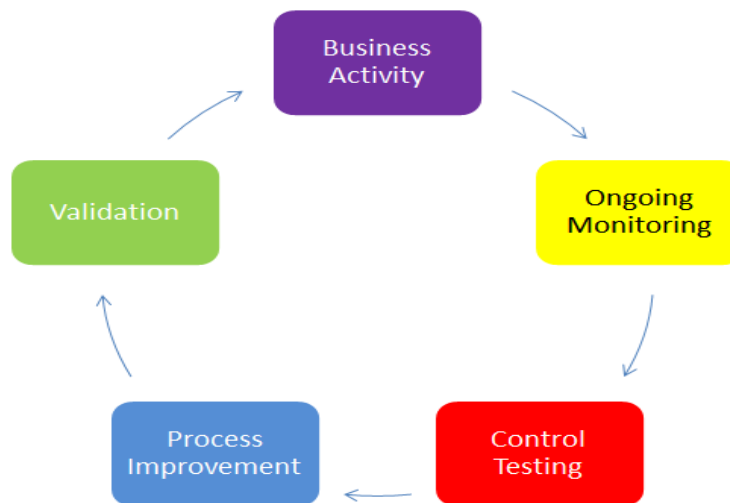
The Compliance Officer performs compliance services for CCCERA as provided by CERL GC §31522.1. The Compliance Officer is authorized to engage in audit programs, risk assessments, and to coordinate audit efforts with external auditors to ensure compliance with CERL, PEPR, IRC, DOL, and other government statutes.

Auditing is the principal tool for the Compliance Department to evaluate the efficacy of the CCCERA’s internal controls, compliance, governance, and risk management.

Scope & Mission

The IIA Standards, CERL, PEPR and CCCERA’s policies provide the framework within which the Compliance Officer performs audits to support, manage, and test CCCERA’s Compliance Program and to determine the priorities for compliance activities. The Compliance Officer prepares an annual Audit Plan and Risk Assessment to help identify, measure, and prioritize potential issues based on the level of risk to the retirement system, and advise CCCERA Executive Management on the potential regulatory, administrative, and fiscal impact of those risks. The purpose of the annual Audit Plan is to outline the work to be performed and is designed to cover high risk activities while limiting the scope of work to what can realistically be accomplished during the upcoming fiscal year.

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



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

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

The audit process encompasses the following five stages:

1. Planning
2. Audit Fieldwork
3. Reporting
4. Quality assessment
5. Follow-up

Risk Assessment

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

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

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

The risk ratings used were:

- High
- Medium
- Low

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

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

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

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

The focus of the “risk assignment” review was to identify business activities that would have probable “high” risk assessment values which would assist in prioritizing 2016 Compliance service activities. The following criteria were used during the “risk assignment” assignment review:

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

Internal Audit Risk Assignments:

The following chart indicates business activities with “high risk” assignments in red:

| Member Services | Retirement Services | Accounting Services | Investment Management | Administration Services | Information Technology Services |
|---|---------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--|
| Tax Reporting & Compliance | Retirement Benefit Calculations | Fund Transfers | Performance Reporting | Vendor Management | End User Controls |
| Member Statements | Retirement Application | Payroll | Reconciliations | Business Continuity Planning (BCP) | Information Security - External Threats |
| Pension Payroll Adjustments | Monthly Pension Payroll | Accounts Payable | Hedging | Risk Management - Surveillance | Information Security - Internal Threats & Data Portability |
| Service Credit Purchases | Disability Retirements | Interest Crediting | Investment Activity Processing | Risk Management - Investigations | Data Breach Controls & Notification |
| Reciprocity | Deferred Retirements | Accounts Receivable | Due Diligence - Third Party Advisors | HR - Staffing - Contract | Data Warehousing & Archiving |
| Pension Benefit Information - Deceased Members Benefit Formual Accuracy - correct calculation (Employer/Job Classification) | Service Retirements | General Ledger | Securities Evaluation | Annual Budget | |
| | | Member Contributions | Cash Flow Analysis | HR - Staffing -Temp | |
| Actuarial Valuations | | CAFR - Comprehensive Financial Report | Asset Allocation/Rebalancing | Facilities Planning | |
| Death Benefits | | Financial Statements & Reporting | Securities Lending | Legal Services - Regulatory Reporting | |
| Annual COLA Adjustments | | | Placement Agent Disclosure | Legal Services - Litigation Planning | |
| | | | FPPC Regulations | HR - New Hire On-Boarding | |
| | | | Investment Policy | Legal Services - Governance | |
| | | | Custody & Control | | |

The above indicated risk assignments will be reviewed, validated and adjusted through the Risk Assessment component of each department’s written operational procedures (WOPs) and written supervisory procedures (WSPs). Adjustments to the risk assignments will also take into consideration each department manager’s procedural priority list on which each manager has

self-identified an operational or supervisory item requiring updating, retooling, or the development of a new procedure.

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

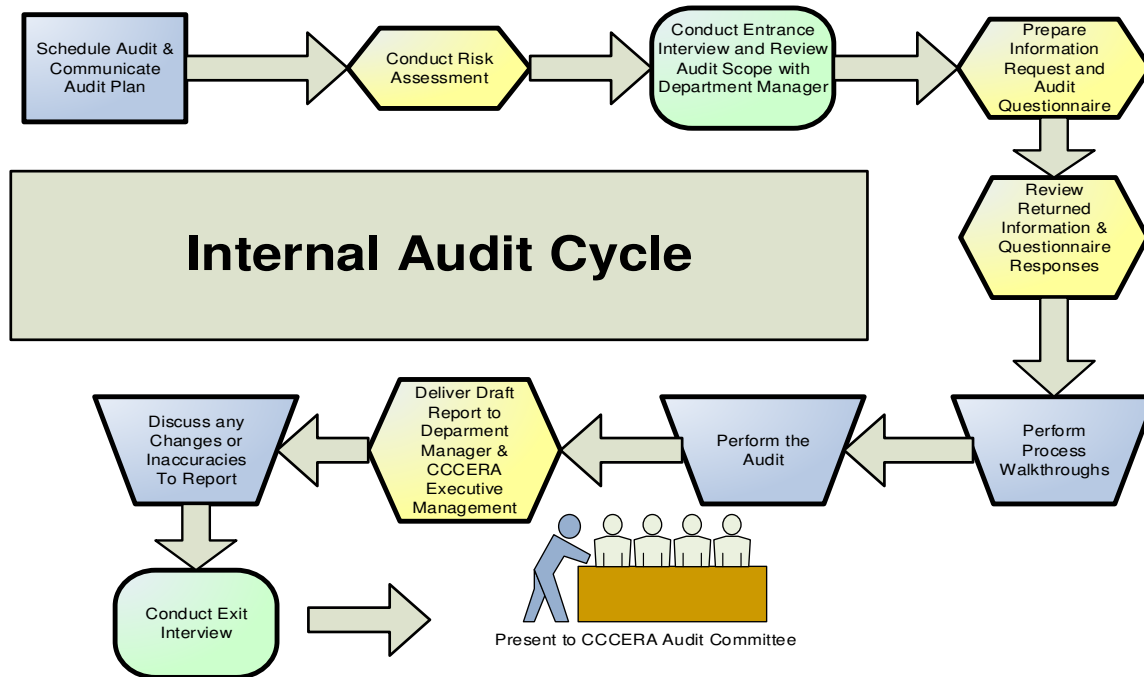
Employer Audit Risk Assignments:

With respect to Employer Audits, the same risk assignment criteria were used to establish a priority review framework to plan areas of focus for employer audits. The following chart indicates those business activities with “high risk” assignments in red:

| Control Item | Control Test |
|--|---|
| Payroll Procedures | Review Payroll Transactions and compare district payroll register with data reported to CCCERA to ensure pay rates in compliance with posted salary information |
| Payroll Data & Conveyance | 1. Review process for reporting payroll to CCCERA. i) Timeliness; ii) Validation (time keeping, vacation, sick leave, disability, overtime) |
| Earn Code Classifications | Inventory of earn code classification - i) allowable pensionable compensation; ii) compensation calculation - methodology |
| Internal Controls/EUC | Review District's Internal Controls WSPs - i) segregation of duties; ii) system access; iii) reporting levels |
| Contract between CCCERA & District | MOU & Clarifying Addendums - in compliance with BOS/BOR/CERL Requirements |
| Correspondence Between CCCERA & District | Does communication methods support SLA (Service Level Agreements)? |
| Personnel Procedures | Inventory of WSP (Written Supervisory Procedures) and match against regulatory & CCCERA policy requirements |
| Enrollment Procedures | Review District Employee new hire enrollment procedures and match against regulatory & CCCERA Policy Requirements i) Part-Time/Temporary Employees; ii) Retired Employees; iii) Independent Contractors |
| Employee Classification | Review District Employee Classification to match against reported group, function and eligibility |
| CCCERA Policy Compliance | Review Compliance with i) Financial Controls; ii) Administrative Controls; iii) Procedural Controls |
| CERL Compliance | Match governance and policies against regulatory requirements |

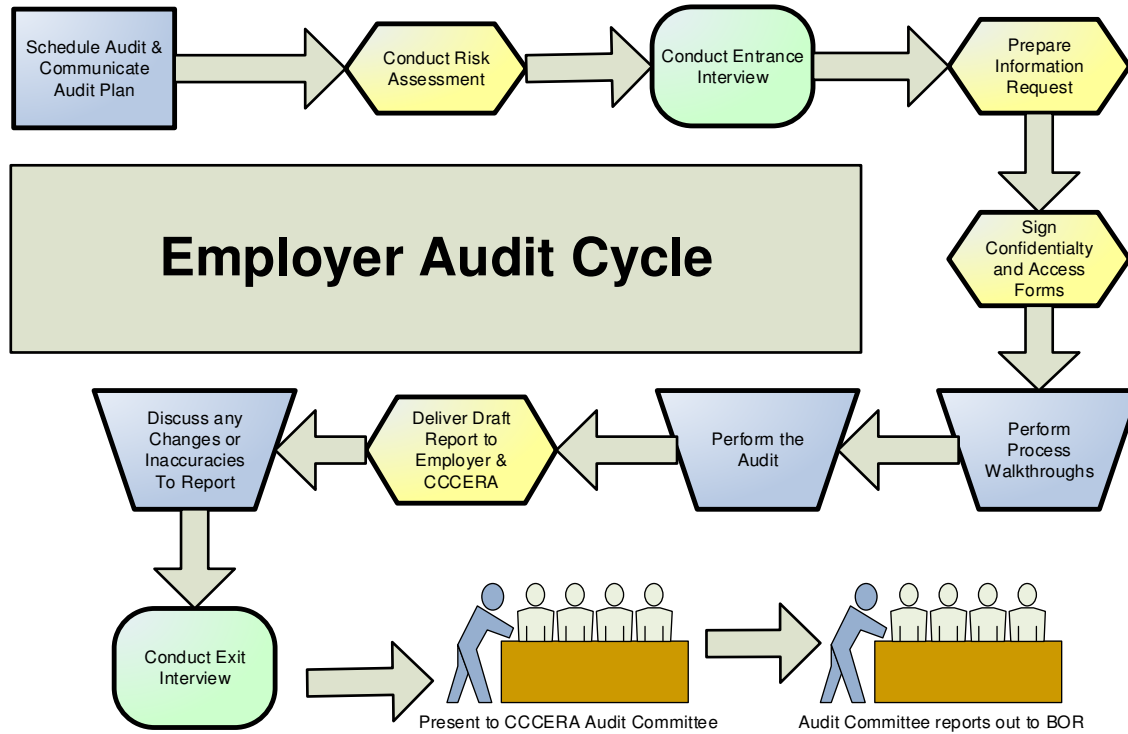
The Audit Process

Internal Audit



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

Employer Audits



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

Reporting

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

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

Follow-Up

Follow-up work is performed after the completion of an audit. It entails the Compliance Officer reviewing recommendations with management and determining whether the weakness in procedures or processes identified have been adequately corrected in accordance with the management response and committed timelines. In addition, the Internal Auditor will also follow up any recommendations issued by external auditors or the actuary.

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

Compliance Activity Planned for 2016

Sources of Areas Selected For Audit

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

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

Compliance Internal Control Reviews & Projects:

- Projects:
 - Pension Administration Review – Sub-ledger vs. CPAS data validation
 - Employer Contribution Import Reconciliation Process
- Compliance and Internal Controls Activities:
 - Accounting Department Process Review & Procedural Update
 - Member Services Procedures Update
 - Investment Department Procedures and Supervisory Structure

Employer Audits:

There will be only one County department audit in 2016, Health Services. Due to the complexity of the department, and the number of distinct operating entities within the department, CCCERA compliance resources will be focused on a review of the following audit scope items:

- Timekeeping and Payroll Reporting
- Employee Enrollment Procedures
- Retiree Return to Work Monitoring



MEMORANDUM

Date: December 9, 2015

To: Board of Retirement
Gail Strohl, Chief Executive Officer

From: Karen Levy, General Counsel

Subject: Legislation Update

Recommendation

Receive and File.

Summary of Enacted Legislation

The California State Legislature reconvened on January 5, 2015 for the 2015-16 legislative session. February 27, 2015 was the last day for bills to be introduced. September 11, 2015 was the last day for each house to pass bills, and October 11, 2015 was the last day for the Governor to sign or veto bills passed by the Legislature.

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

AB 663 – County Retirement Boards: alternate members

AB 663, introduced by Assembly Member Irwin, authorizes the Ventura County Board of Supervisors to appoint an alternate Board of Retirement member to vote in the absence of the 4th, 5th, 6th, or 9th members of the retirement board.

Status: Signed by Governor on July 2, 2015.

AB 992 – County Employees Retirement Law of 1937: disability retirement; modification of allowance

AB 992, introduced by Assembly Member Bonta, amends the County Employees Retirement Law of 1937 (CERL), Government Code Section 31760, with regard to a member who applies for disability and is granted a service retirement pending a determination of disability. It clarifies



that if the member is awarded a disability retirement, the member is allowed to change the type of optional or unmodified allowance that he or she elected at the time of the service retirement. This bill was sponsored by the State Association of County Retirement Systems (SACRS) in order to clarify the CERL. This was already the practice of several CERL systems, including CCCERA. As such, the legislation does not change the way in which CCCERA handles option selection for members who are granted a disability retirement.

Status: Signed by Governor on July 2, 2015.

AB 1291 – County Employees Retirement Law of 1937: "District" defined

AB 1291, introduced by Assembly Member Williams, adds the Ventura County Employees Retirement Association to the definition of "District" under CERL Section 31468. It provides that the following VCERA job positions shall not be county employees but shall be employees of the retirement system:

- (1) retirement administrator;
- (2) chief financial officer;
- (3) chief operations officer;
- (4) chief investment officer; and
- (5) general counsel.

Ventura CERA is thus becoming the fourth CERL retirement system to take staff out of county employment and into Special District employment. The other three CERL systems include: Orange CERS, San Bernardino CERA and Contra Costa CERA.

Status: Signed by Governor on August 17, 2015.

SB 21 – Political Reform Act of 1974: gifts of travel

SB 21, introduced by Senator Hill, requires non-profit organizations that provide gifts of travel to elected officials to disclose the names of donors who funded those gifts. It also requires elected officials to disclose the destination for donated travel. Elected members of the CCCERA Board will have to comply with this new law as elected officials. Unions and bargaining groups that provide gifts of travel will have to disclose the names of donors and the officials will have to disclose the destination of the travel.

Status: Signed by Governor on October 10, 2015.

SB 222 - Local agencies: school bonds: general obligation bonds: statutory lien.

SB 222, introduced by Senator Block, requires general obligation bonds issued and sold by or on behalf of a local agency to be secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds, as provided. "Local agency" means any city, county, city and county, school district, community college district, authority, or special district. The lien arises automatically without the need for any action or



authorization by the local agency or its governing body. The lien is valid and binding from the time the bonds are executed and delivered.

This bill impacts CCCERA to the extent the County or other participating special districts issue general obligation bonds on or after January 1, 2016, in that bondholders would have an automatic statutory lien on bond revenues.

Status: Signed by Governor on July 13, 2015.

SB 272 – California Public Records Act: local agencies; inventory

SB 272, introduced by Senator Hertzberg, adds a provision to the California Public Records Act that requires local agencies to create a catalog of "enterprise systems" (data systems containing information collected regarding the public), make a hard copy of the catalog available on request through the agency's legislative body, and post the catalog on the agency's Website. The catalog would also be required to include the current system vendor, the system purpose, a general description of data, and the frequency of data collection and data update.

The bill requires local agencies to complete and post the catalog by July 1, 2016. Thereafter, the catalog must be updated annually.

The bill impacts CCCERA in that it requires the agency to maintain and provide a catalog of systems and vendors, as specified.

Status: Signed by Governor on October 11, 2015.

SB 704 – Public Officers and Employees: conflict of interest

This bill was introduced by Senator Bates. An officer is not deemed to be interested in a contract entered into by a board (of which the officer is a member) if the officer has only a "remote interest" in the contract, the interest is disclosed to the board, and the board authorizes or approves the contract without counting the vote of the officer. SB 704 amended Government Code Section 1091 to include in the definition of "remote interest" a person who is an owner or partner of a firm serving on an advisory board or commission to the contracting agency, so long as the owner or partner recuses himself or herself from providing any advice to the contracting agency regarding the contract between the firm and the contracting agency and from all participation in reviewing a project that results from that contract.

Status: Signed by Governor on October 4, 2015.

CCCERA Board Meetings 2015

Eff. 12.9.15

| 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 | | | | | | |
|----------|----|----|----|----|----|----|
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| 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 | | | | | | |
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| 22 | 23 | 24 | B | 26 | 27 | 28 |
| 29 | CII | CII | | | | |

| April | | | | | | |
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| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | W | W | W | W | | |

| May | | | | | | |
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| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | Q | 29 | 30 |
| 31 | | | | | | |

H - Memorial Day

| June | | | | | | |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | B | 26 | 27 |
| 28 | 29 | 30 | | | | |

| July | | | | | | |
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| PPI | PPI | PPI | PPI | SB | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

H - Independence Day

| August | | | | | | |
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| September | | | | | | |
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| 27 | 28 | SB | CII | | | |

H - Labor Day

| October | | | | | | |
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| 18 | 19 | 20 | 21 | SB | 23 | 24 |
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| November | | | | | | |
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| 22 | 23 | Q | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

H - Veterans Day
H - Thanksgiving

| December | | | | | | |
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| 6 | 7 | 8 | B | 10 | 11 | 12 |
| 13 | 14 | 15 | SB | 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 | IFEFP | | |

Meeting Date
12/09/15
Agenda Item
#13 a.

JANUARY 27-29, 2016

LOS ANGELES, CA



Advanced Principles of Pension Management

for Trustees

FOR THE CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS

Advanced Principles of Pension Management

for Trustees

A CALAPRS EDUCATION PARTNERSHIP WITH UCLA ANDERSON SCHOOL OF MANAGEMENT

ADVANCED PRINCIPLES OF PENSION MANAGEMENT

Public pension system trustees are being challenged over system funding, accounting practices, actuarial assumptions, benefit administration, executive leadership, and transparency in the conduct of the systems' business. Training has been provided for new trustees, but CALAPRS has recognized the need for veteran trustees to be exposed to some of the best thinking and education to enhance their service to their retirement systems, the members and retirees, and the public entities and citizens that rely on, and support, public pension systems in California.

The **CALAPRS Principles of Pension Management** programs are designed to help public pension trustees ask and answer the tough questions. The Advanced course is about finding out what it will take to govern ever more effectively in the 21st century, how we can build organizations that truly stand the test of time, and how we can be open to strategic possibilities. This is the gift of governance that defines the course.

THE PROGRAM

As a public pension trustee, you are faced as never before with vastly increased challenges, unprecedented scrutiny, and evolving issues. Moreover, areas such as actuarial assumptions, accounting requirements, and risk management are rapidly changing. To address these developments, the course adopts a multi-functional perspective on the issues effectively integrating ethics, compliance, enterprise risk management, and sustainability into the view.

PARTICIPANTS | WHO IS RIGHT FOR THE PROGRAM?

The Advanced Principles Program is designed for an elite group of senior trustees who are proven board leaders. Successful applicants will have held a position on a pension board for at least one or two terms prior to their current term. The **CALAPRS Principles of Pension Management at Stanford/Pepperdine** is a prerequisite (requirement) to attend this course.

CURRICULUM | YOUR COURSE OF STUDY

Over the course of two days, you will be immersed in a powerful learning process—acquiring the skills you need to lead your organizations effectively, strategically, and ethically. The Program's proven, multifaceted educational approach fosters the professional, intellectual, and personal development required to govern at the board level.

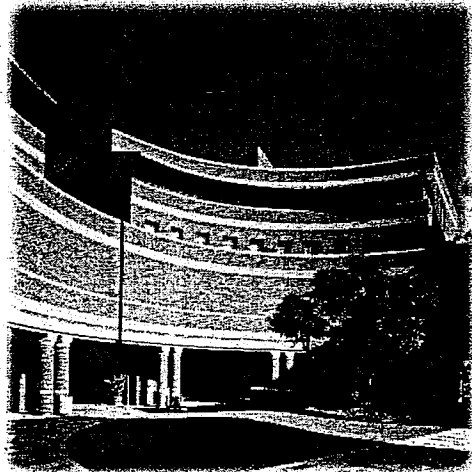


The 2016 Program will cover:

- Competencies of Effective Trustees
- Effective Board Leadership
- Rethinking Board Governance
- Advanced Actuarial Principles
- Practical Investment Policy Setting
- Dealing with Funding Issues

THE LEARNING MODEL

Developed in an education partnership between CALAPRS and the world-renowned faculty of UCLA Anderson School of Business, the **Advanced Principles Program** provides a unique, interactive learning opportunity for experienced public pension administrators and trustees.



Why UCLA?

UCLA Anderson School of Business is the leading provider of advanced learning opportunities that strengthen the leadership capacity of both individuals and their organizations. Unlike any other, UCLA Anderson's Executive Education learning model immerses California's veteran public pension trustees in a transformational experience that transcends the acquisition of knowledge, skills, and tools—and fosters professional, intellectual, and personal development.

Case Method

The case method is one of the most effective tools for learning governance and leadership principles—especially to practicing trustees. Case studies offer multiple levels of learning, compelling participants to identify relevant issues and to apply practical governance lessons to their own organizations. Cases provide an opportunity to study and discuss issues and challenges faced by public pension trustees in the real world – and imbed frameworks and theories in the context of practice.

Participants will receive a Certificate of Completion for this program.

Interaction

Every facet of this Program—from participant selection, to amphitheater classroom seating, to learning group design, to social activities—is carefully crafted to promote dynamic interchange and shared learning among accomplished peers from our diverse membership. The intellectual stimulation of learning in the company of peers is one of the most rewarding aspects of the program experience, and most participants establish a network of friendships and business contacts that last a lifetime.

Learning Commitment

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

THE FACULTY

The Advanced Principles Program is taught by the world class UCLA Anderson faculty including **Alfred E. Osborne, Faculty Director.**

PROGRAM DATES

January 27-29, 2016

TUITION

Program tuition will be \$3,100 for CALAPRS members and \$3,400 for non-members and will include all lodging, meals, and materials. Tuition must be paid in full by January 15, 2016.

ACCOMMODATIONS

Program tuition includes all meals and lodging on the nights of January 27 and 28, 2016 at the UCLA Guest House, located at 330 Charles E. Young Drive East, Los Angeles, CA 90095. To ensure full participation, all participants are required to stay on-site in the lodging provided.

REGISTRATION

Since space is limited, systems will be able to enroll one Trustee as Delegate and submit additional applications to be accepted if vacancies remain. Applications must be received by **December 15, 2015**. Acceptance will be announced between December 16-18, 2015.

Advanced Principles of Pension Management for Trustees

January 27-29, 2016 Los Angeles, CA

APPLICATION FOR ENROLLMENT

Due by December 15, 2015

Each system may enroll one Trustee as a "Delegate" and designate one additional Trustee as "1st Alternate" with the remainder as "2nd Alternate". Delegates will be admitted first. If vacancies remain, 1st Alternates will be admitted in the order received, followed by 2nd Alternates. **Applications must be received by December 15, 2015.** Accepted applicants will be notified via email between December 16-18, 2015.

Applicant Qualifications

This program is designed for senior trustees who are proven board leaders and have held a position on a pension board for at least one or two terms prior to their current term. **The CALAPRS Principles of Pension Management for Trustees at Stanford/Pepperdine is a required prerequisite for this course.**

Applicant Information

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

Retirement System: _____

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

Trustee's Mailing Address: _____

Trustee's Phone: _____ Trustees' Email: _____

Emergency Contact (name, phone): _____

Dietary Restrictions (if any): _____

Administrative Contact (name, email): _____

Email a digital copy of Trustee's biography (≤150 words) to register@calaprs.org for printing in the attendee binder.

Applicant Signature

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

Trustee Signature (required): _____ Date: _____

Administrator Approval

Applicant Designation: Delegate 1st Alternate 2nd Alternate

Administrator Name: _____ Email: _____

Administrator Signature (required): _____

Tuition Payment

\$3,100 CALAPRS Member \$3,400 Non-member

Program tuition must be paid in full by January 15, 2016. Tuition includes all meals, materials, and mandatory lodging for all participants for the nights of January 27 and 28 in the UCLA Guest House. Payable by check only made out and mailed to "CALAPRS". A separate invoice will not be sent.



Attendees will be asked to walk approximately 0.5 miles between the Guest House and classroom on campus. If, due to a disability, you have any special needs, call 415-764-4860 to let us know. We will do our best to accommodate them.

CALAPRS

EDUCATION • COMMUNICATION • NETWORKING
California Association of Public Retirement Systems

Mail, email or fax form and payment to
CALAPRS

575 Market Street, Suite 2125

San Francisco, CA 94105

Phone: 415-764-4860 Fax: 415-764-4915

register@calaprs.org www.calaprs.org



A E T H E R

INVESTMENT PARTNERS, LLC

Meeting Date

12/09/15

Agenda Item

#13b.

Aether Investment Partners Annual Meeting
Thursday, January 28, 2016
1:00 p.m. to 8 p.m.
Denver, Colorado

The following is the event itinerary surrounding Aether's 2016 annual meeting:

Annual General Meeting

Time: 1:00 p.m. MST

Dial-in: To be provided

Location: McWhinney Room, Crawford Hotel, 1701 Wynkoop Street, Denver, CO 80202

Proposed Agenda (subject to change):

- Business & Fundraising Update
- Market Environment
- 2015 Due Diligence Metrics
- ARA Fund Updates
- Investment Pipeline
- Q&A Session

Underlying Fund Manager Presentations (2)

Time: 3:00 p.m. MST

Dial-in: Not available

Location: McWhinney Room, Crawford Hotel, 1701 Wynkoop Street, Denver, CO 80202

Advisory Committee Meeting

Time: 4:00 p.m. MST

Dial-in: To be provided to advisory committee members

Location: McWhinney Room, Crawford Hotel, 1701 Wynkoop Street, Denver, CO 80202

Hosted Cocktail Hour

Time: 5:30 p.m. MST

Location: The Kitchen Denver, 1530 16th Street, Denver, CO 80202

Hosted Dinner

Time: 6:30 p.m. MST

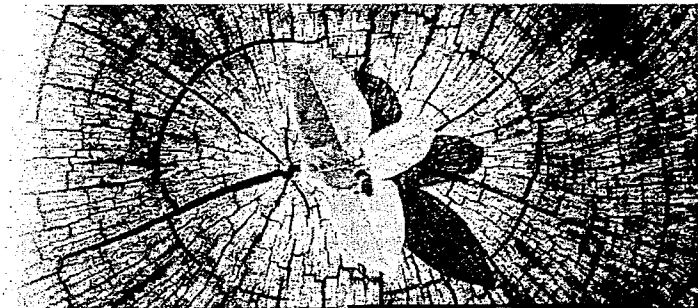
Location: The Kitchen Denver, 1530 16th Street, Denver, CO 80202

commonfund

FORUM2016

February 27 - March 1, 2016 | Orlando, Florida

HIGHER VALUE. OPPORTUNITY AMID UNCERTAINTY



Meeting Date
12/09/15
Agenda Item
#13.c.

Saturday, February 27, 2016

Commonfund Strategic Solutions Investor Conference

3:30 PM - 5:00 PM

Attendance at this session is limited to investors in the Commonfund Strategic Solutions program. In this session we will introduce newly appointed Commonfund Chief Investment Officer, Mark Anson, who will provide insights into our portfolio positioning and asset allocation in light of our economic and investment outlook. We will also review current strategy exposures and will highlight how we look to make strategic and tactical changes over the next 12-18 months. In particular, we will also look at underlying risks to our base case and how we will seek to mitigate those risks in client portfolios. Finally, we will provide a business update.

Children's Dinner and Activities

6:00 PM - 9:00 PM

Commonfund Forum provides dinner and supervision for children of registrants attending the Saturday banquet and keynote address. Children from pre-school age to teens are welcome. We'll have age appropriate activities and movies for all.

Reception

6:30 PM - 7:30 PM

Welcome, Dinner and Featured Topic:

7:30 PM - 9:30 PM

Confronting Putin's Russia: A conversation with former U.S. Secretary of Defense, Chuck Hagel

Interviewed By: Frank Sesno, former Anchor and Washington Bureau Chief, CNN

From the escalating crisis in Ukraine and the Russian presence in Crimea to Syria and beyond, Chuck Hagel will share insights into the conflict between Russia and the West. And, he will provide his views on the long-term security and economic implications of this new era in Russia's relations with Europe and the U.S. What will be the effect of sanctions and should they be stronger? How do Russia's actions impact the ongoing war in Syria and the Iran nuclear talks? How is this new era similar and different from the Cold War? How does Russia's struggling economy influence the Kremlin's global aspirations? Informed from his many years of experience working at the highest levels of government and security, Hagel will provide unique insights into one of the greatest challenges to European, and global, stability in decades.

Sunday, February 28, 2016

Networking Buffet Breakfast

7:15 AM - 8:15 AM

Join your fellow attendees for an informal breakfast buffet and networking discussion.

The Global Economy: Policy, Divergence & Growth

8:30 AM - 9:30 AM

A quick survey of world economies would point to the U.S. as among the stronger countries, seeming to have finally turned the corner with regard to jobs, housing and other measures of strength. At the same time, inflation continues to be stubbornly low, economic growth remains tepid and the outlook for Europe, Japan, China and many emerging markets is uninspiring. In this highly-connected world, can the U.S. continue to lead and provide compelling investment opportunities? And, how will the world's central bankers formulate effective policies? Our panelists will assess the state and outlook for the global economy and capital markets. Most importantly, they will offer perspectives on the signals long-term investors should be looking for to guide portfolio policies.

General Session: Investing in the Political and Economic Future of Europe **10:00 AM - 11:00 AM**

For institutional investors, how do you balance macro concerns about the future of the EU and economic growth in the region with the prospect that a range of European equities could be oversold, and private companies perhaps undervalued? This session brings together experts in economics, policy and investing to help investors better understand the landscape and implications for policy weights and strategy implementation in public and private markets.

General Session: Is the China Growth Story Still Real?

11:30 AM - 12:30 PM

Nearly four decades after economic reforms opened up the Chinese economy its staggering economic growth has made it the largest economy in the world, adjusted for purchasing power. China's manufacturing might propelled its growth and the rise of the middle class for years. Now, amid competition from other emerging economies, China is attempting to pivot to a more balanced, consumer-driven economy. At the same time, the liberalization of financial markets has led to a tremendous spurt in retail investors "playing the stock market" with the (some may say expected) result of a tremendous boom and now, bust. Can the ruling party successfully navigate through the complexities of change to fulfill the potential that long-term investors are hoping for, or will the challenges prove too great? Where are the true investment opportunities today and tomorrow for institutional investors?

Luncheon and Featured Speaker

12:45 PM - 2:15 PM

Originals: How Nonconformists Move the World Forward

Adam Grant, Author and Professor, The Wharton School of Business at the University of Pennsylvania

In *Originals* Adam Grant addresses the challenge of improving the world, but now from the perspective of becoming original: choosing to champion novel ideas and values that go against the grain, battle conformity, and buck outdated traditions. How can we originate new ideas, policies, and practices without risking it all? Using surprising studies and stories spanning business, politics, sports, and entertainment, Grant explores how to recognize a good idea, speak up without getting silenced, build a coalition of allies, choose the right time to act, and manage fear and doubt; how parents and teachers can nurture originality in children; and how leaders can fight groupthink to build cultures that welcome dissent. Learn from an entrepreneur who pitches his start-ups by highlighting the reasons not to invest, a woman at Apple who challenged Steve Jobs from three levels below, an analyst who overturned the rule of secrecy at the CIA, a billionaire financial wizard who fires employees for failing to criticize him, and a TV executive who didn't even work in comedy but saved *Seinfeld* from the cutting-room floor. The payoff is a set of groundbreaking insights about rejecting conformity and improving the status quo.

| | |
|---|--------------------------|
| General Session: Rethinking Risk and Diversification | 2:45 PM - 3:45 PM |
|---|--------------------------|

Are diversified portfolios really diversified and will they stand the test of the next market turn? Or will asset classes once again move together in a crisis? Increasingly, institutional investors have looked at risk factors as the building blocks of portfolios as an alternative to traditional asset allocation, but this is a challenge for many as most risk factors are not readily investable. Further, some contend that factor based investing is little more than repackaging of Modern Portfolio Theory. In this session, we'll look at both the theory and practice of factor based investing to determine if diversification is still the last remaining free lunch.

| | |
|--|--------------------------|
| General Session: Hedge Fund Strategies for a Diverging Global Economy | 4:15 PM - 5:15 PM |
|--|--------------------------|

For much of the last five years we have had synchronous economic policies globally which have supported asset prices and dampened volatility. In this environment, most hedge fund strategies have lagged traditional market indices, leading investors to question the effectiveness of such strategies, either as uncorrelated sources of alpha or tools to manage beta exposure. Today, few expect the next five years to look like the last five, and already volatility and return dispersion have returned. In this session, hear from leading hedge fund managers about the strategies they are deploying in this diverging global economy.

| | |
|-------------------------------|--------------------------|
| Dinner at Your Leisure | 6:30 PM - 9:00 PM |
|-------------------------------|--------------------------|

For Sunday evening at Commonfund Forum 2016 attendees are welcome to relax and enjoy the restaurant options at the JW Marriott or adjacent Ritz Carlton as well as the range of local restaurants (check with the hotel concierge for recommendations.) On-site restaurant options include:

- Primo
- Citron, An American Brasserie
- Whisper Creek Farm: The Kitchen
- The Sushi Bar
- Quench Poolside Bar & Grill
- Highball & Harvest
- Norman's
- Bleu Pool Bar

Monday, February 29, 2016

Breakfasts**7:00 AM - 8:15 AM****Networking Breakfast**

Join your fellow attendees for an informal breakfast buffet and networking discussion.

Special breakfast Session: Commonfund Capital Performance Review

This session, primarily for existing investors in the programs of Commonfund Capital, will provide an in-depth review of recent fund performance and attribution across all our investment programs. We will review benchmark data, traditional measures such as IRR and multiples – and will discuss how best to use Public Market Equivalents (PME) to judge long-term performance in the context of your overall portfolio.

General Session: Global Equity Investing – Specialized Strategies for Success**8:30 AM - 9:30 AM**

World markets seem to be on diverging paths as a period of coordinated central bank policies ends and volatility and dispersion come back to capital markets. On the surface, the uncertainty can be unnerving for investors, but this type of environment can also bring opportunities for skilled active managers with specific areas of expertise that can take advantage of dislocations and mispricing. In this session we will hear from four specialist managers with unique approaches to equity investing. Their insights reveal the hidden opportunities amid uncertainty.

Breakout Sessions I**9:45 AM - 10:45 AM****The Big Picture: Integrating Investments, Finance and Development**

A painful lesson learned by many fiduciaries of operating nonprofits during the financial market crisis was the risk of managing an endowment or operating reserves in isolation—that is managing pools of assets without sufficient regard to the operations and broader financial resources of the organization they serve. Many colleges and universities, hospitals, museums and others found themselves strapped for liquidity or unable to fund operations at budgeted levels. In this session, we'll discuss the challenge of resource planning and how to manage asset pools more effectively in the context of the overall enterprise.

What's Next for Cash Investors?

Since the fallout of the 2008 Financial Crisis, cash investors have been waiting for a return to normalcy, both to replace the recent period of zero yields and to eliminate the uncertainty of regulatory reforms. The past five years have proven to be an interim "healing" timeframe where monetary policy from the Federal Reserve and evolving sanctions from regulators focused on the improvement of financial institutions' capital structures. The consequences for institutional investors were highly uncertain risk/return characteristics for cash and liquidity investments. Reforms resulted in an improved financial system, but left investors with fewer compelling opportunities for managing growing cash balances. As we are now on the verge of the implementation of the SEC's reforms to institutional prime market funds in mid-2016, this session will seek to provide clarity and specific actions that cash investors should consider.

European Private Capital: Finding the Growth Needle in the Haystack

For the last few years there has been a steady stream of negative economic news and political uncertainty from Europe. While the Macro issues garner the bulk of the news coverage, there are talented private capital managers quietly finding promising pockets of growth in mid-market private companies across sectors and countries. In this session, the Commonfund Capital Team will share their insights into where we are seeing attractive growth opportunities as well as our outlook for European investments across private equity, venture and natural resources. The team will be joined by leading European managers who will provide examples of compelling growth stories they are finding and recent investments they have made.

General Session: The One World Schoolhouse: Education Reimagined

11:00 AM - 12:00 PM

Featured Speaker: Salman Khan, founder, Khan Academy

Sal Khan is the founder of the Khan Academy, a nonprofit with the mission of providing free, high-quality education to "anyone, anywhere" in the world. A former hedge fund analyst with degrees from MIT and Harvard, Khan is also the author of *The One World School House*, which explores the potential impact of the web as a teaching tool. With 6,000 instructional videos, 100,000 practice problems, and 10,000,000 unique users per month, Khan Academy is rethinking the world of education. In this session, Mr. Khan provides insight into the history and the evolution of Khan Academy and how we can rethink education.

Southern Barbeque Lunch

12:15 PM - 1:15 PM

Attendees can enjoy a relaxing southern style barbeque lunch while networking with peers and colleagues

Breakout Sessions II

1:30 PM - 2:30 PM

Can ESG Factors Add Alpha?

While a great deal has been written about ESG over the last several years, research by Commonfund Institute points to continued confusion and limited actions by the vast majority of nonprofit institutions and public plans. At the root cause, most institutional investors remain concerned that the inclusion of ESG factors in their process may come at the cost of weaker risk-adjusted returns. In this session our panel of experts will share their latest research findings into the potential risk and return characteristics of these strategies, and will seek to bring clarity to the question as to whether one can do well and do good at the same time.

Revisiting Conventional Hedge Fund Thinking

As seen in the most recent NACUBO Study, alternatives now represent the largest portfolio allocation among institutional investors at around 50%. Hedge Fund strategies account for almost half of that total allocation, representing a critical driver of overall portfolio risk and return. In this session, our team will present proprietary research findings on questions like: what is the right number of managers? Should we allocate to smaller or emerging managers? And, what are the results of applying different manager selection strategies? The answers will challenge conventional thinking and help attendees better understand how to design their hedge fund allocation.

Impact Investing: Aligning Money with Mission

Impact Investing is showing growth around the world. According to the JP Morgan/Global Impact Investing Network survey, the number of institutions engaging in meaningful impact investing has increased by 26 percent in the past year and investors plan to commit an incremental 19% next year. Yet, even with this increased focus on impact investing there is still confusion about how to implement the strategy. Like other investing areas, there is a range of approaches and interested investors need to identify which methods best fit their institution's particular goals. In this session our panelist will discuss their approaches and share their insights.

New Techniques for Maximizing Investment Committee Effectiveness

Investment Committees serve a critical role in the long term health of a nonprofit organization. Their effective stewardship of the corpus can provide the institution a strong foundation and the flexibility to fund growth initiatives. But what are the attributes that separate effective Committees from others? Dr. Charas' research focuses on new approaches to select, develop and manage passionate high-performing interdisciplinary teams, and their impact on corporate financial performance. Her research on board teams has been published in academic and practitioner journals including the International Journal of Disclosure and Governance, HBR and The Corporate Board. Dr. Charas will share her current research on the impact of "team quality" on corporate financial performance and will provide insights to help you and your decision-making bodies become more effective.

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| General Session: Private Capital Frameworks for Long-Term Success | 3:00 PM - 5:00 PM |
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There are myriad investment opportunities in the world of private capital that institutional investors must critically evaluate to find those that will best align with their long-term objectives. In this session, Commonfund Capital will share their global investment point-of-view across private equity, venture capital and natural resources.

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| Dinner and Entertainment | 7:30 PM - 8:30 PM |
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To Be Announced

Tuesday, March 01, 2016

Breakfast and Featured Speaker

7:15 AM - 8:45 AM

Superpower: Three Choices for America's Role in the World
Ian Bremmer, Founder and President, Eurasia Group

We welcome back global policy expert Dr. Ian Bremmer for this breakfast talk in which he calls for a complete rethink of America's role in tomorrow's world. In an increasingly volatile international environment, the question has never been more important. Bremmer explores three choices, each with its own benefits and drawbacks and shares his insights into the implications for investors.

General Session: Emerging Markets Portfolio Construction: Balancing Risk & Reward

9:00 AM - 10:00 AM

Investors are now backpedaling fast after pouring around \$2 trillion dollars into emerging economies between 2009 and 2014 in search of better returns than in many developed economies. China, Brazil and Russia are all reeling from a combination of slower growth, lower oil prices and soft demand for commodities. Countries tied closely to these economies are facing major challenges as well. Should long-term investors follow the crowd out the door or selectively look for pockets of opportunity as central banks across the emerging markets ratchet up their next round of QE? Our panel will answer that question while also providing important perspective on how to recognize and mitigate the potential risks that come with potential rewards.

Breakout Sessions III

10:15 AM - 11:00 AM

Next Gen Energy Investing: Understanding the Investment Landscape

Many believe that recent advances in alternative energy technologies will provide a breakthrough that will transform the world's dependence from fossil fuels to renewables and other clean technologies. But to date, investors have generally not been rewarded for allocating capital to these emerging technologies, in part because they are often subsidized by government funds which ebb and flow with political tides. So is it different this time, and is the next generation of energy investing filled with more opportunity than hype? In this session, leading experts provide insights on the evolving energy investing environment.

Secondaries: An Essential Component of a Complete Private Capital Program

The most sophisticated investors employ private capital strategies like investing in Secondaries to potentially help enhance their overall portfolio risk and return characteristics. The popular press continues to caution that prices in the secondary market are too rich, and that the buying cycle has ended. In this session, our group of experts will highlight where markets are fully priced and where opportunities exist. They will provide an update into the current and future state of the secondaries market as well as practical advice on how to use this powerful tool in your portfolio construction.

Does Currency Matter? Reassessing its Role in Portfolios

Many of the world's largest economies are either implicitly or explicitly manipulating the value of their currencies as they look for effective policies to strengthen exports and improve their economies. Historically, institutional investors have accepted currency exposure as a diversifier and a by-product of their non-U.S. allocations. But in an environment where currency values are being manipulated and not simply allowed to balance naturally, does a hands-off approach still makes sense? Join this session for a new look at the role of currency exposure in long-term portfolios.

The Art and Science of a Well-Crafted Investment Policy Statement

Fiduciaries of nonprofit organizations, whether governing boards or staff, are entrusted with fulfilling the missions of their organizations in part through stewardship of financial assets. Today, this challenge has never been greater with competing interests on limited resources and heightened economic and financial uncertainty. In many ways, a well-crafted Investment Policy Statement can serve as a beacon to help navigate through difficult waters. In this session we will provide attendees with best practices and relevant insights for developing or revisiting their investment policy.

General Session: Carbon and Investment Implications for Fiduciaries

11:15 AM - 12:15 PM

Across the U.S., most college presidents have had to contend with students calling for a divestment of fossil fuel. Likewise, the pressure from donors has increased among some foundations and charities calling for them to align investment strategy more closely with mission. Elsewhere, others warn that asset values in the energy and utilities sectors do not accurately reflect the risk of future regulation and taxation. Given all of this, one would assume a groundswell of action to divest. But to date, discussion has dramatically outweighed action. In this session, we'll look at the carbon debate and assess the investment implications for fiduciaries, seeking to bring more clarity to the costs, risks and opportunities of investing in carbon related industries.

Closing Luncheon and Featured Speaker

12:30 PM - 2:00 PM

Politics Past, Present and Future: A Conversation with Doris Kearns Goodwin

Interviewed by David Gregory, renowned journalist and former moderator, NBC's Meet the Press

"America's historian-in-chief" Doris Kearns Goodwin examines the changing nature of the campaign for President from 1896 when 750,000 citizens showed up on the porch of the home of Republican candidate William McKinley to today when Democratic candidate Hillary Clinton communicates in 140 characters or less to over 4 million Twitter followers. The evolution in presidential campaign communication and strategy underscores the constant focus on personal and professional exposure and accountability that comes with a run for the White House. After five decades of studying the campaigns and the candidates for the highest office in the land, Goodwin will entertain and educate with the rich stories of polls and spin, privacy and personality behind the quadrennial dance of democracy, and bring us to the current day—the 2016 presidential campaign, a lengthy, exhausting and costly race that will be dominated by the 24/7 news cycle, social media, pop culture and the rise of the Super PACs.