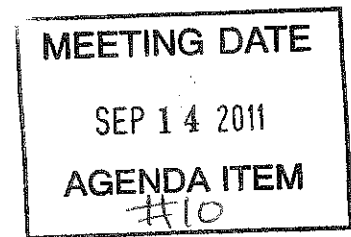




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August 26, 2011

Ms. Marilyn Leedom
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Dear Marilyn:

This letter presents our proposed schedule of fixed valuation fees and hourly billing rates for our services to CCCERA, commencing January 1, 2012. As you know, our initial April 2, 2003 Actuarial Services Agreement with CCCERA was for a three-year period through December 2005 and subsequent agreements provided for fees and rates through December 2008 and December 2011.

This letter proposes three years of fixed fees and hourly billing rates starting January 1, 2012. Note that the December 31, 2011, 2012 and 2013 actuarial valuations will be performed during 2012, 2013 and 2014, respectively and are shown under those columns in the table below.

Fixed Fee Valuation and Retainer Services

Task	Current: 2011	Proposed: 2012	Proposed: 2013	Proposed: 2014
Actuarial Valuation (includes one meeting) January 1, 2010 through December 31, 2012	\$85,000	\$90,000	\$92,500	\$95,000
Experience Study (includes two meetings)			\$55,000	
General Consulting Services (per year)	\$16,000	\$16,000	\$16,000	\$16,000

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Recent changes adopted by the Board such as the depooling action and modification of the terminal pay policy have complicated the annual actuarial valuation. The proposed fees reflect modest increases that are anticipated to cover the additional time associated with these complications.

Our actual time charges accruals for the 2007 and 2010 experience studies were \$54,000 and \$77,000, respectively. The increase in the experience study fee is based on this experience and reflects the complex structure of CCCERA's actuarial assumptions, including the new terminal pay assumptions.

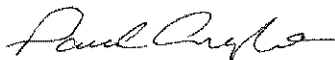
Hourly Rates for Additional Services

The table below shows your current rates and the rates we are proposing effective January 1, 2012.

Class of Personnel	Current: Jan 2011 to Dec 2011	Proposed: Jan 2012 to Dec 2012	Proposed: Jan 2013 to Dec 2013	Proposed: Jan 2014 to Dec 2014
Principal Actuaries (Angelo)	\$490	\$490	\$495	\$495
Reviewing Actuaries	\$430	\$440	\$450	\$460
Supervising Actuaries (Monroe)	\$410	\$420	\$430	\$440
Senior Actuarial Analysts	\$265 - \$400	\$265 - \$410	\$265 - \$420	\$265 - \$430
Actuarial Analysts	\$150 - \$260	\$150 - \$250	\$155 - \$255	\$160 - \$260
Compliance Consultant	\$410	\$420	\$430	\$440

Thank you very much for your consideration of this matter. We greatly appreciate our relationship with you, your staff, and your Board. Please let us know if you need any additional information.

Cordially,



Paul Angelo

JZM/bqb