



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
March 8, 2017
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 January 25, 2017 meeting.
4. Routine items for March 8, 2017.
 - 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. Steve Evans	Service Connected	Service Connected
6. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Peter J. Nowicki v. CCCERA, et al.*, United States District Court, N.D. Cal., Case No.: cv-00629
 - b. *Nidia Santos v. CCCERA, et al.*, Contra Costa County Superior Court Case No.: N16-2334
 - c. *John Wilmot v. CCCERA Board of Retirement, et al.*, Contra Costa County Superior Court, Case No.: N16-1730

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

OPEN SESSION

7. Presentation on the compensation enhancement review process.
8. Consider and take possible action to revise the Policy Regarding Assessment and Determination of Compensation Enhancements.
9. Consider and take possible action to provide direction pertaining to the CCCERA Retiree Lookback Project – Compensation Enhancement Study.
10. Disability Education Presentation.
11. Presentation of Semi-Annual Disability Retirement Report.
12. Review of Initial Report on Liquidity Sub-portfolio.
13. Consider and take possible action to adopt BOR Resolution 2017-1, Investment Asset Allocation Targets and Ranges.
14. Consider authorizing the attendance of Board & Staff:
 - a. Education in Private Equity, National Association of Securities Professionals, March 29-30, 2017, Los Angeles, CA
 - b. Ares Annual Investors Meeting, Ares Energy Investors Funds, April 18-19, 2017, Marina del Rey, CA
 - c. Annual Investment Symposium, Dimensional Fund Advisors, April 24-26, 2017, Austin, TX
15. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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Meeting Date
03/08/17
Agenda Item
#3



MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING
January 25, 2017
9:00 a.m.

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

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

Absent: Debora Allen and Jerry Telles

Staff: Gail Strohl, Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Christina Dunn, Administrative/HR Manager; and Henry Gudino, Accounting Manager

Outside Professional Support: Ed Hoffman
Representing: Verus

1. Pledge of Allegiance

Gordon led all in the *Pledge of Allegiance*.

2. Accept comments from the public

Michael Pineschi, Unite Here, spoke on the performance and management of Ares Energy Fund V, noting CCCERA is the only public pension fund that committed to Fund V, which is still fundraising.

Pigeon and Rodrigues were present for subsequent discussion and voting.

3. Presentation on recommended structure and manager lineup for emerging market equity mandate

Price gave an overview of the emerging market equity manager search noting this is the first search conducted by Verus for CCCERA utilizing the approved lists generated by the firm's Manager Research Group and that CCCERA staff conducted an independent review of the recommendations. He reported on the differences between this search and how searches were conducted 5 years ago. He also reviewed the new asset allocation targets.

Hoffman gave an overview of the search process noting that the search identified 6 emerging market equity managers as semi-finalists from the 453 strategies originally identified. He described the on-site and in-office meetings as well as the due diligence write-ups on top candidates.

Hoffman reviewed a comparison between PIMCO and TT International and how they work together including their performance as of 3Q16. He also reviewed their portfolio characteristic and fees. He noted they want the strategies to perform differently but also complement each other.

4. Presentation from proposed emerging market equity managers:

a. TT International – Niall Paul, Greg Casano

Casano gave an overview of the firm and their investment culture. He reported they were established in 1988 and have 100 employees with offices in London, New York and Hong Kong noting there are 16 partners and all are actively invested. He stated they use a top-down / bottom-up approach in stock selection. There was a discussion on possible trade restrictions with the new administration and the effect on emerging markets.

Paul reviewed their investment philosophy in emerging markets, their pricing anomalies, their investment approach, their performance, and their investment team. He also reviewed their investment process, current portfolio characteristics, and active country weights.

b. PIMCO – Stephanie King, John West (RAE), Brent Leadbetter (RAE), Sasha Talcott

PIMCO/Research Affiliates waived the confidentiality statement in the presentation materials.

King introduced the presenting team.

West gave an overview on the background of Research Affiliates noting they have been working with PIMCO since 2005. He reviewed their team and their investment philosophy noting they use a systematic equity strategy with an unemotional, rules-based investment process.

Leadbetter reviewed their approach to equity investing and how they build their portfolio. He stated their strategy performs well and has delivered consistent long-term excess returns. He reviewed excess returns vs core index and value index in emerging markets. He also reviewed trailing returns for emerging markets.

Talcott summed up the presentation on why they believe Research Affiliates emerging market strategy is a compelling solution for CCCERA.

Rodrigues and Smithey were no longer present for subsequent discussion and voting.

5. Consider and take possible action to retain TT International for emerging market equity strategy

After a discussion, it was M/S/C to retain TT International for emerging market equity strategy and allocate an initial \$300mm subject to satisfactory due diligence and legal review and authorize the CEO to execute the necessary contracts. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon and Watts)

6. Consider and take possible action to retain PIMCO for emerging market equity strategy

It was M/S/C to retain PIMCO for emerging market equity strategy and allocate an initial \$300mm subject to satisfactory due diligence and legal review and authorize the CEO to execute the necessary contracts. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon and Watts)

7. Presentation on recommended structure and management of passive US equity mandate

Price briefly reviewed his memo on the passive US equity manager search.

Hoffman introduced Glen Cagan, Consulting Associate, who joined Verus in April.

Hoffman reported this is a \$70mm allocation to a passive US Equity strategy. He reviewed the index options and index performance.

Gordon was no longer present for subsequent discussion and voting.

Hoffman reviewed the investment vehicle criteria and structures including the use of an overlay provider. He reviewed a list of providers and reported BlackRock is the lowest priced option and the fund's track record has demonstrated the ability to closely track the benchmark.

8. Presentation from BlackRock on proposed passively-managed Russell 1000 Index strategy - Scott Dohemann, Samantha Taylor

BlackRock waived the confidentiality statement in the presentation materials.

Taylor gave a brief overview of the firm noting they are the creator of the first index fund and have \$2 trillion in AUM.

Dohemann reviewed their index equity platform and their experience over the past 45 years. He also reviewed how their portfolios are structured noting they use a team-based approach. He reviewed their philosophy and process, performance and oversight, benchmark knowledge, portfolio construction and management cycle. He also reviewed the Russell 1000 fund performance in 2016 and tracking differences.

9. Consider and take possible action to retain BlackRock for passively-managed Russell 1000 Index strategy

It was M/S/C to retain BlackRock for passively-managed Russell 1000 Index strategy and allocate an initial \$70mm subject to satisfactory due diligence and legal review and authorize the CEO to execute the necessary contracts. (Yes: Andersen, Holcombe, Kroll, MacDonald, Phillips, Pigeon and Watts)

10. Conference Seminar Attendance

- a. It was M/S/C to authorize the attendance of 1 Board member and 1 staff member to the Artisan Partners Investment Forum, Artisan Partners, June 13-14, 2017, Milwaukee, WI. (Yes: Andersen, Holcombe, Kroll, MacDonald, Phillips, Pigeon and Watts)
- b. There was no reportable action on this item.
- c. It was M/S/C to authorize the attendance of 1 additional Board member to the Commonfund Forum, Commonfund, March 4-7, 2017, San Antonio, TX. (Yes: Andersen, Holcombe, Kroll, MacDonald, Phillips, Pigeon and Watts)
- d. It was M/S/C to authorize the attendance of 4 Board members and 4 staff members to The Pension Bridge Annual Conference, The Pension Bridge, April 18-19, 2017, San Francisco, CA. (Yes: Andersen, Holcombe, Kroll, MacDonald, Phillips, Pigeon and Watts)

11. Miscellaneous

- (a) Staff Report –

Strohl reported Trustees will be receiving an email from the County regarding the Form 700 and noted the Form can be completed online and it is very easy to use.

Levy introduced attorney Alison Greene, CCCERA's new Deputy General Counsel.

- (b) Outside Professionals' Report -

Hoffman reported Trustees will be receiving an email for the Verus Summit which will be held on August 28-29, 2017 in San Francisco.

(c) Trustees' comments –

MacDonald asked about potential on-site visits. Price stated the on-site for TT International is being deferred until the commingled fund structure has been fully negotiated and will notify the Board in late March.

Watts reported he attended the Institutional Investors Risk & Liquidity Forum and felt it was excellent.

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

John Phillips, Chairman

Scott Gordon, Secretary

BOARD OF RETIREMENT

March 8, 2017

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Items requiring Board Action

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

B. Service and Disability Retirement Allowances:

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Group</u>	<u>Selected</u>
Avina, Robert	41019	12/15/16	SR	Safety A	Unmod
Beauford, Simone	54926	11/04/16	SR	Tier II and III	Option 1
Calderon, Ronald	71613	12/01/16	SR	Safety A	Unmod
Conti, Julie	46756A/P	08/19/16	SR	Tier II and III	Unmod
Edelson-Esposito, Kimberly	63322	10/24/16	SR	Tier II and III	Unmod
Gelman, Stephen	68885	12/07/16	SR	Tier III	Unmod
Jazmin, Teresita	71022	12/01/16	SR	Tier III	Unmod
Jones, Willie	D3603	11/18/16	SR	Tier I	Unmod
Klier, Wayne	43761	11/11/16	SR	Tier II and III	Unmod
Megia, Editha	53987	10/12/16	SR	Tier II and III	Unmod
Parsons, George	47962	12/01/16	SR	Tier II and III	Unmod
Perez, Maureen	69359	11/01/16	SR	Tier III	Option 2
Peterson, Darin	40084	11/26/16	SR	Safety A	Unmod
Smith, Daniel	D7830	11/30/16	SR	Safety A	Unmod
Untalan, Connie	62164	11/19/16	SR	Tier II and III	Unmod
Veloso, Belinda	69216	12/01/16	SR	Tier III	Unmod
Wheat, Cathlyne	64713	12/01/16	SR	Tier I	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>
Alexander, Mark	78727	02/01/17	SCD
Colbath, Dan	68799	02/14/17	SCD
Fullwood, Robert Scott	D7830	12/29/16	SCD
Mathers, James	D7160	12/05/16	SCD

KEY:

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

Option
* = County Advance
Selected w/option

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

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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March 8, 2017

D.

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Allen, William	01/31/17	Contra Costa County
Bigbee, Marie	01/02/17	Contra Costa County
Bloch, Virginia	02/15/17	Contra Costa County
Bolton, Jeanne	01/25/17	Contra Costa County
Bond, Barbara	01/27/17	Beneficiary
Camacho Jr., Peter	02/19/17	Contra Costa County
Clark, Leslie	01/16/17	Contra Costa County
Collins, Marlin	02/12/17	Contra Costa County
Diquattro, Lela	02/10/17	Contra Costa County
Dunn, James	02/04/17	Contra Costa County
Ford, Don	01/07/17	Contra Costa County
Fowler, Lillie	02/18/17	Beneficiary
Gargalikis, Theodore	01/25/17	City of Pittsburg
Gates, Joanne	02/10/17	Beneficiary
Hammond, Wanda	02/03/17	Contra Costa County/Beneficiary
Lopez, Daniel	01/13/17	Central Contra Costa Sanitary District
Lucas, Muriel	01/22/17	Contra Costa County
Markus, Albert	02/16/17	Contra Costa County
Maurer, John	01/22/17	Contra Costa County
Maxfield, William	01/08/17	Contra Costa Fire Protection District
Medhurst, Margo	01/07/17	Contra Costa County
Miller, Willie T.	01/07/17	Contra Costa County
Milligan, Susan	01/22/17	Contra Costa County
Nesset, Ronald	01/24/17	Contra Costa County
Palmer, Gloria	02/07/17	Contra Costa County
Reeves, Mary	01/09/17	Beneficiary
Riordan, Daniel	12/29/16	Contra Costa County
Robledo, Anthony	01/30/17	Beneficiary
Rose, Mervyn	01/26/17	Contra Costa County
Rudow, Allyn	01/27/17	Contra Costa County
Smothers, Angela	02/08/17	Beneficiary
Sundling, Mary Kay	02/03/17	Contra Costa County
Taylor, Charlotte	01/17/17	Beneficiary
Turman, George	01/10/17	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 Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability

CERTIFICATION OF MEMBERSHIPS

Meeting Date
03/08/17
 Agenda Item
#4a.

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Anderson, Kathy N.	82960	P5.2	01/01/17	Contra Costa County
Baccay, Melanie F.	84262	P5.2	01/01/17	Contra Costa County
Baldonado, Jeanelle T.	84228	P5.2	01/01/17	Contra Costa County
Barnett, Alex A.	81768	P5.2	01/01/17	Contra Costa County
Bergman, Jennifer A.	84198	P5.2	01/01/17	Contra Costa County
Bermudez, Yesenia	83010	P5.2	01/01/17	Contra Costa County
Bernabe, Karl I.C.	84235	P5.2	01/01/17	Contra Costa County
Berry, Joseph M.R.	D9500	P5.2	01/01/17	Superior Courts
Bondoc, Danilo S.	84227	P5.2	01/01/17	Contra Costa County
Bremner-Nyah-Wright, Nyala M.	84209	P5.2	01/01/17	Contra Costa County
Campbell, Kathleen H.	84218	P5.2	01/01/17	Contra Costa County
Clay, Kimberly D.	84192	P5.2	01/01/17	Contra Costa County
Damiens, Giuliana T.	84224	P5.2	01/01/17	Contra Costa County
Dias, Kalupahana L.	77196	P5.2	01/01/17	Contra Costa County
Diggins, India E.	84220	P5.2	01/01/17	Contra Costa County
Freed, Gregory N.	84263	P5.2	01/01/17	Contra Costa County
Fregosi, Rebecca R.	82652	P5.2	01/01/17	Contra Costa County
Galvez, William F.	79758	P5.2	01/01/17	Contra Costa County
Gerchow, Christine E.	79369	P5.2	01/01/17	Contra Costa County
Gipson Jr.,Roosevelt	81078	P5.2	01/01/17	Contra Costa County
Glaspy, Meghan M.	83612	P5.2	01/01/17	Contra Costa County
Haase, Renee M.	81769	P5.2	01/01/17	Contra Costa County
Hanson, Mark R.	84122	P5.2	01/01/17	Contra Costa County
Herd, Richard M.	83054	P5.2	01/01/17	Contra Costa County
Johnson, Lashunda L.	82290	P5.2	01/01/17	Contra Costa County
Johnson, Myra E.	82936	P5.2	01/01/17	Contra Costa County
Kang, Navpreet K.	83264	P5.2	01/01/17	Contra Costa County
Kim, Nathaniel H.	75495	P5.2	01/01/17	Contra Costa County
Leland, Chelsea M.	79638	P5.2	01/01/17	Contra Costa County
Mackie, Steven A.	82282	P5.2	01/01/17	Contra Costa County
Manzanarez, Erick	84165	P5.2	01/01/17	Contra Costa County
Martinez, Jesus A.J.	70099	P5.2	01/01/17	Contra Costa County
McMahon, John R.	82114	P5.2	01/01/17	Contra Costa County
McNeal II, Daryl D.	84103	P5.2	01/01/17	Contra Costa County
Menjivar Beltran, Gloria E.	84146	P5.2	01/01/17	Contra Costa County
Moran, Mary Kate D.	81764	P5.2	01/01/17	Contra Costa County
Murad, Jessica M.	81729	P5.2	01/01/17	Contra Costa County
Nelum, Hadiya A.	61793	P5.2	01/01/17	Contra Costa County
Nguyen, Khang A.	D3406	P4.3	01/01/17	Central Contra Costa Sanitary District
Panikowski, Michael J.	82115	P5.2	01/01/17	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	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>
Ramirez, Ife C.	82363	P5.2	01/01/17	Contra Costa County
Ringue, Matthew V.	82567	P5.2	01/01/17	Contra Costa County
Rubio, Jennifer L.	81041	P5.2	01/01/17	Contra Costa County
Ruiz Cabrera, Dana D.	84275	P5.2	01/01/17	Contra Costa County
Samra, Joshua D.T.	81767	P5.2	01/01/17	Contra Costa County
Singh, Pavandeep	84171	P5.2	01/01/17	Contra Costa County
Sun, Xiaoting	84248	P5.2	01/01/17	Contra Costa County
Svozil, William L.	D7274	P4.3	01/01/17	Moraga-Orinda Fire Protection District
Walker, Lynette	84148	P5.2	01/01/17	Contra Costa County
Wang, Alan C.L.	84239	P5.2	01/01/17	Contra Costa County
Washington, Tiana A.	84223	P5.2	01/01/17	Contra Costa County
Whyte, Ryan M.	83815	P5.2	01/01/17	Contra Costa County
Yong, Harvey C.	84212	P5.2	01/01/17	Contra Costa County
Zimmerman, Alina M.	80686	P5.2	01/01/17	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA 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>
Agstadt, Eric A.	83265	P5.2	III	01/01/17	Contra Costa County	Reciprocity
Andreas, Leticia	77898	P5.2	P4.2	01/01/17	CCC Fire Protection District	Position Change
Downes, Trina L.	81654	P5.2	III	01/01/17	Contra Costa County	Reciprocity
Green, Tyler B.	64043	S/C	III	01/01/17	Contra Costa County	Position Change
Lakes, Pilar J.	72800	S/C	III	01/01/17	Contra Costa County	Position Change
Momon, Christina N.	D9500	P5.3	III	01/01/17	Superior Courts	Reciprocity
Paez Jr., Marco	81288	S/E	S/A	01/01/17	CCC Fire Protection District	Reciprocity
Taughner, Karl V.	82865	S/E	S/A	01/01/17	CCC Fire Protection District	Reciprocity
Van der Meulen IV, Hendrik G	83333	P5.2	III	01/01/17	Contra Costa County	Reciprocity

Key:

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

Contra Costa County Employees' Retirement Association
Asset Allocation as of January 31, 2017

Meeting Date
03/08/17
Agenda Item
#4e.

Liquidity	Market Value	Percentage of Total Fund	Phase 1 Target Percentage	Phase 1 Over/(Under)	Long Term Target	Long Term Over/(Under)
Insight	800,488,000	10.5%	10.5%	0.0%		
Sit	432,560,000	5.7%	5.9%	-0.2%		
Dimensional Fund Advisors	389,142,000	5.1%	5.9%	-0.8%		
PIMCO Total Return	5,000	0.0%	0.0%	0.0%		
Goldman Sachs	54,000	0.0%	0.0%	0.0%		
Lazard	1,058,000	0.0%	0.0%	0.0%		
Cash	88,255,000	1.2%	1.6%	-0.4%	1.0%	0.2%
Total Liquidity	1,711,562,000	22.5%	23.9%	-1.4%	25.0%	-2.5%

Range
20% - 28%

Growth

Domestic Equity

Robeco	344,694,000	4.5%	4.2%	0.3%		
Jackson Square	321,460,000	4.2%	4.3%	-0.1%		
Emerald Advisors	255,332,000	3.4%	3.2%	0.2%		
Intech (Core)	299,162,000	3.9%	3.8%	0.1%		
PIMCO Stocks+	359,771,000	4.7%	4.4%	0.3%		
Ceredex	245,512,000	3.2%	3.0%	0.2%		
Total Domestic Equity	1,825,931,000	24.0%	22.9%	1.1%	6.0%	18.0%

Global & International Equity

Pyrford (BMO)	412,846,000	5.4%	5.5%	-0.1%	5.0%	0.4%
William Blair	419,725,000	5.5%	5.5%	0.0%	5.0%	0.5%
JPMorgan Global Opportunities	130,906,000	1.7%	1.8%	-0.1%		
First Eagle	332,878,000	4.4%	4.3%	0.1%		
Artisan Global Opportunities	341,364,000	4.5%	4.5%	-0.0%		
Intech (Global Low Volatility)	23,595,000	0.3%	0.3%	0.0%		
Emerging Markets Equity	0	0.0%	0.0%	0.0%	10.0%	-10.0%
Total Global & International Equity	1,661,314,000	21.9%	21.9%	-0.0%	20.0%	1.9%

High Yield (Allianz)

Private Equity	773,002,000	10.2%	8.8%	1.4%	12.0%	-1.8%
Private Credit	152,740,000	2.0%	2.1%	-0.1%	16.0%	-14.0%
Real Estate - Value Add	130,772,000	1.7%	4.2%	-2.5%	4.0%	-2.3%
Real Estate - Opportunistic & Distressed	461,502,000	6.1%	4.2%	1.9%	4.0%	2.1%
Real Estate - REIT (Adelante)	64,683,000	0.9%	1.0%	-0.1%	1.0%	-0.1%
Total Growth Assets	5,459,652,000	71.9%	70.2%	1.7%	63.0%	8.9%

Range
60% - 80%

Risk Diversifying

AFL-CIO	236,983,000	3.1%	3.2%	-0.1%	3.0%	0.1%
Diversifying Strategies (Wellington)	189,052,000	2.5%	2.5%	-0.0%	9.0%	-6.5%
Total Risk Diversifying	426,035,000	5.6%	5.7%	-0.1%	12.0%	-6.4%

Range
0% - 10%

Total Fund	7,597,249,000	100%	100%	0%	100%	0%
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*Phase 1 targets and ranges reflect Phase 1 asset allocation targets accepted by the Board on October 26, 2016 (BOR Resolution 2016-3)

Private Market Investments
As of January 31, 2017

REAL ESTATE - Value Add	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Invesco IREF I	10/22/03	04/30/11	3rd 1 YR	GP	4/30/2014	50,000,000	123,000	0.00%	
Invesco IREF II	05/30/07	12/31/15				85,000,000	436,000	0.01%	
Invesco IREF III	08/01/13	08/01/20				35,000,000	20,914,000	0.28%	20,305,000
Invesco IREF IV	12/01/14	12/01/21				35,000,000	17,613,000	0.23%	11,627,000
Long Wharf FREG III	03/30/07	12/30/15				75,000,000	6,237,000	0.08%	
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	21,891,000	0.29%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	13,597,000	0.18%	35,766,000
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	49,961,000	0.66%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	0	0.00%	75,000,000
Outstanding Commitments						505,000,000	130,772,000	1.72%	146,644,000
Total							146,644,000		277,416,000

REAL ESTATE - Opportunistic & Distressed	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	1st 2 YR	GP	6/30/2016	75,000,000	33,323,000	0.44%	
DJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/16				100,000,000	81,371,000	1.07%	
DJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	26,575,000	0.35%	39,072,000
Oaktree Real Estate Opportunities Fund V	12/15/11	12/31/16				50,000,000	19,141,000	0.25%	
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	72,892,000	0.96%	5,682,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	6,500,000	0.09%	58,500,000
Siguler Guff Distressed Real Estate Opp. Fund	12/31/11	12/31/16				75,000,000	56,468,000	0.74%	11,993,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/20				70,000,000	52,949,000	0.70%	24,867,000
Siguler Guff Distressed Real Estate Opp. Fund III	01/31/16	01/31/23				25,000,000	13,933,000	0.18%	11,067,000
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	21,913,000	0.29%	1,874,000
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	46,807,000	0.62%	18,145,000
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	29,630,000	0.39%	40,463,000
Outstanding Commitments						780,000,000	461,502,000	6.07%	211,663,000
Total							211,663,000		673,165,000

PRIVATE CREDIT	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund II	09/28/06	09/30/16				128,000,000	45,722,000	0.60%	
Torchlight Debt Opportunity Fund III	09/30/08	09/30/16				75,000,000	10,575,000	0.14%	
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	62,593,000	0.82%	63,750,000
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	15,100,000	0.20%	
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				75,000,000	18,750,000	0.25%	56,250,000
Outstanding Commitments						413,000,000	152,740,000	2.01%	120,000,000
Total							120,000,000		272,740,000

Private Market Investments
As of January 31, 2017

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE				180,000,000	132,943,000	1.75%	85,797,000
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	15,438,000	0.20%	12,637,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	21,412,000	0.28%	17,890,000
Adams Street Venture Innovation Fund	03/09/16	09/09/28				75,000,000	0	0.00%	75,000,000
Bay Area Equity Fund	06/14/04	01/15/13	1st 2 YR	LP	1/15/2015	10,000,000	4,119,000	0.05%	
Bay Area Equity Fund II	2/29/09	12/31/17				10,000,000	9,399,000	0.12%	
Carpenter Community BancFund	01/31/08	01/31/16		LP	11/08/15	30,000,000	28,175,000	0.37%	1,479,000
EIF USPF I	11/08/02	11/08/12	3rd 1YR			30,000,000	569,000	0.01%	
EIF USPF II	06/15/05	06/15/15				50,000,000	41,160,000	0.54%	
EIF USPF III	02/28/07	02/28/17				65,000,000	59,460,000	0.78%	
EIF USPF IV	06/28/10	06/28/20				50,000,000	49,775,000	0.66%	
Oaktree Private Investment Fund 2009	02/28/10	01/31/17				40,000,000	17,578,000	0.24%	
Ocean Avenue Fund II	06/11/14	05/31/24				30,000,000	17,492,000	0.23%	14,884,000
Ocean Avenue Fund III	06/11/14	05/31/24				50,000,000	7,500,000	0.07%	42,500,000
Paladin III	11/30/07	12/31/17				25,000,000	25,348,000	0.33%	
Pathway	11/09/98	05/31/21				125,000,000	44,226,000	0.58%	14,643,000
Pathway 2008	12/26/08	12/26/23				30,000,000	24,304,000	0.32%	6,931,000
Pathway 6	05/24/11	05/24/26				40,000,000	31,497,000	0.41%	13,050,000
Pathway 7	02/07/13	02/07/23				70,000,000	39,786,000	0.52%	29,319,000
Pathway 8	11/23/15	11/23/25				50,000,000	9,886,000	0.13%	40,472,000
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	80,727,000	1.06%	128,248,000
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	8,250,000	0.11%	0
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	53,845,000	0.62%	25,125,000
Aether IV	01/01/16	01/01/28				50,000,000	5,605,000	0.08%	43,982,000
ARES EIF V	09/09/15	09/09/25				50,000,000	11,439,000	0.00%	38,561,000
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	29,361,000	0.35%	19,250,000
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	3,708,000	0.05%	21,292,000
Outstanding Commitments						1,545,000,000	773,002,000	9.88%	631,060,000
Total							1,404,062,000		

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

Laws On Assessment of Compensation Enhancements

2012 Legislative Changes to the County Employees Retirement Law of 1937

In September 2012, the legislature passed and the Governor signed into law AB 340 and AB 197, legislation that amended the County Employees Retirement Law of 1937 (“CERL”) or (“37 Act”) (Government Code Sections 31450, *et seq.*)

AB 340 contained the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”)

Procedure for Assessing “Enhancements”

AB 340 added Government Code Section 31542 to CERL:

The board shall establish a procedure for assessing and determining whether an element of compensation was **paid to enhance** a member's retirement benefit. If the board determines that compensation was paid to enhance a member's benefit, the member or the employer may present evidence that the compensation was not paid for that purpose. Upon receipt of sufficient evidence to the contrary, a board may reverse its determination that compensation was paid to enhance a member's retirement benefits.

AB 197 – Exclusion of Compensation Enhancements:

AB 197 amended CERL Section 31461 of the Government Code:

“Compensation earnable” does not include, in any case, the following:

Any compensation determined by the board to have been **paid to enhance** a member’s retirement benefit under that system. That compensation may include:

- A. Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.
- B. Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member’s grade or class.
- C. Any payment that is made solely due to the termination of the member’s employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.

AB 197 - Exclusions

“Compensation earnable” also does not include, in any case, the following:

- Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
- Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.

AB 340 – Exclusion of Compensation Paid to Increase Retirement Benefit

AB 340 added PEPPRA Government Code Section 7522.34:

“Pensionable compensation” of a PEPPRA member does not include, inter alia, the following:

- Any compensation determined by the board to have been **paid to increase** a member’s retirement benefit under that system.
- One-time or ad hoc payments made to a member.
- Any other form of compensation a public retirement board determines is inconsistent with the requirements of 7522.34 (a), defining “pensionable compensation.”
- Any other form of compensation a public retirement board determines should not be pensionable compensation.

Exclusion of Improper Increase In Final Comp

Added in 2004 and still in effect: CERL Government Code Section 31539:

The board of retirement may, in its discretion, correct any error made in the calculation of a retired member's monthly allowance or any other benefits under this chapter, if either of the following exist:

(1) The error in the calculation of the member's monthly allowance or other benefits under this chapter was made as a result of **fraudulent** reports for compensation made, or caused to be made, by the member for his or her own benefit.

(2) The member caused his or her final compensation to be **improperly increased** or otherwise overstated at the time of retirement and the system applied that overstated amount as the basis for calculating the member's monthly retirement allowance or other benefits under this chapter.

...

Audit Authority

AB 340 added Government Code Section 31543 to the CERL:

The board may audit a county or district to determine the correctness of retirement benefits, reportable compensation, and enrollment in, and reinstatement to, the system. During an audit, the board may require a county or district to provide information, or make available for examination or copying at a specified time and place, books, papers, data, or records, including, but not limited to, personnel and payroll records, as deemed necessary by the board.

CCCERA Board of Retirement Policies

- Policy Regarding Assessment and Determination of Compensation Enhancements (Adopted: 1/9/2013)
- Policy On Determining “Compensation Earnable” Under Assembly Bill 197 For Purposes of Calculating Retirement Benefits For “Legacy” (pre-PEPRA) Members (Adopted: 9/10/2014)
- Policy On Determining “Pensionable Compensation” Under PEPRA For Purposes of Calculating Retirement Benefits (Adopted: 9/10/2014)

Pending Litigation (AB 197)

DSA, et al., v. Board of Retirement, et al.: Pensionability of leave cash outs, on-call pay, call-back pay.

Contra Costa Superior Court, Case No. MSN12-1870, Court of Appeal, 1st Appellate District, Division Four, Case No. A141913.

DSA, et al., v. Board of Retirement, et al.: Pensionability of leave cash outs that “straddle” multiple calendar years.
Contra Costa Superior Court, Case No. MSN14-1221.

DSA, et al., v. Board of Retirement, et al.: Employee and employer contributions paid for the terminal pay benefit.
Contra Costa Superior Court, Case No. C15-00598.

Questions? Comments?



CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**POLICY REGARDING ASSESSMENT AND DETERMINATION OF
COMPENSATION ENHANCEMENTS**

Adopted: 1/9/2013

PURPOSE:

The CCCERA Board of Retirement is required to establish a procedure for assessing and determining whether an element of compensation was paid to enhance a CCCERA member's benefit. (Government Code Section 31542, eff. January 1, 2013.) In keeping with this requirement, the Retirement Board has set forth the following procedure.

LEGAL AUTHORITY:

Government Code Section 31542 provides:

- (a) The board shall establish a procedure for assessing and determining whether an element of compensation was paid to enhance a member's retirement benefit. If the board determines that compensation was paid to enhance a member's benefit, the member or the employer may present evidence that the compensation was not paid for that purpose. Upon receipt of sufficient evidence to the contrary, a board may reverse its determination that compensation was paid to enhance a member's retirement benefits.
- (b) Upon a final determination by the board that compensation was paid to enhance a member's retirement benefit, the board shall provide notice of that determination to the member and employer. The member or employer may obtain judicial review of the board's action by filing a petition for writ of mandate within 30 days of the mailing of that notice.
- (c) Compensation that a member was entitled to receive pursuant to a collective bargaining agreement that was subsequently deferred or otherwise modified as a result of a negotiated amendment of that agreement shall be considered compensation earnable and shall not be deemed to have been paid to enhance a member's retirement benefit.

POLICY:

The following policies and procedures shall be effective as to the assessment and determination of whether an element of compensation was paid to enhance a member's retirement benefit.

I. STAFF REVIEW AND ASSESSMENT

With respect to all retirement applications with an effective date of retirement on or after January 1, 2013, the Board directs CCCERA staff to review all compensation included within the calculation of the member's final compensation within the meaning of California Government Code Sections 7522.32, 7522.34, 31461, 31462, 31462.1, 31462.11, and 31462.2, as applicable, for the purpose of making an initial assessment as to whether any item of compensation included in final compensation was paid to enhance a member's retirement benefit. In conducting such review and making such initial assessment, staff shall consider:

- a. Whether the item of compensation was earned within the period during which final compensation is to be calculated;
- b. Whether the compensation exceeds a members' base pay, and if so, whether the earnings codes reported are retirement compensable;
- c. Any other factors that cause staff to believe that an item of compensation included in final compensation was paid to enhance a member's retirement benefit; and
- d. Information and explanation provided by the member and the employer in response to CCCERA's request as to the facts and circumstances concerning an item of compensation that staff believes may have been paid to enhance the member's retirement benefit.

A member and the employer shall be given no less than 15 days to respond to such a written request. Staff may conduct such written and oral follow-up communication as staff believes is appropriate in the exercise of reasonable diligence.

II. PREPARATION OF WRITTEN ADMINISTRATIVE RECOMMENDATION AND BOARD ACTION

- a. If after conducting the initial assessment described above, CCCERA staff believes that an item of compensation was paid to enhance a member's retirement benefit, staff shall prepare a written report to the Board of Retirement making an administrative recommendation to the Board that any item not be included in the calculation of the member's retirement benefit. The report shall contain a description of the reasons for staff's recommendation, including the specific facts and circumstances supporting staff's recommendation.
- b. The report shall be noticed and agendized for a regular meeting of the Board, at which time the Board will act upon staff's administrative recommendation.

Before the Board acts, CCCERA, the member, and the employer shall be given an opportunity to be heard by the Board.

- c. Written notice of the Board meeting and a copy of staff's report shall be provided to the member and the employer no later than 10 days before the recommendation is presented to the Board for action.
- d. At the meeting, the Board will make a decision as to whether the item of compensation was paid to enhance the member's retirement benefit.
- e. CCCERA will provide the member and the employer written notice of the Board's decision within 5 days, which will inform the member and the employer of their right to seek judicial review of the Board's action by filing a petition for writ of mandate within 30 days after the mailing of that notice.
- f. If the Board finds the item of compensation should be included, staff will adjust the member's benefit to include said item, retroactive to the effective date of retirement.
- g. If the payment of the member's benefit would be delayed by seeking resolution through the administrative processes set forth herein, CCCERA may process the benefit excluding the compensation in question. If it is later determined the compensation should be included, CCCERA will adjust the benefit retroactive to the effective retirement date.



MEMORANDUM

Date: March 8, 2017
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Consider and take possible action to revise the Policy Regarding Assessment and Determination of Compensation Enhancements.

Background

On January 9, 2013, the Board adopted a policy regarding the assessment and determination of compensation enhancements. It is advised that a provision be included that the policy shall be reviewed by the Board at least every three years and may be amended at any time.

Recommendation

Consider and take possible action to revise the Policy Regarding Assessment and Determination of Compensation Enhancements.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**POLICY REGARDING ASSESSMENT AND DETERMINATION OF
COMPENSATION ENHANCEMENTS**

~~Adopted: 1/9/2013~~

PURPOSE:

The CCCERA Board of Retirement is required to establish a procedure for assessing and determining whether an element of compensation was paid to enhance a CCCERA member's benefit. (Government Code Section 31542, eff. January 1, 2013.) In keeping with this requirement, the Retirement Board has set forth the following procedure.

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- (b) Upon a final determination by the board that compensation was paid to enhance a member's retirement benefit, the board shall provide notice of that determination to the member and employer. The member or employer may obtain judicial review of the board's action by filing a petition for writ of mandate within 30 days of the mailing of that notice.
- (c) Compensation that a member was entitled to receive pursuant to a collective bargaining agreement that was subsequently deferred or otherwise modified as a result of a negotiated amendment of that agreement shall be considered compensation earnable and shall not be deemed to have been paid to enhance a member's retirement benefit.

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REVIEW

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

HISTORY

Adopted: November 1, 2012 Adopted

Amended: , 2017

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CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**POLICY REGARDING ASSESSMENT AND DETERMINATION OF
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PURPOSE:

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REVIEW

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

HISTORY

Adopted: November 1, 2012 Adopted

Amended: _____, 2017



MEMORANDUM

Date: March 8, 2017

To: Board of Retirement

From: Wrally Dutkiewicz
Compliance Officer

Subject: Consider and take possible action to provide direction pertaining to the CCCERA Retiree Lookback Project – Compensation Enhancement Study

Background

The Board has directed that the CCCERA Retiree Lookback Project focus on the review of past incidents of unusual compensation increases at the end of employment of retirements between 2004 and 2014. The emphasis of the study was to compare members' final average salary (FAS) with the members' pre-FAS compensation and note any unusual increases generally in total FAS and then specifically any unusual increases in FAS compensation components.

The following is a timeline of the Board of Retirement's review, consideration, and actions pertaining to the study:

2014

- May – Board adopts a public statement of intent to review past incidents of unusual compensation increases at end of employment
- July – Board provides supplemental direction to focus on apparently intentional acts of pension spiking, through members' receipt of pay items that were not earned as part of their regularly recurring employment compensation during their careers. Further, the review is to focus on specific, unique items of pay and not on regularly recurring vacation, sick or compensatory leave time.
- December – Board directs staff to move forward with a review of items outlined in the staff December 10, 2014 memo regarding the retiree lookback project: (1) On Call Pay to Hazardous Materials Specialists; (2) Other variable and discretionary pay items (such as shift differentials, holiday pay); and (3) On Call time coded as overtime compensatory time

2015

- April – Board directed staff to focus the review on those retirements where the final average salary (FAS) was 30% or more in excess over pre-FAS compensation.
- May – Consider action re whether on call pay should be treated as pensionable – review of a retiring Hazardous Materials Specialist II on-call pay and final average salary
- September - Consider possible action to adjust the retirement allowance for a retired fire chief.

2016

- May – Consider and take possible action to adjust retirement allowance of CCCERA retired Hazardous Materials Specialist IIs pursuant to Government Code Section 31539 to exclude compensation improperly increased by the members

2017

- February – Consider and take possible action to adjust the retirement allowance retired Hazardous Materials Specialists IIs pursuant to Government Code Section 31539 to exclude compensation improperly increased by the members; and

Consider and take possible action to provide additional clarification and direction pertaining to a Hazardous Materials Specialist II member that had on-call excluded from FAS calculation in 2015

Summary of Observations

The study found that 3,448 retirees were identified as having an increase in FAS over pre-FAS with an average increase for the group of about 12%

As directed by the Board, staff requested, compiled, and analyzed payroll and other source data pertaining to the 188 retirees that were identified as having a 30% increase or more in FAS over pre-FAS. This part of the review entailed analyzing the individual compensation components of the members' FAS.

As further directed by the Board, items such as longevity compensation and other recurring compensation items were observed during the study but were not noted as unusual compensation increase items. Also, as directed, unusual or non-recurring compensation items were observed and reviewed during the study. These unique compensation items such as Executive Advance Notice and Special Project Compensation only appeared in the members' FAS period. However, during the review of payroll records and other source documents, it was found that the compensation payments were authorized under the applicable employer labor agreement or policy, and isolated and tied to a specific operational and required needs of the employer.

This reduced the pool of retirees to 42 that had variable compensation as a component of FAS for further review. The uptick in or first appearance of variable differential compensation in FAS year was observed to be a contributing component to total FAS compensation increases.

Variable compensation encompasses those compensation differentials that are dependent on other parameters such as scheduling, varying shift-work, supervisory discretion with respect to allocating work assignment time, voluntary shift-work performed by members, and specialized work activity. The *Lookback Project* noted that there were 42 retirees of the 188 that were identified as having variable compensation items included in their final average salary.

On-call compensation was observed to be the most influential of the variable compensation components to contribute to unusual increases in FAS as members approached their retirement date. Of the 42 retirees, 11 had on-call as a significant portion of their FAS. These were each reviewed during the study. It was during the review of the eleven retirees that had on-call compensation in each of their FAS, that upon further review of on-call compensation payroll histories that a group of twelve Hazardous Materials Specialist II members were identified that had unusual increases in on-call compensation at the end of their active service.

However, with further information requests, compilation, and analysis, it was found that the manner in which on-call compensation was administered by the employer and how scheduling of on-call time was completed and how on-call time was actually worked contributed to the increases. A further actuarial analysis conducted by the retirement system’s actuary calculated the economic impact of the Hazardous Materials Specialist IIs increased pensions attributed to the inclusion of on-call in FAS which showed that there was an aggregate contribution to the Unfunded Actuarial Accrued Liability (UAAL). On February 8, 2017, The Board considered the information presented and moved by majority vote to not adjust the pensions of the eleven Hazardous Materials Specialist IIs. The Board further took action to restore excess on-call compensation into FAS for one Hazardous Materials Specialist II that had on-call excluded from FAS calculations at the time of the member’s retirement.

Other variable compensation items were observed to have had increases during the members’ FAS period, but these did not significantly contribute to the increases in members’ FAS. These additional variable compensation items are listed in the following table:

Differential	Observation – FAS over pre-FAS Increases
B31 – Bonus FNP Weekend	3 Retirees’ average FAS compensation increase was \$138
F67 – Fire Recall & Standby	3 Retirees’ average FAS compensation increase was \$496
SH2 – Shift Pay at 5%	3 Retirees’ average FAS compensation increase was \$181
SH7 – Shift pay at 15%	5 Retirees’ average FAS compensation increase was \$998
SHX – Shift pay at 5.25%	4 Retirees’ average FAS compensation increase was \$291

In summary, based on available information at this time, and following the Board’s direction and actions taken thus far, the universe of past incidents of unusual compensation increases has been exhausted.

Recommendation:

Consider and take possible action to provide direction pertaining to the Retiree Lookback Project – Compensation Enhancement Study. Specifically:

- a. Based on the observations contained in the staff reports and in light of the Board’s prior decisions, no further unusual retiree compensation increases from 2004 to 2014 merit further review at this time;
- b. With the completion of the Retiree Lookback Project, the Board will continue to maintain its authority under applicable law to correct any errors upon discovery and take appropriate steps to ensure that retirement allowance payments and retirement contributions are correct.
- c. The Board will continue to implement its procedure of assessing and determining whether an element of compensation was paid to enhance a CCCERA member’s benefit, as required pursuant to Government Code Section 31542, effective January 1, 2013.



DISABILITY RETIREMENT PROCESS

Initial Contact

Member may call or drop-in, or employer may contact CCCERA directly

- Disability process explained
- Disability packet mailed
- Counseling appointment

Applications

accepted as filed vs. submitted

- For an applications to be accepted as filed, the member must provide at least one acceptable medical report to support application.
 - The report must be from a treating physician who is under the opinion the member meets the standard of permanent incapacity as outlined in statute.
- Applications submitted without acceptable medical evidence are held for 30 days for applicant to obtain evidence required, after 30 days the application is returned.
 - The member is counseled on options and can resubmit when they have obtained the required evidence.

The burden of proving the permanent incapacity lies on the applicant.

Counseling

CCCERA staff acts as an advocate to counsel members on options regarding disability retirement and/or service retirement.

- Basic benefit estimates are provided for service retirement and disability retirement
- Calculate purchases available to meet eligibility guidelines as needed
- Explain disability retirement standards in detail
- Counsel applicant throughout the process
- Process service retirement applications in conjunction with the disability application process
- Communicate with employer, workers compensation provider, ADA coordinator and the return to work coordinator

Time for application §31722

- The application shall be made while the member is in service, or
- within four months after the discontinuance of service, or
- within four months after the expiration of any period during which a presumption is extended beyond the discontinuance of service, or
- while, from the date of discontinuance of service to the time of the application, the applicant is continuously physically or mentally incapacitated to perform his or her duties.

Eligibility

- **Service Connected:**
 - **All Tiers:**
disability retirement may be filed at any time during employment.
- **Non-Service Connected:**
 - **Tier 1, Safety and PEPRA Safety:** after completing at least five (5) years of retirement service credit.
 - **Tier 3 and PEPRA:** after completing at least ten (10) years of retirement service credit.

Service Connected vs. Non-Service Connected Tier 1, Safety & PEPRA Safety:

Member must be “permanently incapacitated for performance of duty”:

Service Connected:

The incapacity is a result of injury or disease arising out of or in the course of employment and the member is unable to continue performing the usual and customary duties of current position.

Non-Service Connected:

The incapacity did not arise from his or her employment and the member is unable to continue performing the usual and customary duties of current position.

Disability Benefit: Tier 1, Safety & PEPRAs Safety

- **Service Connected Disability Retirement**

50% of the highest final 12 month average salary* is the portion of retirement allowance that is non-taxable, if the amount of the regular service retirement is greater, the member will receive the greater benefit.

- **Non-Service Connected Disability Retirement**

Generally equal to 1/3 of your highest final 12 month average salary*. This is a taxable benefit.

* *Safety C - highest final 36 month average salary*

* *PEPRA - highest final 36 month average salary, base pay only.*

Service Connected vs. Non-Service Connected Tier 3 and PEPRA

- **Service Connected Disability:** The incapacity is substantially caused by injury or disease arising out of or in the course of employment, and the member is unable to engage in any substantial gainful employment.
- **Non-Service Connected Disability:** The incapacity was not caused by injury or disease arising out of or in the course of employment, and the member is unable to engage in any substantial gainful employment.

Substantial Gainful Employment

“Permanent incapacity” is defined as:

- The member is unable permanently to engage in any “substantial gainful employment”.
- “Substantial Gainful Employment”, as adopted by the Board in 1991, is the ability to earn either the amount the applicant would receive in the initial disability benefit or \$300, whichever is more.
- “Permanent inability” to work is determined by examination of a combination of many specific factors, such as age, experience, training, education and appropriate jobs available.

This standard is unique to CCCERA.

Disability Benefit: Tier 3 and PEPRA

For both Service Connected and Non-Service Connected Disability, 40% of highest final 36 month average salary or the amount of the regular service retirement, whichever is greater

- Additional 10% of final average salary for minor children, up to three children

'37 Act Presumptions

- **Heart §31720.5**
- **Cancer §31720.6**
- **Blood-Born Infectious Disease §31720.7**
- **Biochemical Substance §31720.9**

Effect: Safety members are relieved of the burden of proving their illness arose out of and in the course of employment when a presumption applies. Permanent incapacity must still be proven with medical evidence. Presumptions are rebuttable.

§31720.6 extends the time for an application to be filed as outlined in §31722

Initial File Review

Application filed by member:

- Confirmation letter sent to member and all applicable departments
- Member is placed on consent items of the next Board Agenda
- Confidential disability case file is established
- Records are reviewed to determine additional information needed to process the application

Initial File Review

Application filed by department:

- Application is reviewed to determine eligibility as filed
- Member notified of filing and:
 - *Counseled on the employer filed application*
 - *Asked to join the filing process*
 - *May amend the employer application*
- If member joins in filing
 - *Application is processed as if the member has filed*
- If member does not join filing
 - *Burden of proof falls on the employer*
 - *Rare for employer to have sufficient medical evidence to process and obtain a recommendation*

Casefile Preparation

To process an application additional records may be requested:

- **Medical Records**
 - A copy of the workers compensation file on all service connected applications
 - Medical records will be requested as needed
 - Occupational Health records as needed
- **Employment Records:**
 - Job Description
 - Essential Job Duties
 - Request information on accommodations
 - Other records as needed

Medical Advisor

Upon receipt of requested records, the complete casefile is reviewed by a Disability Specialist and prepared for submission to the medical advisor for review and recommendation:

- Medical records are itemized chronologically by physician
- Non-medical records are itemized by source
- Entire casefile is secured and electronically provided to the medical advisor

Medical Advisor recommendations may be any of the following:

- Grant application as filed
- Insufficient medical evidence to make recommendation
- Grant non-service connected disability when applicant filed for service connected disability retirement
- Applicant is disabled, but in need of vocational assessment (§31720.1)

Medical Advisor

If the Medical Advisor Recommendation is to Grant:

- Applicant and all applicable departments are notified
- The recommendation is placed on next available Retirement Board Agenda.

If Medical Advisor Opines there is insufficient medical evidence for determination:

- Applicant and all applicable departments are notified
- Applicant is advised that they can file additional medical evidence to support claim for disability retirement, and/or request a hearing within six months of notice.

Recommendation to Grant NSCDR When Application is for SCDR

Member is notified of the recommendation and given the following options:

1. Accept a non-service connected disability retirement allowance
2. Accept a non-service connected disability retirement allowance pending determination of causation through discovery
3. Decline the non-service connected disability retirement
4. Decline the non-service connected disability retirement allowance and request a hearing

Discovery

- Hearing is requested by the applicant, or the Board may request discovery to gain more information
- Staff sends complete file to the Board's Disability Counsel
- An Independent Medical Evaluation may be completed in order to obtain current restrictions pertaining to the disability
- Tier 3 and PEPRA members will have all restrictions set forth by treating physicians and IME's evaluated by a vocational expert to determine if they are able to engage in substantial gainful employment

If at any time during the discovery process Disability Counsel and Staff feel they have obtained evidence the applicant does meet the standard for disability retirement a recommendation to grant is placed on the next Board Agenda.

Hearing Process

Full discovery did not result in evidence to recommend granting the application:

- Case is filed with Department of Administrative Hearings
- Parties agree on mutually acceptable dates
- All evidence submitted
- Case is heard by an impartial Administrative Law Judge
- ALJ issues a Report and Recommendation to the Board
- All parties are notified and provided an opportunity to object the purposed recommendation
- Placed on the agenda for Board action

Board action after hearing

The Board will consider the Proposed Findings of Fact and Recommended Decision on a date noticed to all parties. Any party or his or her counsel may request the opportunity to make an oral presentation to the Board. No new evidence or witness testimony may be heard or received by the Board. The Board may:

1. Approve and adopt the proposed findings and recommendation of the Hearing Officer, or
2. Refer the matter back to the Hearing Officer for further proceedings with or without instructions, or
3. Require a transcript or summary of all the testimony, plus all other evidence received by the Hearing Officer, and after receipt thereof, the Board shall take such action as it determines is warranted by the evidence, or
4. Set the matter for hearing before itself. At such hearing, the Board shall hear and decide the matter as if it had not been referred to the Hearing Officer.

Casefile is closed with no Board Action

Applicant does not request a hearing or submit additional evidence:

- After 6 months from date of notice of the medical advisors recommendation
- Closing letter sent to applicant and all applicable departments

Applicant may re-file within guidelines of §31722

Questions?

DISABILITY RETIREMENT APPLICATION AND HEARING POLICY

Adopted 9/5/07

1. GENERAL PROCEDURES

1.1 Purpose.

The purpose of these procedures is to provide for the fair, efficient, and equitable processing and consideration of applications for disability retirement made by members of the Contra Costa County Employees' Retirement Association under the County Employees Retirement Law of 1937 (Government Code section 31450 *et.seq.*).

1.2 Amendments.

These procedures may be amended at any regular or specially noticed meeting of the Contra Costa County Employees' Retirement Association Board of Retirement ("Board") by a majority vote of the Board.

In order to facilitate the orderly and efficient implementation of these procedures, the Board hereby delegates to the Chief Executive Officer the authority to approve amendments of a minor, non-substantive nature that do not alter the fundamental rights and responsibilities of any parties in the disability retirement process. The scope of this delegation of authority includes, but is not limited to, typographical errors, format revisions, conforming terminology, revision of forms, and similar types of amendments.

1.3 Definitions.

"Applicant" means the person or entity-filing the application for disability retirement benefits under the County Employees Retirement Law of 1937, which may include the member or any other person or entity entitled to file an application pursuant to Government Code section 31721.

"Application Date" means the date an application meeting all requirements is filed and accepted by the Contra Costa County Employees' Retirement Association.

"Association" or **"Retirement Association"** means the Contra Costa County Employees' Retirement Association ("CCCERA").

"Board" means the Board of Retirement of the Contra Costa County Employees' Retirement Association.

"Day" means calendar day. When "day" is intended to refer to business day, it is noted in these procedures.

"Disability" or **"Disabled,"** for members of the Tier I and Safety Plan, means the permanent incapacity for the performance of duty, defined as the substantial inability of the applicant to perform his or her usual duties: (California Government Code section 31720)

"Disability" or "Disabled," for members of the Tier II and Tier III Plan, means the permanent incapacity to engage in any substantial gainful employment (as defined in "Substantial Gainful Employment" below). (Government Code section 31720.1)

"Hearing Officer" means the person who conducts administrative hearings on issues related to an application for disability retirement and provides a Proposed Recommendation including proposed Findings of Law and Fact to the Board. A Hearing Officer must be a qualified member of the State Bar of California appointed by the Board pursuant to the provisions of Government Code section 31533, including an Administrative Law Judge designated by the state Office of Administrative Hearings.

"Member" means a member of the Contra Costa County Employees' Retirement Association.

"Non-Service Connected Disability Retirement" means a type of disability retirement awarded to a member who becomes permanently incapacitated from a cause that does not arise out of and in the course of his or her employment in accordance with the statutory and case law describing the requirements for finding "service connection." The Tier I or Safety member must have completed five years of service and the Tier II or Tier III member must have completed 10 years of service.

"Service-Connected Disability Retirement" means the type of disability retirement awarded to a member of CCCERA who becomes permanently incapacitated and whose incapacity is the result of an injury or a disease arising out of and in the course of the member's employment. The employment must have contributed substantially to the incapacity, in accordance with the statutory and case law describing the requirements for determining "service connection."

"Substantial Gainful Employment" shall be determined by application of the following criteria, as adopted by the Board on April 16, 1991:

1. **"Substantial employment"** is work activity that involves physical or mental effort, regardless of the time spent.
2. **"Gainful employment"** is work activity that is done for pay or profit, whether or not a profit is realized, including work as a self-employed individual.

In general, employment will be considered gainful if the monthly salary from that employment is equal to or exceeds the greater of either: (a) \$300 a month, or (b) the initial monthly disability retirement benefit that would otherwise be payable.

In general, self-employment will be considered gainful, without regard to income, if the activity is comparable to that of unimpaired individuals who are in the same or similar business as their means of livelihood.

3. Inability will be determined using the following factors:
 - a. Previous work experience
 - b. Education or training whether formally obtained through schooling or informally obtained through work experience.
 - c. Transferability of knowledge, skills and abilities to perform other work.
 - d. The extent to which chronological age affects the ability to adapt to a new work setting.
 - e. The existence of jobs in one or more occupations, having requirements that the member is able to meet and that lie within a 100 mile radius of the member's residence, regardless of whether a specific job vacancy exists, or whether the member would be hired if he or she applied, or whether the member wishes to do a particular job.

1.4 Quorum and Voting Requirements.

Whenever the Board considers any action in a disability matter, a quorum is required. A quorum shall consist of a majority of the entire Board. No motion may be passed in any disability matter without at least five affirmative votes.

1.5 Communication with Board Members.

The Board is the decision-maker for all disability retirement applications. As such, any *ex parte* communications between any Board member and any interested parties or their representatives concerning the merits or substance of an application are forbidden until all proceedings with respect to the application have been concluded. Violations of this rule may result in the Board member being found ineligible to participate in any discussion regarding the application or to vote on the application.

1.6 Representation by Counsel.

Any applicant is entitled, at his or her expense, to be represented by an attorney during the disability retirement process. The party must file with the Retirement Association written notice designating counsel and providing the counsel's name, an address, and telephone number. Absent such written notice, the Retirement Association is not obligated to recognize any attorney claiming to represent a party. After notification of representation, all notices and documents shall be sent to that attorney. No applicant or member is required to have an attorney at any time.

1.7 Stipulations.

No stipulation, agreement, or understanding of the employer or of any other party to a proceeding in a workers' compensation or any other proceeding in which neither the Board nor the Retirement Association is a party, shall be binding upon this Board or Association insofar as it asserts to relate to or affect a disability retirement application or matter of a CCCERA member.

1.8 Service of Documents.

When a provision of these procedures requires that parties be served, service shall be made upon all parties who are participating in the proceedings. If the party to be served has an identified attorney of record, service shall be made upon the attorney of record.

Unless otherwise provided in these procedures, service may be made either personally or by mail in accordance with this section. Service may be made by fax, if previously agreed to by the party to be served. Any document served by fax must also be sent by regular U.S. Mail with first class postage fully prepaid.

Service by mail is completed by depositing the envelope in the U.S. Mail with first class postage fully prepaid, properly addressed to the party to be served at the address latest on file with the Retirement Association. Service by mail shall extend applicable time limitations in the manner prescribed in Code of Civil Procedure § 1013. It is the responsibility of the member to notify the Retirement Association and all parties of any change of address.

1.9 Penalties for Failure to Comply with Disability Retirement Procedures.

Failure of the member or applicant to comply with these procedures may be treated as non-cooperation and may result in dismissal of the application with or without prejudice. Failure to comply includes, but is not limited to, failure to submit to medical examinations, failure to submit documents requested by the Association, failure to cooperate in the formal hearing process, failure to follow any order of the Board or Hearing Officer, and failure to comply with the requirements set forth in these procedures.

1.10 Burden Of Proof.

The applicant has the burden of proving, by a preponderance of the evidence, that the member meets the criteria for a disability retirement, including that she or he has a permanent incapacity in accordance with the statutory standards of the County Employees Retirement Law of 1937 and the standards for Tier I, Tier II, Tier III, or Safety members of the Association as defined in section 1.3 above.

With regard to an application for service connected disability retirement, the burden rests with the applicant to prove by a preponderance of the evidence that the member's permanent incapacity arose out of and in the course of his or her employment, and that the employment contributed substantially to the disability.

For Safety Members who have completed five (5) or more years of service and have certain specified diseases as defined in Government Code sections 31720.5, 31720.6, 31720.7, and 31720.9, such diseases are presumed to arise out of and in the course of employment. When such a presumption exists, the burden of proof shifts to the Retirement Association to show that the disease and resultant disability was not work-related.

2. APPLICATION PROCESS

2.1 Making Application for Disability Retirement:

The Retirement Association shall furnish application forms to any person upon request, including a copy of the regulations and policies which govern disability retirement applications and hearings. The applicant shall complete the forms fully and in accordance with these procedures, and shall sign and verify under oath or penalty of perjury. The application shall be deemed filed the day it is received by the Retirement Association. An application shall not be accepted for filing unless it is complete and includes copies of the following documents to be furnished by the applicant:

- a. Application for Disability Retirement
- b. Authorization and Release of Medical Information if the applicant is the member.
- c. All medical reports upon which the applicant relies to support the application.
- d. All other medical reports or other information relevant to the application within the possession of the applicant or his or her agent.

If all supporting documents are not filed within 30 days of the application, the application will be returned.

2.2 Withdrawal of Application.

A member may withdraw an application at any time. If an application has been withdrawn without prejudice, any subsequent application, including resubmission of the withdrawn application, is considered a new application and must meet all requirements, including timely filing requirements. Any withdrawal of an application after assignment to a hearing officer is deemed a withdrawal with prejudice. An application withdrawn with prejudice precludes the filing of any future application based on the same disability, injury, or disease.

2.3 Medical Examinations.

The Retirement Association may require a member to undergo a medical examination by a physician who is a specialist in the appropriate field of medicine, for which the Association shall pay. Refusal of any member applicant to submit to a medical examination shall result in the denial of the application.

2.4 Review of Application.

When the application file is complete, all documents will be reviewed by the Board's Medical Advisor, who will make a preliminary recommendation, summarizing the evidence or absence of evidence supporting the recommendation. If the recommendation is to grant the application, the matter will be placed on the agenda for Board consideration of the recommendation.

If the Medical Advisor cannot recommend granting the application based on the evidence submitted, the Retirement Association staff shall advise the applicant that she or he may: 1) submit additional medical or other evidence in support of the application, which shall be transmitted to the Medical Advisor for additional review and recommendation; or 2) request a hearing before a Hearing Officer within six months of the date of the letter informing the member that the Medical Advisor is unable to recommend granting the application.

3. HEARINGS BEFORE A HEARING OFFICER 3.1

Purpose.

The purpose of this Section is to establish rules for the presentation of evidence to a Hearing Officer, and to establish rules governing the process by which Hearing Officers submit *Proposed Findings of Fact and Recommended Decisions* on legal and factual issues, including credibility, for consideration by the Board.

3.2 Right to Hearing.

Upon timely written request, any party shall be entitled to a hearing on his or her application. The Board may also refer the matter for the setting of a hearing.

The Board may hold a hearing itself, or it may delegate the matter to a Hearing Officer. If a Hearing Officer holds the hearing, he shall transmit to the Board, in writing, the Proposed Findings of Fact and Recommended Decision.

3.3 Discovery.

Discovery shall be only as provided in Government Code section 11507.6, except that for good cause shown, the Hearing Officer, on his or her own motion or on the written noticed motion of a party, may make appropriate orders concerning discovery. Whenever possible, informal discovery and exchange of information between the parties is encouraged.

3.4 Subpoenas.

Each party is responsible for obtaining those subpoenas it seems necessary for the presentation of its evidence. Applications for subpoenas may be made to the Retirement Association. All subpoenas are to be issued in accordance with Government Code section 31535. Issuance of a subpoena for **medical** witness' attendance at hearing or deposition shall be contingent on the requesting party accepting the obligation to pay the medical witness. Before the Board or Hearing Officer issues any subpoena, proof of payment arrangements for the medical witness may be required. Service of the subpoena is the responsibility of the requesting party.

3.5 Notice of Hearing before Hearing Officer.

After the applicant has requested a hearing, the Retirement Association shall notify applicant within 30 days that the matter has been referred to counsel, and shall provide a copy of the hearing policy and regulations. Upon notification by both parties that the matter is ready to proceed to hearing, the Retirement Association shall notify all parties of the date of the hearing and the name and address of the person or entity assigned to be the Hearing Officer.

3.6 Scheduling the Hearing

The applicant and, if represented, his or her attorney and the counsel for the Retirement Association shall arrive at a mutually agreeable hearing date. The Retirement Association will arrange for a certified reporter and notify all parties of the date, time, and location of the hearing. If an applicant fails to respond to the Association's reasonable requests to set a hearing date, the Association may either set a hearing date or notify the applicant that continued failure to respond to requests to set a hearing date may result in dismissal of the application.

3.7 Submission of Proposed Evidence.

The parties shall submit all proposed evidence to the Hearing Officer and to the other party no later than fourteen (14) days before the scheduled hearing date, unless the parties mutually agree to a different schedule. The parties will exchange information regarding proposed witnesses (if any) no later than seven days before the hearing, unless they mutually agree to a different schedule.

3.8 Prehearing Conference.

At the request of any party or on his or her motion, the Hearing Officer may order a prehearing conference for the purpose of resolving or clarifying disputed hearing issues or the admissibility of disputed evidence.

3.9 Hearing Brief.

Either party may submit a hearing brief prior to the hearing.

3.10 Rules of Evidence.

The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of various affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.

3.11 Written Medical Reports as Evidence.

A written medical report bearing the signature of a medical witness may be admissible in evidence as the author's direct testimony and may support findings made by the Board or the Hearing Officer. Such medical reports shall not be inadmissible on the basis that they constitute hearsay, but each party shall have the right to cross-examine the authors of medical reports.

Submission of a medical report less than 10 days before the hearing may be allowed by the Hearing Officer upon a showing of good cause. The party requesting submission of such a medical report shall make the request to the Hearing Officer assigned to the case and send a copy of the request to counsel for the Retirement Association and all other parties. The request shall state the reason the medical report was not timely produced.

3.12 Oral Testimony of Medical Witnesses.

Oral testimony of a medical witness may also be taken at hearing. However, whenever possible, the Retirement Association encourages the presentation of medical evidence by way of sworn written report.

3.13 Affidavits.

At any time twenty (20) or more days prior to a hearing or a continued hearing, any party may mail or deliver to the opposing party a copy of any affidavit which he or she proposes to introduce at the hearing. Unless the opposing party, within ten days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine an affiant, his or her right to cross-examine such affiant is waived and the affidavit, if introduced in evidence, shall be given the same effect as if the affiant had testified orally, if an opportunity to cross-examine an affiant is not afforded after request therefore is made as herein provided, the affidavit may be introduced in evidence, but shall be given only the same effect as other hearsay evidence. The notice referred to above shall be substantially in the following form:

The accompanying affidavit of (here *insert name of affiant*) will be introduced as evidence at the hearing in (here *insert title of proceeding*). (here *insert name of affiant*) will not be called to testify orally and you will not be entitled to question him or her unless you notify (here *insert name of proponent or his/her attorney*) at (here *insert address*) that you wish to cross-examine him or her. To be effective your request must be mailed or delivered to (here *insert name of proponent or his/her attorney*) on or before (here *insert a date ten days after the date of mailing or delivering the affidavit to the opposing party*).

3.14 Continuances.

The original hearing date may be continued by the Hearing Officer, at the request of either Party. Any continuance beyond sixty (60) days from the original hearing date must be agreed to by all parties and the Hearing Officer. If the hearing is scheduled before an Administrative Law Judge with the Office of Administrative Hearings, the party seeking the continuance will comply with any procedures required by the Office of Administrative Hearings.

3.15 Time and Place of Hearing.

The hearing will be set at a time and place determined by the Retirement Administration, and a Notice of Hearing with all pertinent information will be sent to all parties.

The hearing or any proceeding with respect to the application may proceed in the absence of the member who, after due notice, fails to be present or obtain a continuance. A decision on the application shall not be based solely upon the absence of the Member.

3.16 Reporter.

All hearings before a Hearing Officer shall be reported by a stenographic reporter, whose presence will be arranged by the Association. The *per diem* cost of the reporter shall be borne by the Retirement Association. The cost of a transcript copy, including an e-version copy, ordered by a Party shall be borne by the Party requesting the transcript. Requests for transcripts must be made directly to the stenographic reporter.

3.17 Issues at Hearing.

At a hearing on the Completed Application, the Hearing Officer shall make findings and recommendations on the following issues, as applicable:

- a. Tier I or Safety Member: Whether the member is permanently incapacitated from performing the usual duties of his or her job, and if service connection is sought, whether the incapacity arose out of and in the course of his or her employment. If the application is not requesting service connection, then whether the member has completed five years of service.
- b. Tier II or Tier III Member: Whether the applicant is permanently incapacitated from performing any "substantial gainful employment" (as defined in section 1.3 above) **and either** a) the member's incapacity is substantially caused by injury or disease arising out of his or her employment, *or* b) the member has completed a total of ten years of service.

3.18 Order of Business of Hearings.

Unless the Hearing Officer otherwise rules, all hearings shall proceed in the following manner:

- a. The Hearing Officer shall call the case and ask for appearances by all parties.
- b. Relevant documents shall be marked for identification.
- c. The parties may be offered an opportunity to make an oral opening argument or statements.
- d. The applicant shall present his or her evidence.

- e. The Retirement Association shall then present its evidence
- f. Rebuttal evidence may then be presented in the same order
- g. The Hearing Officer may allow oral and/or written argument.

3.19 Close of Record.

The record of the proceedings shall be closed and the matter submitted at the conclusion of the formal hearing, unless further documentary evidence is to be received. If such further evidence is to be received, the Hearing Officer shall allow such time as deemed necessary for filing and serving copies on all parties. The matter shall be deemed submitted upon such final filing or upon rulings on any objections to the evidence thus filed.

3.20 Cost of Transcript.

If ordered by the Retirement Association or the Hearing Officer, Association's counsel, or the Retirement Board, the Association shall pay the cost of a hearing transcript. If ordered by the applicant or the applicant's attorney, applicant shall pay the cost of a transcript. The applicant or applicant's attorney, and the Retirement Administrator may agree in writing to split the cost of a transcript when both parties agree to the preparation of a transcript.

4. DECISION

4.1 Hearing Officer's Proposed Findings of Fact and Recommended Decision.

After the hearing is concluded and the record closed, the Hearing Officer will send a written report to the Board within 30 days, summarizing the evidence, findings of fact, and making a recommendation to the Board. The Retirement Association shall serve all parties with the Hearing Officer's *Proposed Findings of Fact and Recommended Decision*.

4.2 Objections to Hearing Officer's Proposed Findings of Fact and Recommended Decision.

Any party objecting to a Hearing Officer's *Findings of Fact and Recommended Decision* has ten days after service of the *Findings of Fact and Recommended Decision* to submit written objections to the Retirement Association, which will send copies of the objections to all parties and provide a courtesy copy to the Hearing Officer. The Association and any other parties may respond in writing to any objections. Any objections and the responses thereto shall be incorporated into the record to be considered by the Board.

4.3 Board Consideration and Action.

The Board will consider the Proposed Findings of Fact and Recommended Decision on a date noticed to all parties. Any party or his or her counsel may request the opportunity to make an oral presentation to the Board. No new evidence or witness testimony may be heard or received by the Board. The Board may:

1. Approve and adopt the proposed findings and recommendation of the Hearing Officer, or
2. Refer the matter back to the Hearing Officer for further proceedings with or without instructions, or
3. Require a transcript or summary of all the testimony, plus all other evidence received by the Hearing Officer, and after receipt thereof, the Board shall take such action as it determines is warranted by the evidence, or
4. Set the matter for hearing before itself. At such hearing, the Board shall hear and decide the matter as if it had not been referred to the Hearing Officer.

4.4 Notice of Decision.

The Board shall give written notice of its decision to all parties and their representatives within five days of the date of its decision. Such notice shall be by first class mail and shall include the decision and the date it was rendered.

4.5 Reconsideration after Board Action on Proposed Decision.

No later than seven calendar days after service of the Notice of Decision, a party may file with the Board a written motion for reconsideration based on one of the following reasons:

1. Irregularity in the proceedings, or any order, or abuse of discretion, by which the party was prevented from having a fair hearing;
2. Accident or surprise; which reasonable diligence and prudence could not have guarded against;
3. The availability of material evidence which, in the exercise of reasonable diligence, could not have been produced at the hearing;
4. Error of law.

When a party's motion is for a cause mentioned in paragraphs 1, 2, or 3 above, it must be made upon affidavit(s). The Board may on its own motion order reconsideration, but the order must be within seven calendar days of its original decision and on one or more of the causes listed above. If the Board does not rule on a party's motion for reconsideration by its next regular meeting, it shall be deemed denied. When reconsideration is granted, it suspends the original decision, and the Board shall proceed as though the matter were still pending before it for original decision, but the decision on reconsideration becomes final when made. The Retirement Association shall promptly mail copies to all parties.

4.6 Finality of Decision.

Except as otherwise provided in section 4.7 below entitled Judicial Review or section 4.5 entitled Reconsideration, action by this Board granting or denying in whole or in part any application for disability retirement shall be deemed to be final and conclusive with regard to any and all issues raised by the application which were either presented to the Board or could have, with the exercise of reasonable diligence, been presented.

4.7 Judicial Review.

Notice of the right to judicial review of the Board's decision pursuant to Code of Civil Procedure section 1094.6, and the time limits for filing such review, shall accompany the written notice of the Board's decision.

4.8 Request for Preparation of Administrative Record.

Any request for the preparation of the administrative record pursuant to Code of Civil Procedure § 1094.6 shall be made in writing and filed with the Retirement Association, which shall, within ten days of receiving such a request, notify the requesting party of the estimated cost of preparing the record.

The requesting party shall within ten days of receiving such notification, deposit with the Retirement Association an amount sufficient to cover the estimated cost. If the cost exceeds the amount deposited, the party shall pay the excess. If the amount deposited exceeds the cost, the difference shall be returned to the party. Upon receiving the required deposit, the Retirement Association shall promptly prepare the record, including the transcript of the proceedings, all pleadings, all notices and orders, the final decision, all admitted exhibits, all rejected exhibits in the possession of the Board, all written evidence, and any other papers in the case.

Contra Costa County Employees' Retirement Association

Semi-Annual Disability Retirement Report

*for the years ended December 31, 2013, 2014 and 2015
update for January 1 through December 31, 2016*

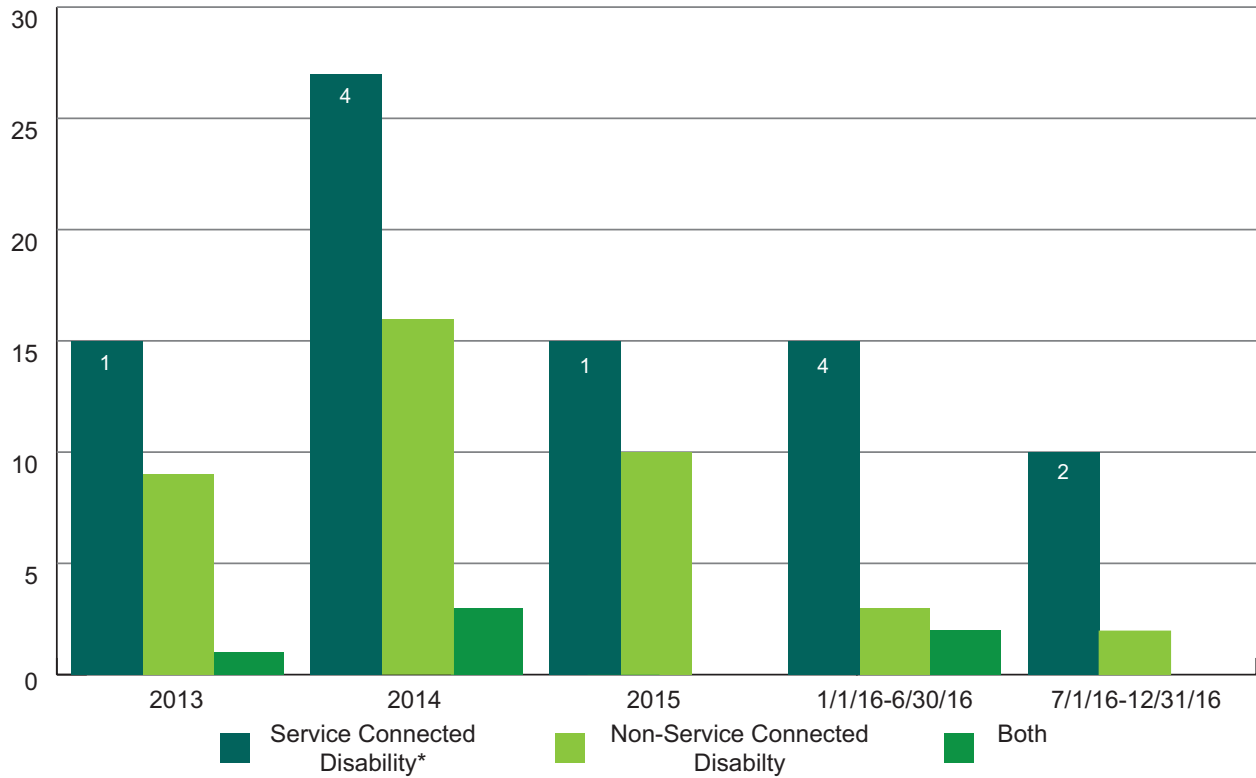


Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, California 94520-5728
cccera.org

Semi-Annual Disability Retirement Report

Exhibit 1: Disability Retirement Applications Received by Year

As of December 31, 2016



*Total applications granted for service connected disability retirement with less than 10 years of service are noted.

Contra Costa County Employees' Retirement Association
 Semi-Annual Disability Retirement Report (Continued)

Exhibit 2: Total Applications Filed with CCCERA (totals listed by employer)

As of December 31, 2016

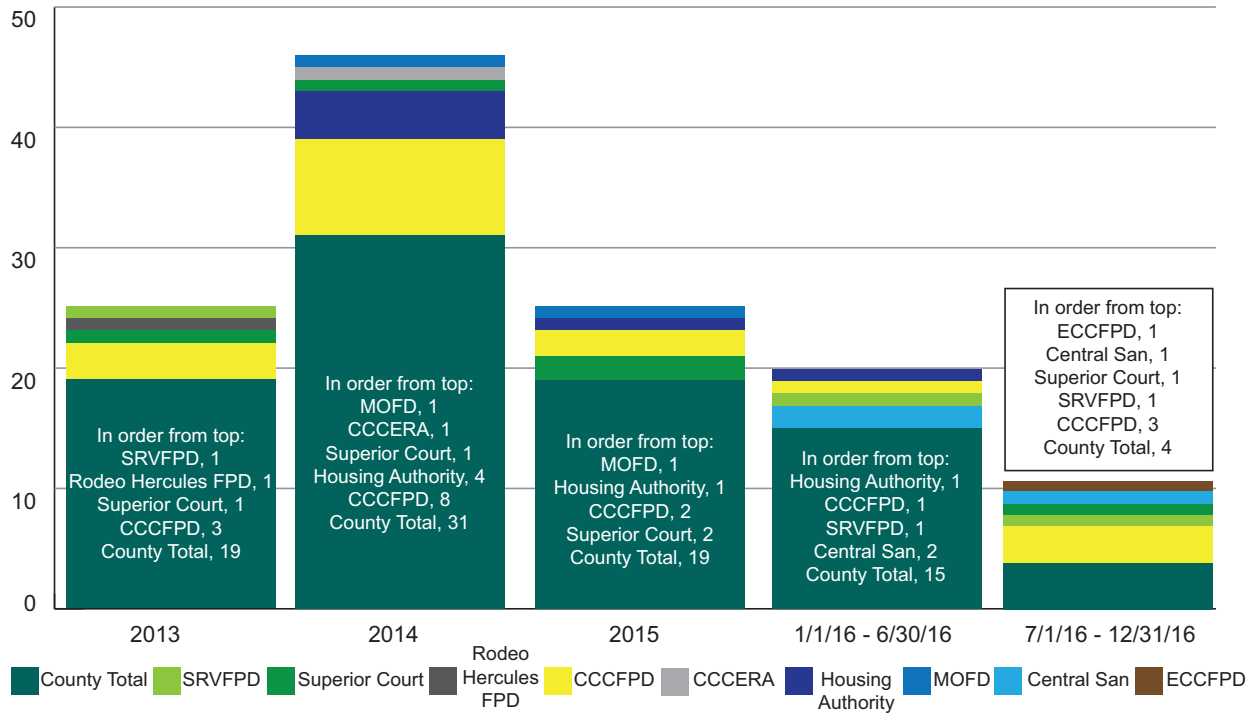
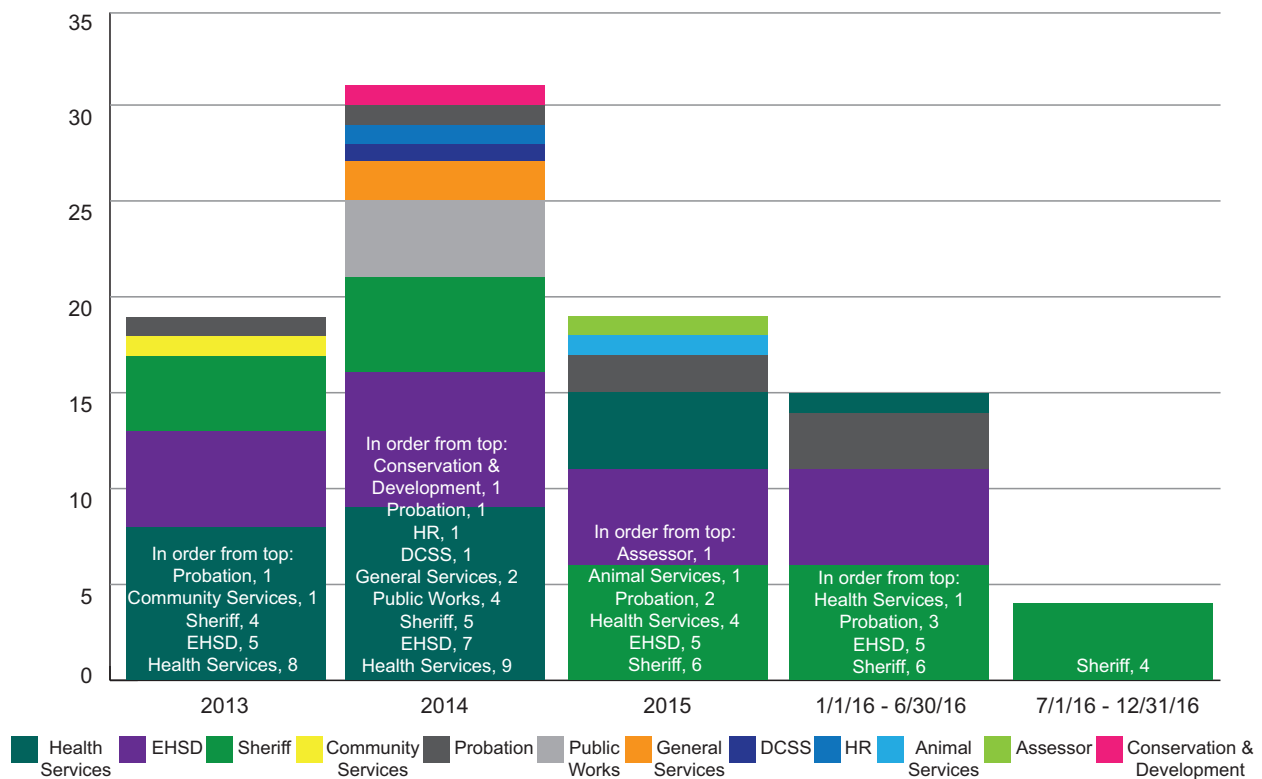


Exhibit 3: Total Applications Filed with CCCERA (by County Department)

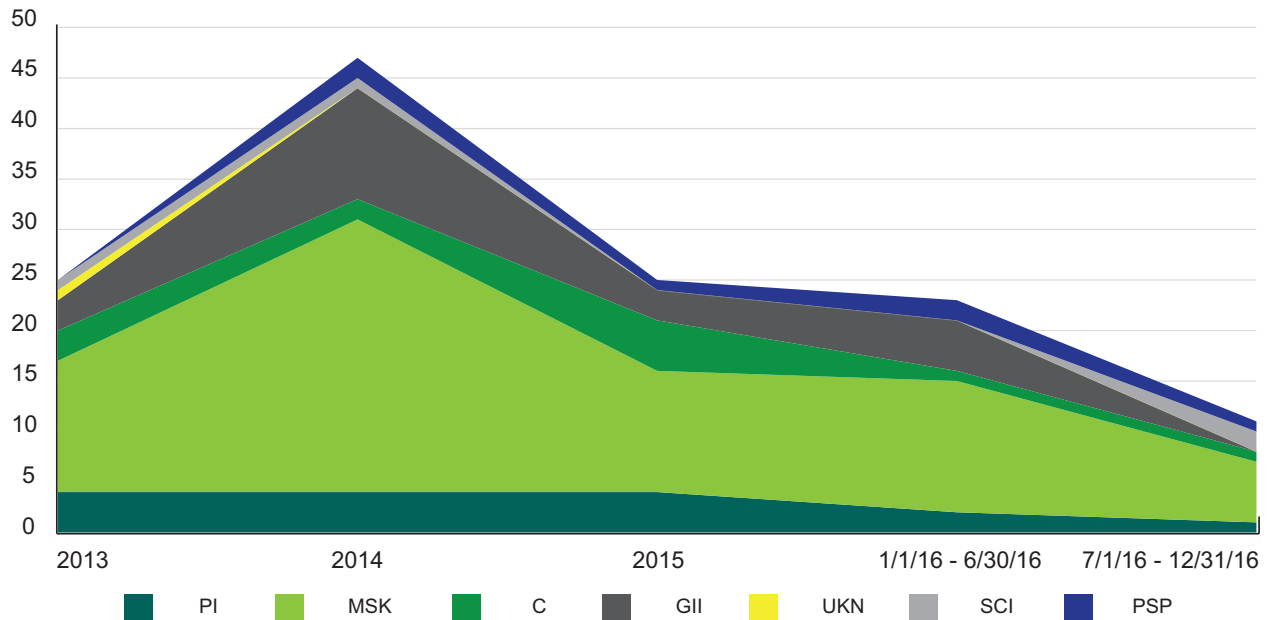
As of December 31, 2016



Contra Costa County Employees' Retirement Association
 Semi-Annual Disability Retirement Report (Continued)

Exhibit 4: Total Disability Filed by Type

As of December 31, 2016*



The following acronyms group different illnesses together by type to show trends and are not limited to the examples below.

Psychiatric Incapacitation (PI)	Will include all psychiatric and mental health conditions and injuries. Examples would be PTSD, OCD, depression, schizophrenia, anxiety disorders, mood and emotional disorders.
Musculoskeletal (MSK)	Will include all orthopedic injuries and illness. Examples include carpal tunnel syndrome, amputation, avascular necrosis, back injury, degenerative disc disease, fibromyalgia, lumbar stenosis, neck injury, shoulder injury, and disc herniation.
Cancer (C)	Will include all permanent incapacitation that was the result of a form of cancer.
General Internal Incapacitation (GII)	Will include all injuries and illness that are general non-orthopedic issues, not covered by the noted above. Examples include diabetes, any disease or injury to an internal organ, rheumatology, pulmonary, gastrointestinal.
Unknown (UKN)	Disability application filed for unknown medical reasons. An example would be an employer that filed an application with limited medical records due to HIPAA.
Severe Cognitive Impairment (SCI)	Will include all illness' and injuries where the incapacitation has caused diminished cognitive function. Examples include traumatic brain injury, dementia, dyslexia, dyscalculia, memory impairments, diminished concentration and speech.
Public Safety Presumptions (PSP)	Will include all illness and injuries where the cause is governed under GC Sections 31720.5, 31720.6, 31720.7, or 31720.9. Presumptions will be listed twice; once under total presumption and once under type of disability.

Contra Costa County Employees' Retirement Association
 Semi-Annual Disability Retirement Report *(Continued)*

Exhibit 5: Type of Disability by Injury/Illness Group

Employer	2013	2014	2015	1/1/2016 - 06/30/2016	7/1/2016 - 12/31/2016
Contra Costa County Fire Protection District (CCCFPD)					
PI	0	1	0	0	0
MSK	2	5	1	1	3
C	1	0	0	0	0
PSP	0	2	1	0	0
Contra Costa County Employees' Retirement Association (CCCERA)					
GII	0	1	0	0	0
Central Sanitary District					
MSK	0	0	0	2	0
SCI	0	0	0	0	1
East County Fire					
PI	0	0	0	0	1
Housing Authority of Contra Costa County					
MSK	0	3	0	1	0
C	0	0	1	0	0
GII	0	1	0	0	0
Moraga/Orinda Fire Protection District					
MSK	0	1	1	0	0
Rodeo/Hercules Fire Protection District					
MSK	1	0	0	0	0
San Ramon Valley Fire Protection District					
PI	0	0	0	1	1
MSK	1	0	0	1	
Contra Costa County Superior Court					
MSK	0	1	1	0	1
C	0	0	1	0	0
GII	1	0	0	0	0
Contra Costa County*					
PI	4	3	4	1	0
MSK	9	16	9	8	2
C	2	3	3	1	1
PSP	0	0	0	2	1
GII	2	7	3	5	0
UNK	1	0	0	0	0
SCI	1	2	0	0	1

*Detail by Contra Costa County departments on following page.

Contra Costa County Employees' Retirement Association
 Semi-Annual Disability Retirement Report (Concluded)

Exhibit 5: Type of Disability by Injury/Illness Group					
Department	2013	2014	2015	1/1/2016 - 06/30/2016	7/1/2016 - 12/31/2016
Contra Costa County					
Animal Services					
GII	0	0	1	0	0
Assessor					
GII	0	0	1	0	0
Community Services					
PI	1	0	0	0	0
Conservation and Development					
MSK	0	1	0	0	0
Department of Child Support Services (DCSS)					
C	0	1	0	0	0
Employment & Human Services Department (EHSD)					
PI	0	1	2	0	0
MSK	4	2	2	1	0
C	0	1	1	1	0
GII	1	1	0	3	0
SCI	0	2	0	0	0
General Services Department					
MSK	0	1	0	0	0
C	0	1	0	0	0
Health Services Department					
PI	2	1	1	0	0
MSK	3	4	1	1	0
C	0	0	1	0	0
GII	1	4	1	1	0
UNK	1	0	0	0	0
SCI	1	0	0	0	0
Human Resources Department					
GII	0	1	0	0	0
Public Works Department					
MSK	0	3	0	0	0
GII	0	1	0	0	0
Probation Department					
PI	0	1	1	1	0
MSK	0	0	1	1	0
C	1	0	0	0	0
PSP	0	0	0	1	0
GII	0	0	0	1	0
Sheriff's Office					
PI	1	0	0	0	0
MSK	2	5	5	5	2
C	1	0	1	0	1
PSP	0	0	0	1	1
SCI	0	0	0	0	1



**Contra Costa County Employees' Retirement Association
Liquidity Report – January 2017**

January 2017 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$37,250,000	
Liquidity Sub-Portfolio Cash Flow	\$37,250,000	100%
Actual Benefits Paid	\$34,702,338	107%
<i>Next Month's Projected Benefit Payment</i>	<i>\$37,500,000</i>	

Monthly Manager Positioning - January 2017

	Beginning Market Value	Liquidity Program Cash Flow	Ending Market Value
Sit	\$432,740,476	-\$750,000	\$432,559,759
DFA	\$400,515,583	-\$12,250,000	\$389,141,776
Insight	\$823,209,228	-\$24,250,000	\$800,488,495
Liquidity Sub-Portfolio	\$1,656,465,287	-\$37,250,000	\$1,622,190,030
Cash	\$67,609,870	+\$2,797,662	\$86,352,892
Liquidity + Cash	\$1,724,075,157	-\$34,702,338	\$1,708,542,922

Functional Roles

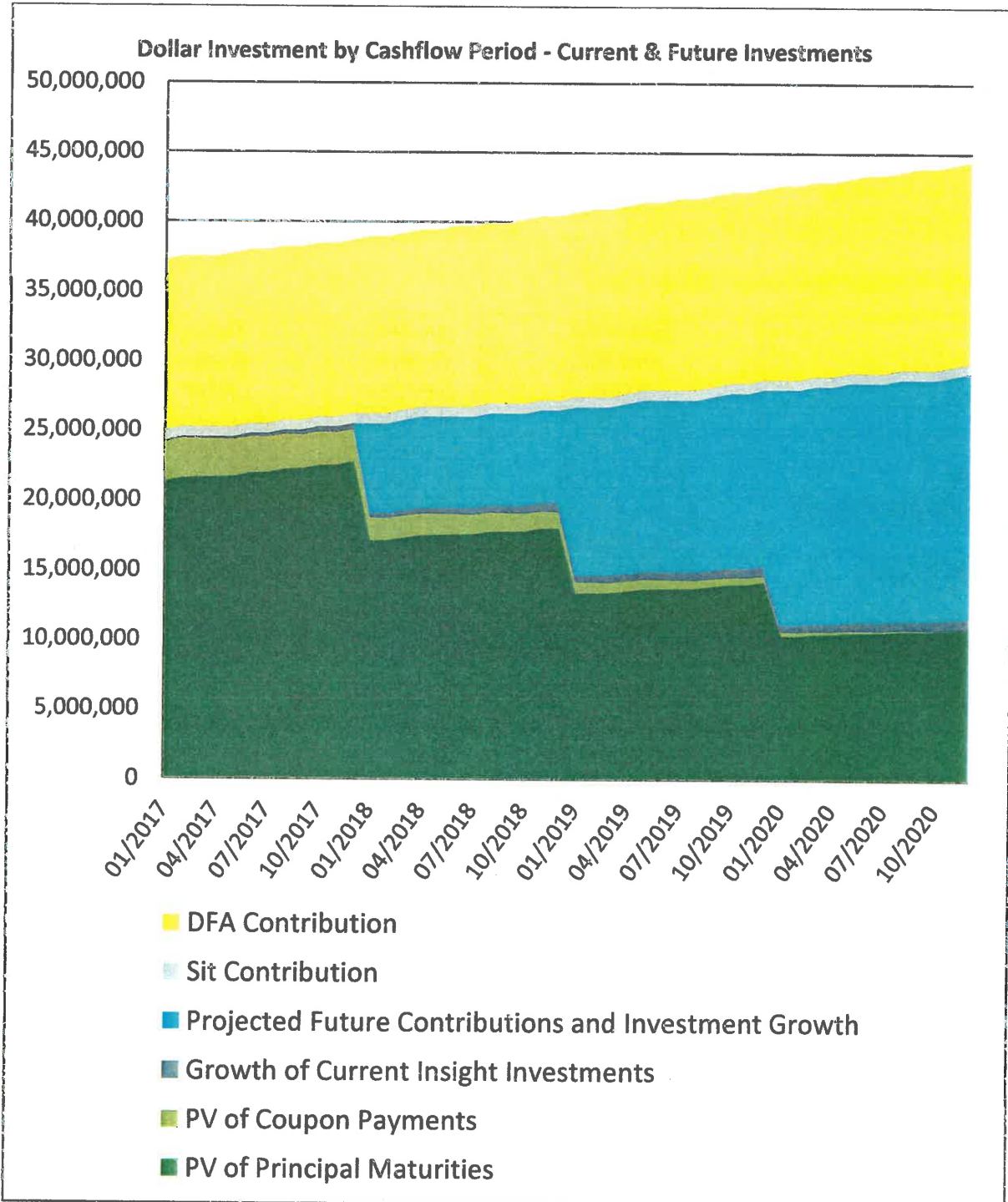
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis. We expect this income to rise somewhat in the upcoming year.
DFA	High quality, short duration portfolio focused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

Notes

The first monthly cash flow from the liquidity program was completed on January 25, 2017 and covered well in excess of the actual benefit payments. The excess cash flow of approximately \$2.8 mm is being held in the cash account. We will closely monitor the coverage ratio during the first six months and may adjust our forecasting model if we find a systematic pattern of excess coverage.

Cash Flow Structure

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





MEMORANDUM

Date: February 22, 2017
To: CCCERA Board of Retirement
From: Timothy Price, Chief Investment Officer
Subject: Phase 2a Implementation of Asset Allocation

Overview

In the Investment Policy Statement adopted by the Board on September 29, 2016, the Board approved a structure whereby annual adjustments to the target asset allocation would be expressed in the form of investment resolutions. On October 26, 2016, the Board adopted BOR Resolution 2016-3, which provided asset allocation targets for the first phase of the Functionally Focused Portfolio implementation. Phase 1 dealt primarily with the migration from domestic and global core fixed income portfolios to the new Liquidity sub-portfolio. As of December 31, 2016 implementation of Phase 1 was largely complete. Phase 2 focuses on the restructuring of the growth portfolio, and this memo will outline the specific actions taken for that effect.

Background

Verus has previously outlined a three-phase implementation process. The initial phase focused on building the liquidity sub-portfolio, and while phases two and three focus on restructuring the growth and diversifying sub-portfolios, respectively. As part of the restructuring of the growth portfolio, the Board approved the retention of TT and PIMCO/RAE to pursue emerging market equity mandates, and BlackRock to manage a Russell 1000 Index Fund. Verus previously outlined the funding for these mandates to come from a combination of full and partial liquidations from the following managers:

Full Redemption	Partial Redemption
Intech Large Cap	Jackson Square
PIMCO Stocks+	Boston Partners
Intech Global Low Vol	Emerald
JP Morgan	Ceredex
	Pyrford
	William Blair
	Artisan
	First Eagle

Timing for the redemptions from existing managers will coincide with the completion of contracting with the new managers. One remaining piece of the Phase 2 implementation is the identification of a private markets funding vehicle. This will be a public market investment that can be drawn down to fund capital

calls for the private equity and private credit mandates. As a manager for this mandate has not yet been identified, we would like to split the Phase 2 implementation into two parts. The recommendation below will be referred to as Phase 2a. Phase 2b will formally address the public market “parking place” for future private markets capital calls.

BOR Resolution 2017-1 allows for the implementation of Phase 2a, including the funding of the new mandates.

Recommendation

Consider and take possible action to adopt BOR Resolution 2017-1, Investment Asset Allocation Targets and Ranges.

**RESOLUTION OF THE BOARD OF RETIREMENT
CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

INVESTMENT ASSET ALLOCATION TARGETS AND RANGES – Phase 2a

WHEREAS, Article XVI, §17 of the Constitution of the State of California vests the Board of Retirement (Board) with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system"; and

WHEREAS, the Board has exclusive control of the investment of CCCERA and may, in its discretion and subject to applicable law, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding or sale or any form or type of investment, financial instrument, or financial transaction when prudent in the informed decision of the board, pursuant to the County Employees Retirement Law of 1937 (CERL), Government Code Section 31595; and

WHEREAS, on September 28, 2016, the Board adopted an Investment Policy Statement (IPS), pursuant to which the Board is to periodically set, review and revise its asset allocation targets.

WHEREAS, on October 26, 2016, the Board adopted Resolution 2016-3, establishing the first phase of CCCERA's investment asset allocation targets and ranges.

WHEREAS, in order to continue to implement the IPS, it is prudent to move forward with establishing the second phase of CCCERA's investment asset allocation targets and ranges.

NOW, THEREFORE BE IT RESOLVED that it shall be the policy of CCCERA to invest assets in the following manner:

Asset Allocation

Section 6.B of the IPS provides that "annually the Board shall review the relative size and composition of [the] sub-portfolios and revise them as necessary through Investment Resolutions." During this annual review, the Investment Consultant will recommend the targets, weightings, and the rationale for any deviation to an under-weight or over-weight across the asset allocation. The Board will consider and take action to adopt or revise asset allocation targets. Under the direction of the Board of Retirement, investment staff will administer the asset allocation per the Board's action.

As of 2016 the long-term asset allocation targets determined by the Board are as follows:

Liquidity: 25%
Growth: 63%
Diversifying: 12%

The Liquidity sub-portfolio will have a target allocation of 25% once the annual funding has been completed (typically in July of each year). Over the course of the following 12 months, the

Liquidity sub-portfolio will be used to pay benefits and expenses. As a result, and aside from market fluctuations, the funds in the Liquidity sub-portfolio will decline from the targeted allocation and, therefore, the relative allocations to the Growth and Diversifying sub-portfolios will increase proportionately.

In order to allocate assets such that the long-term allocation targets are satisfied, investment staff and the Investment Consultant recommended an Implementation Plan to the Board at the September 28, 2016 Board meeting. The Implementation Plan included 3 phases to prudently migrate the portfolio from its current asset allocation to the long-term asset allocation. This resolution provides the Phase 2 asset allocation targets and ranges as an interim step towards reaching the desired long-term asset allocation. Phase 3 targets, once established, will be adopted by the Board and will supersede these Phase 2 targets.

Phase 2a Targets

Sub-Portfolio Strategy	Phase 2a Target	Range
Growth	70.6%	60-80%
Jackson Square	4.5%	
Boston Partners	4.5%	
Emerald	3.3%	
Ceredex	3.3%	
BlackRock Index Fund	1.0%	
Pyrford	5.4%	
William Blair	5.4%	
Artisan	4.3%	
First Eagle	4.3%	
TT Emerging Markets	4.2%	
PIMCO/RAE Emerging Markets	4.2%	
Adelante	1.0%	
Private Real Estate	8.2%	
Private Real Assets	1.4%	
Private Equity	8.2%	
Opportunistic	0.5%	
Torchlight	1.9%	
Allianz	5.0%	
Liquidity	23.4%	16-28%
Insight	10.7%	
DFA	5.3%	
Sit	6.0%	
Cash	1.4%	
Risk Diversifying	6.0%	0-10%
AFL-CIO HIT	3.5%	
Wellington Real Total Return	2.5%	
Total	100.0%	

By this action, Resolution 2016-3 is hereby superseded.

THIS RESOLUTION WAS ADOPTED BY THE AFFIRMATIVE VOTE OF THE BOARD OF RETIREMENT OF THE CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION THIS ____ DAY OF _____, 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

John Phillips
Chairperson of the Board of Retirement

Attest:

Scott Gordon
Secretary of the Board of Retirement



Southern California Chapter

**"Day of Education in Private Equity"
A Forum for Trustees and Investment Staff
The LUXE City Center Hotel - Los Angeles
March 29 - 30, 2017**

March 29, 2017

7:00 PM (Private Event) – Emerging Manager Landscape
The Palm Restaurant Downtown Los Angeles
Moderator: Joseph Kelly, MPA, CIA, CTP, Treasurer and Tax Collector, Los Angeles County (Invited)
Mina Pacheco Nazemi, Founding Partner, Aldea Capital (Confirmed)
Darryl L. Browne, CFA, Portfolio Manager, DuPont Capital Management (Confirmed)
Rendel Solomon, Principal, Muller & Monroe Asset Management (Confirmed)
Ray Whitman, Co-Founder, Stellex Capital Management (Confirmed)
Robert Azeke, Managing Partner, Farol Asset Management (Confirmed)

March 30, 2017

7:00 AM REGISTRATION BEGINS
7:00 AM BREAKFAST (available 7:00am - 8:30am)

8:00 AM Welcome Remarks
Norice R. Rice, President, National Association of Securities Professionals, Southern California Chapter

Introduction: Rodney June, CIO, Los Angeles City Employees' Retirement System (Confirmed)

The Honorable Mayor Eric Garcetti, Mayor of Los Angeles (Invited)

8:30 AM GENERAL SESSION I – (Ballroom)

Private Equity Post Presidential Election Discussion
Moderator: Bryan Lewis, CIO, Pennsylvania State Employees' Retirement System (Invited)
David Rubenstein, Co-Founder & Co-Chief Executive Officer, The Carlyle Group (Confirmed)
Christopher Ailman, CIO, California State Teachers' Retirement System (Confirmed)

9:30 AM NETWORKING BREAK

9:45 AM GENERAL SESSION II - (Ballroom)

Transformative Change: Women in Private Equity
Introduction: Gabriel Rodrigues, Board Member, Contra Costa Employees' Retirement Association (Confirmed)
Moderator: Malia Cohen, San Francisco Board of Supervisors (Confirmed)

Southern California Chapter

Julia Feldman, Managing Director, GSAM AIMS Private Equity Group (Invited)
Elin Szymanowski, Investment Officer, LACERA (Confirmed)
Gennell Jefferson, Managing Director, State Street Global Advisors (Confirmed)
Jennifer James, Director, Thoma Bravo, LLC (Confirmed)
Theresa Whitmarsh, Executive Director, Washington State Investment Board (Confirmed)

10:45 AM GENERAL SESSION III - (Ballroom)

FBI on Wall Street

Introduction: Dan McAllister, San Diego County Treasurer - Tax Collector (Confirmed)
Speaker: David Chavez, White Collar Coordinator/Complex Crimes, Federal Bureau Investigation (Confirmed)

11:45 AM NETWORKING BREAK

12:15 PM LUNCHEON SERVICE BEGINS - (Ballroom)

INVESTMENT CONSULTANT TABLES

FAST TRACK Program Overview - Ramsey Jay, Jr., Director, Fast Track Program
Introduction: Mina Pacheco Nazemi, Founding Partner, Aldea Capital (Confirmed)
Levar Burton, Actor, Director, and Author (Confirmed)

1:45 PM GENERAL SESSION IV

CIO Roundtable Discussion - (Ballroom)

Moderator: TBD

Ted Eliopoulos, CIO, California Public Employees' Retirement System (Invited)
Christopher Ailman, CIO, California State Teachers' Retirement System (Confirmed)
Rodney June, CIO, Los Angeles City Employees' Retirement System (Confirmed)
Thomas Lopez, CIO, Los Angeles Fire and Police Pensions System (Confirmed)
Bryan Lewis, CIO, Pennsylvania State Employees' Retirement System (Invited)

2:45 PM GENERAL SESSION V - (Ballroom)

Opportunities, Challenges & Trends in Private Equity

Moderator: Margot Wirth, Director of Private Equity, California State Teachers' Retirement System (Invited)

Representative, Title, Apollo Management (Confirmed)
Carol Womack, Principal-Private Equity, Diversified Trust (Confirmed)
Representative, Kayne Anderson Capital Advisors L.P. (Confirmed)
Jennifer Pafiti, Esq., Partner, Pomerantz LLP (Confirmed)
Gordon Hargraves, Partner, Private Advisors, LLC (Confirmed)



Southern California Chapter

3:45 PM NETWORKING BREAK

4:00 PM GENERAL SESSION VI

Venture Capital

Moderator: Gabrielle Zadra, Senior Managing Director, Cliffwater (Confirmed)

Representative, Fairview Capital Partners (Confirmed)

Representative, JP Morgan Asset Management (Confirmed)

Representative, Sofinnova Ventures (Confirmed)

Representative, Torrey Cove Capital Partners (Confirmed)

Representative, WL Ross & Co. LLC or Invesco (Confirmed)

**4:45 PM GENERAL SESSION VII
Infrastructure and Real Assets – New Paths to the Future**

Moderator: TBD

Adiba Ighodaro, Partner, Actis (Confirmed)

Paul Yett, Managing Director, Hamilton Lane (Confirmed)

Abdur Nimeri, PhD, Senior Investment Strategist, Northern Trust Asset Management (Confirmed)

Representative, Employees Retirement System of Texas (Invited)

5:30 PM Reception

7:00 PM End of Reception

ARES CORPORATE OPPORTUNITIES FUNDS

Tuesday, April 18, 2017
Ares Annual Investor Dinner
Cocktails and Dinner 6:30 PM

Wednesday, April 19, 2017
ACOF Annual Investor Meeting
Continental Breakfast
Meeting
Lunch
8:00 AM – 2:00 PM

We welcome you to join the Ares Energy Investors Funds Annual Investor Dinner and Meeting which will include an in-depth market overview (invitation enclosed)

*To RSVP to the dinners and the meetings
please contact Hortencia Barrera
at barrera@aresmgmt.com or 310.201.4181*



THE RITZ-CARLTON
MARINA DEL REY

4375 Admiralty Way | Marina del Rey, CA 90292

 **ARES**

2017 Annual Investment Symposium

Monday, April 24, 2017

3:00 p.m. – 5:30 p.m.

Optional Learning Sessions

Jed Fogdall

Ryan Wiley

Joe Kolerich

5:30 p.m. – 8:00 p.m.

**Cocktail Reception and Dinner
Dimensional Fund Advisors**

Tuesday, April 25, 2017

7:30 a.m. – 8:30 a.m.

Registration & Breakfast

8:30 a.m. – 8:45 a.m.

Welcoming Remarks

David G. Booth

Chairman and Co-Chief Executive Officer
Dimensional Fund Advisors

Stephen A. Clark

Global Head of Institutional Services
Dimensional Fund Advisors

8:45 a.m. – 9:45 a.m.

Factor Investing

Kenneth R. French

Roth Family Distinguished Professor of Finance
Tuck School of Business
Dartmouth College
Director, Consultant, and Director of Investment Policy
Dimensional Fund Advisors

9:45 a.m. – 10:45 a.m.

Is the American Corporation in Trouble?

René M. Stulz

Everett D. Reese Chair of Banking and Monetary Economics
Fisher College of Business
The Ohio State University

10:45 a.m. – 11:00 a.m.

Break

11:00 a.m. – 12:00 p.m.

Dimensional Investment Update

Eduardo A. Repetto, Ph.D.

DRAFT 02

Director, Co-Chief Executive Officer, and Co-Chief Investment Officer
Dimensional Fund Advisors

12:00 p.m. – 1:30 p.m.

Break-Out Lunches with Senior Portfolio Managers

Bob Deere, Vancouver

David Plecha, London

Karen Umland, Sydney

1:30 p.m. – 2:30 p.m.

Dimensional Research Update

Gerard K. O'Reilly, Ph.D.

Co-Chief Investment Officer and Head of Research
Dimensional Fund Advisors

2:30 p.m. – 3:30 p.m.

A Conversation with Eugene Fama

Eugene F. Fama

Robert R. McCormick Distinguished Service Professor of Finance

Booth School of Business

University of Chicago

Director and Consultant

Dimensional Fund Advisors

6:30 p.m. – 9:00 p.m.

Cocktail Reception and Dinner

Trinity Hall

311 East 5th Street

8:00 p.m. – 8:45 p.m.

Putting Life Lessons to Work

Caroline Gaynor

Regional Director

Dimensional Fund Advisors

Wednesday, April 26, 2017

7:45 a.m. – 8:45 a.m.

Breakfast

DRAFT 02

8:45 a.m. – 9:45 a.m.

The Profitability and Investment Premium: Pre-1963 Evidence

Sunil Wahal

Jack D. Furst Professor of Finance
WP Carey School of Business
Arizona State University
Consultant
Dimensional Fund Advisors

9:45 a.m. – 10:45 a.m.

Economic Policy Update

Edward Lazear

Jack Steele Parker Professor of Human Resources Management
and Economics
Graduate School of Business
Stanford University
Director, US Mutual Funds
Dimensional Fund Advisors

10:45a.m. – 11:00 a.m.

Break

11:00 a.m. – 12:00 p.m.

TBD

Robert Novy-Marx

Lori and Alan S. Zekelman Professor of Business Administration
Simon Business School
University of Rochester
Consultant
Dimensional Fund Advisors

12:00 p.m. - 1:00 p.m.

Break-Out Lunches with Senior Portfolio Managers

Bob Deere, Vancouver

Dave Plecha, London

Karen Umland, Sydney