



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

March 10, 2021, 9:00 a.m.

Due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020, the Board of Retirement shall hold its meeting via teleconferencing. The meeting is accessible telephonically at 669-900-6833, Webinar ID: 948 5981 5106, Passcode: 704217, or via the web at:

<https://zoom.us/j/94859815106?pwd=MXd1cVpYdXRnNDlVd1d4MDFZQlh0QT09> Passcode: 704217

Persons who wish to make public comment may submit their comment to:

publiccomment@cccera.org on the day of the meeting, either before or during the meeting.

Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).) All comments submitted will be included in the record of the meeting. The comments will be read into the record at the meeting, subject to a three-minute time limit per comment.

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

1. Pledge of Allegiance.
2. Recognition of Lori Epstein for 10 years of service.
3. Roll Call.
4. Accept comments from the public.
5. Approve minutes from the February 10, 2021 meeting.
6. Routine items for March 10, 2021.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept asset allocation report.
 - f. Accept liquidity report.

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.

CLOSED SESSION

- 7. The Board will go in to closed session pursuant to Govt. Code Section 54957 to consider recommendations from the medical advisor and/or staff regarding the following disability retirement applications:

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Graciela Corbett	Non-Service Connected	Non-Service Connected

- 8. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6)

Agency designated representative:
Joe Wiley, CCCERA’s Chief Negotiator

Unrepresented Employee: Chief Executive Officer

- 9. 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. *CCCERA, et al. v. Valeant Pharms. Int’l, Inc., et al.*, United States District Court, New Jersey (3:17-cv-12088)
- 10. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding potential litigation (one case).

OPEN SESSION

- 11. Presentation of Semi-Annual Disability Retirement Report.
- 12. Disability retirement process.
- 13. Presentation of the Contra Costa County Library employer audit report.
- 14. Presentation of the Contra Costa Employment and Human Services Department employer audit report.
- 15. Presentation of the Rodeo Sanitary District employer audit report.
- 16. Consider and take possible action to authorize the CEO to acquire additional support hours from CPAS Systems, Inc.
- 17. Consider and take possible action on SACRS voting proxy form.

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.

18. Report out from Audit Committee Chair on February 24, 2021 Audit Committee meeting.
19. Consider authorizing the attendance of Board:
 - a. Pension Bridge Annual Conference, May 4-7, 2021, Virtual.
(Note: Conflict with meeting)
 - b. SACRS Annual Spring Conference, May 11-14, 2021, Virtual.
20. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
February 10, 2021
9:00 a.m.

The Board of Retirement meeting will be accessible telephonically at (669) 900-6833, Webinar ID: 979 5776 9876, Passcode: 276941 and via the web at <https://zoom.us/j/97957769876?pwd=NkpuZ2pwZkJMYUxqdil1V2lzQT09>, Passcode: 276941, due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020.

1. Pledge of Allegiance

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

2. Roll Call

Present: Candace Andersen, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Reggie Powell, Mike Sloan, Todd Smithey and Belinda Zhu (Deputy Treasurer, present and voting in Treasurer Russell Watts' absence)

Absent: None

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

Outside Professional Support: Representing:

Jennifer Meza	PARS
Andrew Brown	High Mark Capital Management

3. Accept comments from the public

No member of the public offered comment.

4. Approval of Minutes

It was **M/S/C** to approve the minutes from the January 13, 2021 meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Zhu)

5. Routine Items

It was **M/S/C** to approve the routine items of the February 10, 2021 meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Zhu)

Powell was present for subsequent discussion and voting.

Finley recused himself from this item and was no longer present for subsequent discussion and voting.

6. Service Connected Disability Retirement Application for Walter Wong

Dunn read a written comment from the widow, Anna Mebust, into the record.

It was **M/S** to deny the service connected disability retirement application (Yes: Gordon and Phillips. No: Andersen, Holcombe, Kroll, MacDonald, Powell, Smithey and Zhu.) Motion Failed.

It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits pursuant to Government Code Sections 31720 and 31720.5:

- a. Walter Wong – Service Connected (Yes: Andersen, Holcombe, Kroll, MacDonald, Powell, Smithey and Zhu. No: Gordon and Phillips).

Finley was present for subsequent discussion and voting.

7. Presentation from PARS (Public Agency Retirement Services) regarding the I.R.C. Section 115 Trust for Other Post-Employment Benefits for CCCERA Employees

Jennifer Meza, PARS, reviewed CCCERA's OPEB Plan for the period January 1 to December 31, 2020 and actuarial report as of December 31, 2018.

Andrew Brown, High Mark Capital Management, reviewed CCCERA's OPEB performance and asset allocation for the period ending December 31, 2020.

8. CCCERA Operations Update

Strohl provided an update on CCCERA's operations during the COVID-19 pandemic and resulting shelter in place order noting CCCERA continues to perform its essential business functions.

9. Consider and take possible action to:

Smithey reported that the recommendation is for a 3% percent increase in the salary ranges for all unrepresented employees, excluding the Chief Executive Officer, which would impact the salary range for the Deputy Chief Executive Officer.

- a. It was **M/S/C** to adopt Board of Retirement Resolution 2021-1 to increase the salary ranges by 3% for all unrepresented classifications effective April 1, 2021, with the exception of the Chief Executive Officer. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Zhu)
- b. It was **M/S/C** to adopt the CCCERA Position Pay Schedule for unrepresented classifications effective April 1, 2021 which reflects the salary range changes in Board of Retirement Resolution 2021-1. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Zhu)

10. Miscellaneous

(a) Staff Report –

None

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Smithey welcomed Reggie Powell to the CCCERA Board.

Powell noted he is excited to be on the Board.

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

Todd Smithey, Chairman

David MacDonald, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Meeting Date
03/10/2021
Agenda Item
#6

BOARD OF RETIREMENT

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>Tier</u>	<u>Selected</u>
Atkins, Susan	78846	11/01/20	SR	Tier III	Option 2
Brooks, Charlotte	68484	12/01/20	SR	Tier III	Option 1
Browne, Lisa	66868	12/01/20	SR	Tier III	Option 1
Cantrell, Jean	77691	12/10/20	SR	Tier III	Unmodified
Chatigny, Marguerite	76687	10/31/20	SR	PEPRA 5.3	Unmodified
Eustis, Evan	69551	12/07/20	SR	Tier III	Unmodified
Gentry, Marian	34933	10/01/20	SR	Tier II and III	Option 1
Glover, Janis	54752	10/30/20	SR	Tier I and II	Unmodified
Guerra, Angela	48855	10/16/20	SR	Tier II and III	Option 2
Hilbun, Susan	39709	10/31/20	SR	Tier II and III	Unmodified
Hoyt, Judith	72050	10/04/20	SR	Tier III	Unmodified
Hutchings, Christian	64122	11/01/20	SR	Tier II and III	Unmodified
Lejano, Leani	61816	08/15/20	SR	Tier III	Option 1
Lindsay, Joseph B.	71737	11/27/20	SR	Safety C	Unmodified
Munoz, Maria E.	D9500	09/19/20	SR	Tier III	Option 1
Nichols, Lavelle	D9990	12/01/20	SR	Tier I	Unmodified
Nida, Kimberly	51245	10/01/20	SR	Safety A	Unmodified
Payne, Tavane	69467	03/31/12	SCD	Safety A	Unmodified
Robinson, Paula	61726	10/31/20	SR	Tier II and III	Unmodified
Rowland, Nancy	D9500	09/22/20	SR	Tier III	Unmodified
Shabazz, Xavier	61965	10/06/20	SR	Safety A	Unmodified
Varner, Lisa	49822	10/17/20	SR	Tier II and III	Unmodified
Williams, Christopher	50585	10/09/20	SR	Safety A	Unmodified
Yancey, Dominique	43623	11/03/20	SR	Tier II and III	Unmodified
Young, Debra	44467	10/01/20	SR	Tier III	Unmodified
Young, Jo'ee	76940	10/01/20	SR	Tier I	Unmodified

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

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

Option Type
 NSP = Non-Specified
 SCD = Service Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability
 * = County Advance
 Selected w/option

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

Pepra 4.2 = Pepra Tier 4 (2% COLA)
 Pepra 4.3 = Pepra Tier 4 (3% COLA)
 Pepra 5.2 = Pepra Tier 5 (2% COLA)
 Pepra 5.3 = Pepra Tier 5 (3% COLA)
 S/D = Pepra Safety Tier D
 S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

D. Deaths:

<u>Name</u>	<u>Death</u>	<u>Employer as of Date of Death</u>
Barnhardt, Jean	01/03/21	Superior Court of California County of Contra Costa
Belland, Mark	12/09/20	Contra Costa County
Burns, Dorothy	11/19/20	Contra Costa County
Caskey, Robert	10/31/20	Contra Costa County
Choate, Larry	01/26/21	Contra Costa County
Cox, Betty	02/14/21	Contra Costa County
Crossland, Louis	01/02/21	Consolidated Fire
Daniels, Marie	11/18/20	Contra Costa County
DeVera, Erin	01/18/21	Contra Costa County
Doyle, Lorraine	12/04/20	Contra Costa County
Fanaeian, Afshin	02/20/21	Contra Costa County
Fields, Mary	01/22/21	Contra Costa County
Hance, Carol	12/27/20	Contra Costa County
Kaify, Amir	01/09/21	Contra Costa County
Kalmbach, Beverly	01/18/21	Contra Costa County
Libbey, James	02/13/21	Contra Costa County
McMillan, Clara	01/27/21	Contra Costa County
Mitosinka, Marilyn	01/01/21	Contra Costa County
Mullin, Molly	02/05/21	Central Contra Costa Sanitary District
Smith, Judith	12/01/20	Contra Costa County
Terrell, Mary	02/01/21	Contra Costa County
Walderon, Veryl	01/22/21	West County Fire District

Option Type

NSP = Non-Specified
 SCD = Service Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability
 * = County Advance
 Selected w/option

Tier

I = Tier I
 II = Tier II
 III = Tier III
 S/A = Safety Tier A
 S/C = Safety Tier C
 Pepra 4.2 = Pepra Tier 4 (2% COLA)
 Pepra 4.3 = Pepra Tier 4 (3% COLA)
 Pepra 5.2 = Pepra Tier 5 (2% COLA)
 Pepra 5.3 = Pepra Tier 5 (3% COLA)
 S/D = Pepra Safety Tier D
 S/E = Pepra Safety Tier E

CERTIFICATION OF MEMBERSHIPS

Name	Employee Number	Tier	Membership Date	Employer
Abundis, Sergio	90041	PE.2	01/01/21	Contra Costa County
Alfaro-Cabrera, Maria Luisa	90029	P5.2	01/01/21	Contra Costa County
Bague, Alfredo	83329	P5.2	01/01/21	Contra Costa County
Brown, DeShawn	D9990	P4.3	01/01/21	Contra Costa County Housing Authority
Bryant, Carmel	78370	P5.2	01/01/21	Contra Costa County
Castro, Nicholas	90024	P5.2	01/01/21	Contra Costa County
Chao, Jenny	68701	P5.2	01/01/21	Contra Costa County
Cheema, Jaspreet	90042	P5.2	01/01/21	Contra Costa County
Cook, Kelsey	89194	P5.2	01/01/21	Contra Costa County
Damon, Willa	90044	P5.2	01/01/21	Contra Costa County
Deng, Janne	D9990	P4.3	01/01/21	Contra Costa County Housing Authority
Duck, Thomas	90035	P5.2	01/01/21	Contra Costa County
Fleming, LeTanya	81076	P5.2	01/01/21	Contra Costa County
Guittard, Samantha	90068	P5.2	01/01/21	Contra Costa County
Hardy, Jennifer	90014	P5.2	01/01/21	Contra Costa County
Haskins Jr, Johnny	90010	P5.2	01/01/21	Contra Costa County
Hudson, Linda	89220	P5.2	01/01/21	Contra Costa County
Jose, Caroline	89236	P5.2	01/01/21	Contra Costa County
Kishore, Sandhaya	90039	P5.2	01/01/21	Contra Costa County
Kruger, Dawn	90069	P5.2	01/01/21	Contra Costa County
Lim, Jisu	90065	P5.2	01/01/21	Contra Costa County
Lecca, Diana	89944	P5.2	01/01/21	Contra Costa County
Louie, Everett	89926	P5.2	01/01/21	Contra Costa County
Luares, Grace	89633	P5.2	01/01/21	Contra Costa County
Luis, Jennifer	89166	P5.2	01/01/21	Contra Costa County
Maglasang, Rosejune	84513	P5.2	01/01/21	Contra Costa County
Maharaj, Sanjeshna	90060	P5.2	01/01/21	Contra Costa County
Martinez, Kayla	89179	P5.2	01/01/21	Contra Costa County
Mendoza, Estefany	87916	P5.2	01/01/21	Contra Costa County
Neel, Manjinder	87548	P5.2	01/01/21	Contra Costa County
Nievera, Mariecon	90083	P5.2	01/01/21	Contra Costa County
Panganiban, Mary Rose	90054	P5.2	01/01/21	Contra Costa County
Proctor, Michael	90022	P5.2	01/01/21	Contra Costa County

Key:

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

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Qasim, Silvana	89989	P5.2	01/01/21	Contra Costa County
Ramos, Iliana	84558	P5.2	01/01/21	Contra Costa County
Rivas, Cristina	90026	P5.2	01/01/21	Contra Costa County
Rodiles, Maria	65994	III	01/01/21	Contra Costa County
Rodriguez, Samuel	D3406	P4.3	01/01/21	Central Contra Costa Sanitary District
Royal, Daniel	90070	PE.2	01/01/21	Contra Costa County
Singh, Gagandeep	90102	P5.2	01/01/21	Contra Costa County
Smith, Cassia	D9990	P4.3	01/01/21	Contra Costa County Housing Authority
Steffen, Erin	90012	III	01/01/21	Contra Costa County
Sullivan, Colleen	90051	P5.2	01/01/21	Contra Costa County
Van Dyke, Craig	90030	P5.2	01/01/21	Contra Costa County
Villarpando, Karla	90034	P5.2	01/01/21	Contra Costa County
Wagner, Debra	79512	P5.2	01/01/21	Contra Costa County
West, Alison	90055	P5.2	01/01/21	Contra Costa County
Wiebe, Nathan	90064	P5.2	01/01/21	Contra Costa County
Zavala, Jose	D9990	P4.3	01/01/21	Contra Costa County Housing Authority

Key:

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

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>
Bondoc, Daniel	89129	P5.2	P4.2	12/01/20	CCCFPD	Tier Change
Salinas, Gilberto	90003	P5.2	III	12/01/20	Contra Costa County	Recip In Age and Tier Change

Key:

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

**Contra Costa County Employees' Retirement Association
Asset Allocation as of January 31, 2021**

**Meeting Date
03/10/2021
Agenda Item
#6**

	Market Value	Percentage of Total Fund	Current Target Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
Liquidity						
Sit	599,096,265	5.9%	6.0%	-0.1%		
Dimensional Fund Advisors	411,676,478	4.1%	6.0%	-1.9%		
Insight	1,042,121,663	10.3%	13.0%	-2.7%		
Total Liquidity	2,052,894,406	20.3%	25.0%	-4.7%	24.0%	-3.7%
		Range 16% - 28%				
Growth						
Domestic Equity						
Boston Partners	233,084,527	2.3%	2.0%	0.3%		
Jackson Square	235,410,104	2.3%	2.0%	0.3%		
BlackRock Index Fund	227,885,815	2.2%	2.0%	0.2%		
Emerald Advisors	197,797,104	2.0%	1.5%	0.5%		
Ceredex	165,718,560	1.6%	1.5%	0.1%		
Total Domestic Equity	1,059,896,110	10.5%	9.0%	1.5%	5.0%	5.5%
Global & International Equity						
Pyrford (BMO)	502,801,891	5.0%	5.0%	-0.0%		
William Blair	625,605,524	6.2%	5.0%	1.2%		
First Eagle	478,325,955	4.7%	4.0%	0.7%		
Artisan Global Opportunities	592,976,183	5.8%	4.0%	1.8%		
PIMCO/RAE Emerging Markets	379,811,632	3.7%	4.0%	-0.3%		
TT Emerging Markets	457,876,395	4.5%	4.0%	0.5%		
Total Global & International Equity	3,037,397,579	30.0%	26.0%	4.0%	24.0%	6.0%
Private Equity						
Private Credit						
Real Estate - Value Add						
Real Estate - Opportunistic & Distress						
Real Estate - REIT (Adelante)						
High Yield (Allianz)						
Risk Parity						
AQR GRP EL	1,018,587,101	10.0%	11.0%	-1.0%	11.0%	-1.0%
PanAgora	745,366,241	7.4%	7.0%	0.4%	12.0%	-4.6%
	187,959,764	1.9%	4.0%	-2.1%	4.0%	-2.1%
	406,913,079	4.0%	4.0%	0.0%	4.0%	0.0%
	77,178,869	0.8%	1.0%	-0.2%	1.0%	-0.2%
	174,738,435	1.7%	1.5%	0.2%	0.0%	1.7%
	250,717,047	2.5%	5.0%	-0.0%	5.0%	-0.0%
	252,751,538	2.5%				
Total Other Growth Assets	3,114,212,074	30.7%	33.5%	-2.8%	37.0%	-6.3%
Total Growth Assets	7,211,505,763	71.1%	68.5%	2.6%	66.0%	5.1%
		Range 60% - 80%				
Risk Diversifying						
AFL-CIO	268,905,019	2.7%	3.0%	-0.3%	3.0%	-0.3%
Parametric Defensive Equity	108,956,792	1.1%	2.0%	-0.9%	3.5%	-2.4%
Acadian MAARS	125,970,529	1.2%	1.5%	-0.3%	3.5%	-2.3%
Wellington Real Total Return	168,040	0.0%	0.0%			
Total Risk Diversifying	504,000,380	5.0%	6.5%	-1.5%	10.0%	-5.0%
		Range 0% - 10%				
Cash and Overlay						
Overlay (Parametric)	128,663,280	1.3%		1.3%		
Cash	239,709,786	2.4%		2.4%		
Total Cash and Overlay	368,373,066	3.6%	0.0%	3.6%	0.0%	3.6%
Total Fund	10,136,773,616	100%	100%		100%	

*Current targets and ranges reflect asset allocation targets accepted by the Board on July 22, 2020 (BOR Resolution 2020-2).

**Private Market Investments
As of January 31, 2021**

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 III	08/01/13	08/01/20				35,000,000	0	0.00%	
Invesco IREF IV	12/01/14	12/01/21				35,000,000	16,724,273	0.16%	4,453,599
Invesco IREF V	09/11/18	09/11/25				75,000,000	44,429,790	0.44%	29,743,834
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	1,979,959	0.02%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	36,414,512	0.36%	
Long Wharf LREP VI	02/05/20	02/05/28				50,000,000	10,133,879	0.10%	40,723,489
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	24,364,448	0.24%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	53,912,903	0.53%	11,145,456
						630,000,000	187,959,764	1.85%	90,012,378
Outstanding Commitments							90,012,378		
Total							277,972,142		

REAL ESTATE -Opportunistic & Distressed

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	16,407,393	0.16%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	58,323,348	0.58%	1,876,084
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	41,415,456	0.41%	20,556,753
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	16,254,417	0.16%	25,050,462
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	3,549,790	0.04%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	27,820,910	0.27%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	49,902,936	0.49%	16,120,000
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	27,637,392	0.27%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	44,772,311	0.44%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	16,414,305	0.16%	4,462,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	22,257,127	0.22%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	19,602,199	0.19%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	62,555,495	0.62%	7,572,500
						830,000,000	406,913,079	4.01%	150,447,954
Outstanding Commitments							150,447,954		
Total							557,361,033		

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 III	09/30/08	06/30/16	2nd 1 YR	LP	06/30/18	75,000,000	0	0.00%	0
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	9,678,825	0.10%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	21,396,264	0.21%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	2,465,615	0.02%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				1,020,000,000	711,825,537	7.02%	376,489,909
						1,374,500,000	745,366,241	7.35%	393,809,692
Outstanding Commitments							393,809,692		
Total							1,139,175,933		

Private Market Investments
As of January 31, 2021

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	12/22/25				244,918,034	151,060,067	1.49%	24,647,580
Adams Street Secondary II	12/31/08	12/31/20				28,365,000	5,475,271	0.05%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				30,845,875	18,754,327	0.19%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				55,537,500	81,413,636	0.80%	19,462,500
AE Industrial Partners Fund II	05/18/18	05/18/28				16,554,769	17,071,102	0.17%	19,249,566
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	2,395,696	0.02%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	11,587,512	0.11%	0
Carpenter Community BancFund	10/31/09	10/31/19				29,314,657	0	0.00%	0
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	65,029,556	5,128,781	0.05%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	71,409,097	13,258,474	0.13%	0
EIF USPF IV	06/28/10	06/28/20				64,155,474	37,667,558	0.37%	4
Ares EIF V	09/09/15	11/19/25				52,779,673	34,753,063	0.34%	14,537,204
Genstar Capital Partners IX, L.P.	02/18/19	02/18/29				19,628,275	22,514,824	0.22%	31,525,882
GTCR VIII	10/27/20	12/31/36				0	0	0.00%	50,000,000
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				34,816,729	1,267,789	0.01%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				27,000,000	10,508,390	0.10%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				43,500,000	45,724,819	0.45%	6,500,000
Paladin III	08/15/08	08/15/18				34,331,097	25,153,606	0.25%	374,831
Pathway	11/09/98	05/31/21				125,399,172	10,169,298	0.10%	10,660,424
Pathway 2008	12/26/08	12/26/23				29,546,967	14,721,326	0.15%	2,972,502
Pathway 6	05/24/11	05/24/26				38,893,684	32,503,190	0.32%	3,561,921
Pathway 7	02/07/13	02/07/23				67,470,913	67,966,563	0.67%	6,301,668
Pathway 8	11/23/15	11/23/25				42,612,991	54,277,537	0.54%	10,132,486
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				170,583,208	160,994,198	1.59%	33,097,500
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				29,999,802	13,758	0.00%	20,000,198
Siris Partners IV	05/18/18	05/18/28				19,483,500	18,459,239	0.18%	15,715,438
TPG Healthcare Partners, L.P.	06/27/19	06/27/29				6,796,104	4,806,338	0.05%	18,197,468
Trident VIII, L.P.	05/24/19	05/24/29				13,549,528	13,213,772	0.13%	26,912,492
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,747,680	64,009,047	0.63%	4,743,454
Aether IV	01/01/16	01/01/28				43,675,593	41,381,551	0.41%	8,926,864
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				45,899,994	32,957,423	0.33%	4,100,006
Wastewater Opportunity Fund	12/31/15	11/30/22				25,022,227	19,378,947	0.19%	0
						1,629,853,786	1,018,587,101	11.54%	351,718,074
Outstanding Commitments							351,718,074		
Total							1,370,305,174		

Market value equals the most recent reported net asset value, plus capital calls after net asset value date, less distributions after net asset value date.

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



Meeting Date
03/10/2021
Agenda Item
#6

**Contra Costa County Employees' Retirement Association
Liquidity Report – January 2021**

January 2021 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$44,000,000	
Liquidity Sub-Portfolio Cash Flow	\$44,000,000	100%
Actual Benefits Paid	\$42,927,329	102%
<i>Next Month's Projected Benefit Payment</i>	\$44,000,000	

Monthly Manager Positioning – January 2021

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
Sit	\$599,181,635	(\$1,250,000)	\$1,164,630	\$599,096,265
DFA	\$426,576,384	(\$15,000,000)	\$100,094	\$411,676,478
Insight	\$1,069,317,369	(\$27,750,000)	\$554,294	\$1,042,121,663
Liquidity	\$2,095,075,389	(\$44,000,000)	\$1,819,017	\$2,052,894,406
Cash	\$208,073,614	\$1,072,671	\$30,563,500	\$239,709,786
Liquidity + Cash	\$2,303,149,003	(\$42,927,329)	\$32,382,518	\$2,292,604,192

Functional Roles

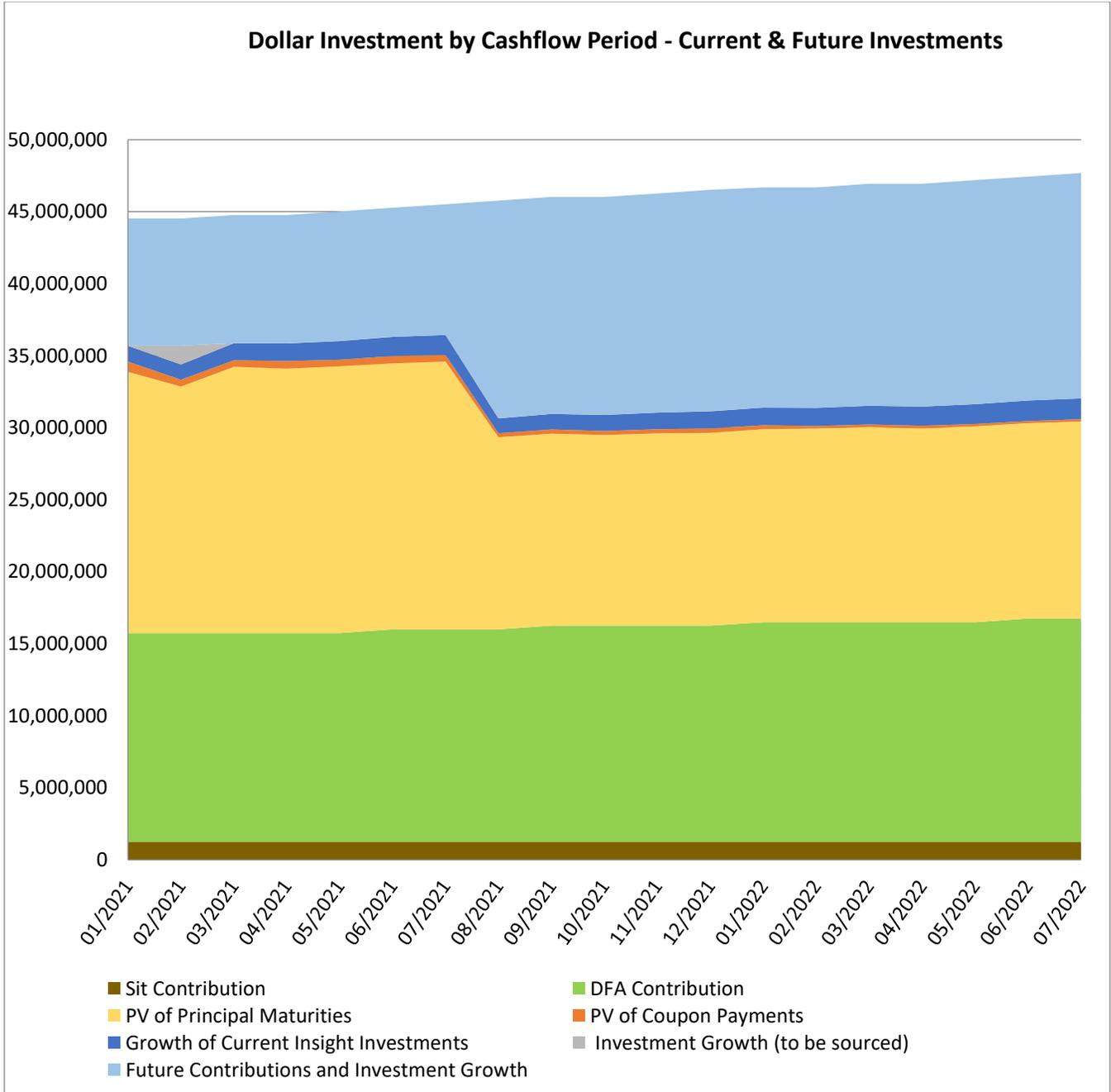
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined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

Notes

The first cash flow for 2021 from the liquidity program was completed on January 22nd. The actuarial model cash flow was higher than actual experience, producing \$1.1 million more than the actual benefits paid.

Cash Flow Structure

The chart below shows the sources of cash flow for the next year and a half 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, as well as the reduction from four to three years of Liquidity needs in July 2021.





Contra Costa County Employees'
Retirement Association

Meeting Date
03/10/2021
Agenda Item
#11

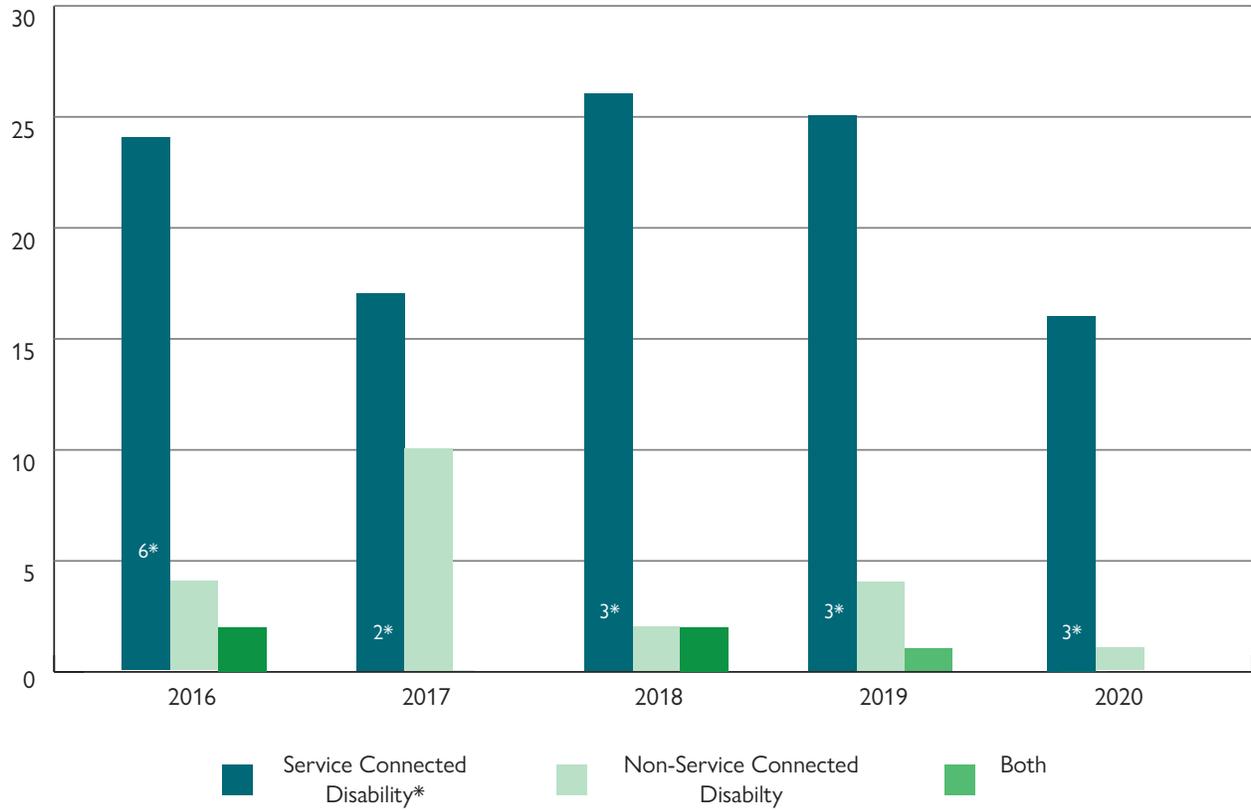
Semi-Annual Disability Retirement Report

for the years ended 2016, 2017, 2018, 2019 and 2020

Semi-Annual Disability Retirement Report

Exhibit 1: Disability Retirement Applications Received by Year

As of December 31, 2020



*Number of service connected disability applications accepted with less than 10 years of service.

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

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

As of December 31, 2020

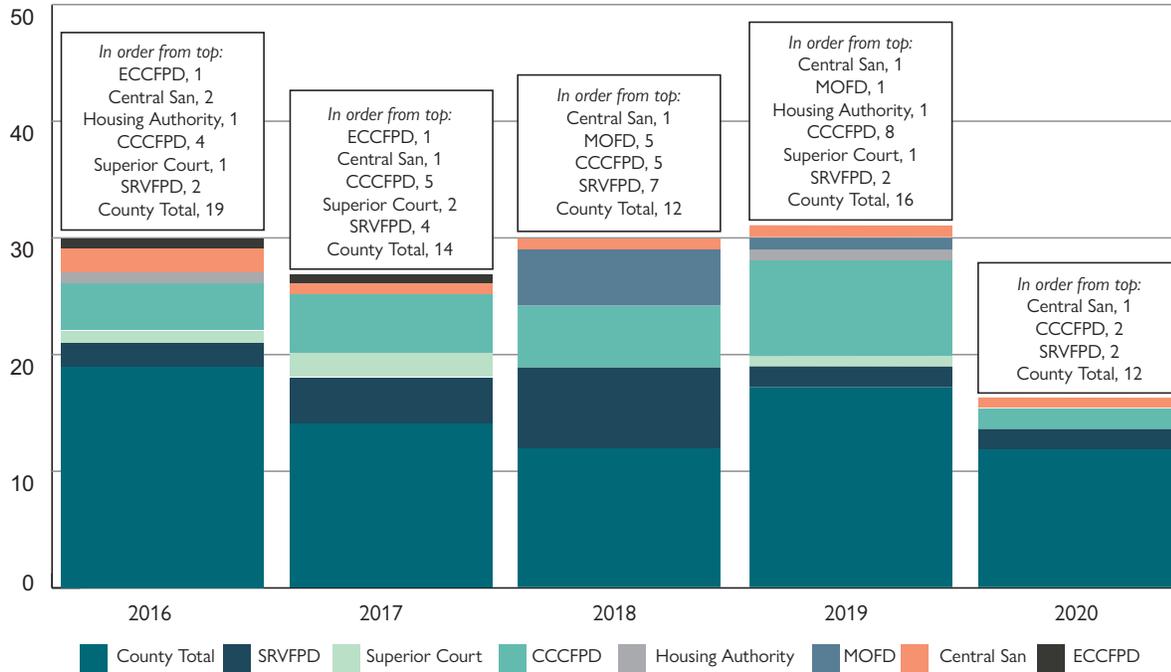
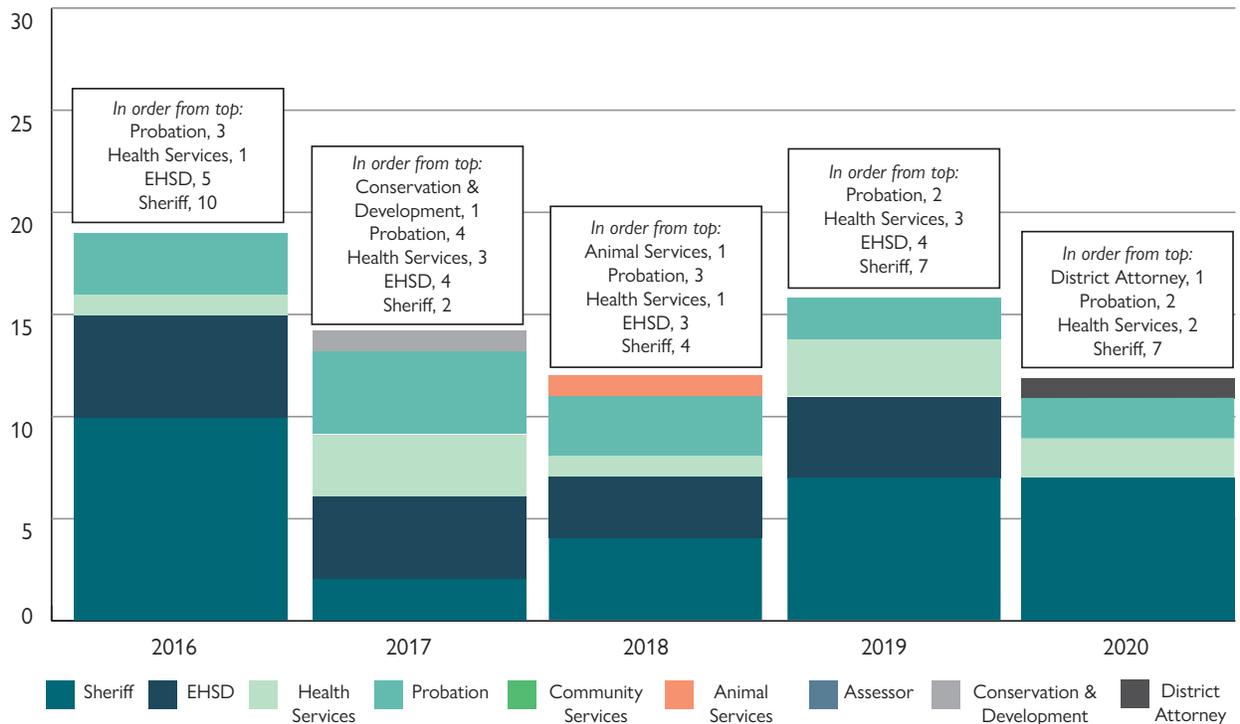


Exhibit 3: Total Disability Applications Filed with CCCERA (by County Department)

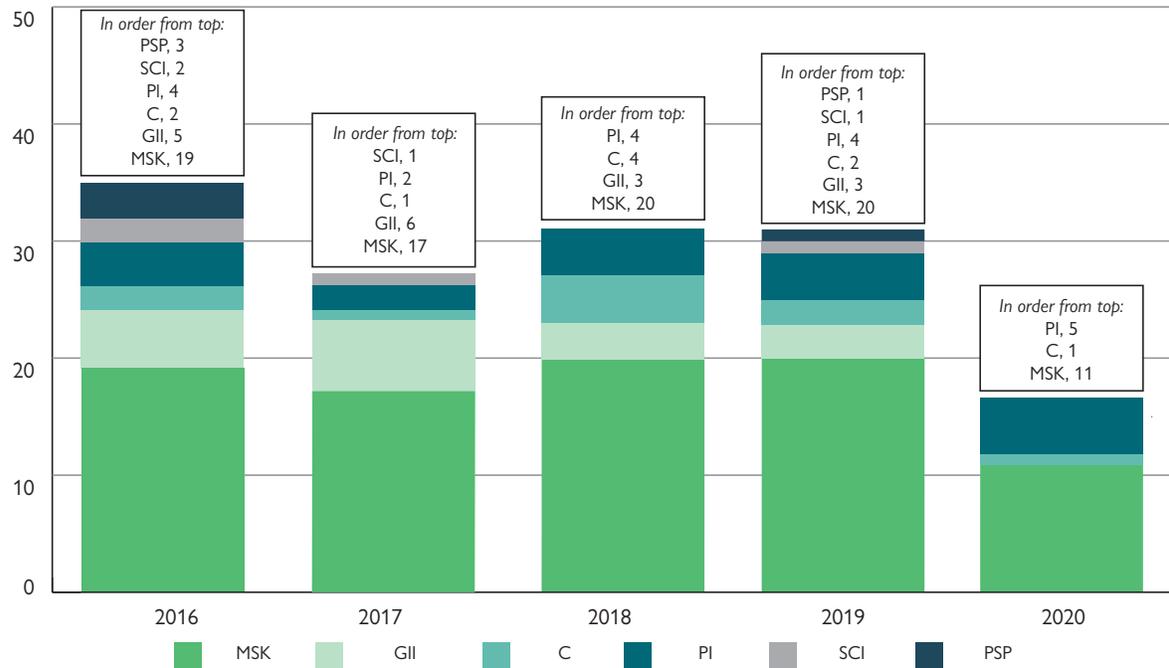
As of December 31, 2020



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

Exhibit 4: Total Disability Filed by Type (Some applications filed with multiple disability types.)

As of December 31, 2020



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

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.
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.
Cancer (C)	Will include all permanent incapacitation that was the result of a form of cancer.
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.
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.
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.

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

Exhibit 5: Type of Disability by Injury/Illness Group (Employer Level)					
Employer	2016	2017	2018	2019	2020
Contra Costa County Fire Protection District (CCCFPD)					
PI	0	0	2	3	2
MSK	4	5	4	4	0
C	0	0	0	1	0
PSP	0	0	0	1	0
Central Sanitary District					
MSK	2	0	1	1	1
GII	0	1	0	0	0
SCI	1	0	0	0	0
East County Fire					
PI	1	0	0	0	0
MSK	0	1	0	0	0
Housing Authority of Contra Costa County					
MSK	1	0	0	1	0
C	0	0	0	0	0
Moraga/Orinda Fire Protection District					
MSK	0	0	4	1	0
C	0	0	1	0	0
GII	0	0	0	0	0
San Ramon Valley Fire Protection District					
PI	2	0	1	0	2
MSK	1	4	4	2	0
GII	0	0	2	0	0
Contra Costa County Superior Court					
PI	0	0	0	1	0
MSK	1	0	0	0	0
C	0	0	0	0	0
GII	0	1	0	0	0
SCI	0	1	0	0	0
Contra Costa County*					
PI	1	2	1	0	1
MSK	10	7	7	11	10
C	2	1	3	1	1
GII	5	4	1	3	0
SCI	1	0	0	1	0

*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 (County Department Level)					
Department	2016	2017	2018	2019	2020
Contra Costa County					
Animal Services					
GII	0	0	0	0	0
MSK	0	0	1	0	0
Assessor					
GII	0	0	0	0	0
Conservation and Development					
C	0	1	0	0	0
District Attorney					
MSK	0	0	0	0	1
Employment & Human Services Department (EHSD)					
PI	0	0	0	0	0
MSK	1	1	2	2	0
C	1	0	1	0	0
SCI	0	0	0	1	0
GII	3	3	0	1	0
Health Services Department					
PI	0	1	0	0	1
MSK	1	1	1	1	1
C	0	0	0	0	0
GII	1	1	0	2	0
Probation Department					
PI	1	1	0	0	0
MSK	1	3	2	2	2
C	0	0	1	0	0
GII	1	0	0	0	0
Sheriff's Office					
PI	0	0	1	0	0
MSK	7	2	1	6	6
C	1	0	1	1	1
SCI	1	0	0	0	0
GII	0	0	1	0	0

Meeting Date
03/10/2021
Agenda Item
#12



Tim Hoppe

Retirement Services
Manager

Disability Retirement Overview

March 10, 2021

Disability Retirement General Principles

- CCCERA members who are permanently incapacitated may be entitled to a disability retirement.
- Permanent incapacity for the performance of duty shall in all cases be determined by the Retirement Board.



Types of Disability Retirements

- Service-Connected Disability Retirement – member becomes permanently ill or injured as a result of performing their job duties and is unable to perform their job (Safety, Tier 1, PEPRAs Tier 4) or is unable to engage in substantial gainful employment (Tier 3 and PEPRAs Tier 5). Employment must have contributed substantially to the member's incapacity.
- Non-Service Connected Disability Retirement – member is unable to perform their job duties (Safety, Tier 1, PEPRAs Tier 4) or is unable to engage in substantial gainful employment (Tier 3 and PEPRAs Tier 5). Employment did **not** contribute to the member's incapacity

Types of Disability Retirements

The substantial gainful employment disability standard is found in statute. It was enacted by the California Legislature in 1980, as Government Code Section 31720.1. At the time, it was applicable to Tier 2. Over the years, through legislation, it was made applicable to Tier 3 and Tier 5.

Pursuant to the statute, permanent incapacity for CCCERA Tier 3 and 5 members means that: “the member is unable permanently to engage in any substantial gainful employment.”

Tier 3 & PEPRA Tier 5 Substantial Gainful Employment

The Board of Retirement adopted standards on determining “substantial gainful employment” on April 16, 1991 as follows:

1. Substantial gainful employment is work activity that involves physical or mental effort, regardless of time spent.
2. Gainful employment is work activity that is done for pay or profit, whether or not the 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.

Tier 3 & PEPRA Tier 5 Substantial Gainful Employment (cont.)

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.

Tier 3 & PEPRA Tier 5 Substantial Gainful Employment (cont.)

CCCERA engages the services of an independent vocational specialist to perform an analysis to determine if an applicant meets CCCERA's definition of substantial gainful employment.

In making this determination, the vocational specialist will take into account the applicants:

1. Work restrictions set forth by the treating physician(s) and IME's.
2. Prior work experience, education or training, transferability of knowledge, skills and abilities, and the extent to which chronological age affects the ability to adapt to a new work setting.

Based on this information, the vocational specialist drafts a report identifying the existence of suitable jobs that the applicant is able to meet the job requirements and that lie within a 100-mile radius of the applicant's residence.

Disability Retirement Benefit: Tier 3 & PEPRA Tier 5

For both Service Connected and Non-Service Connected Disability, 40% of highest final 36 month average salary, plus an additional 10% of final average salary for minor children, up to three, or the regular service retirement, if greater.

Disability Retirement Benefit: Tier 1, Safety, & PEPRRA Tier 4

- Service Connected Disability Retirement:
50% of the highest final 12 month average salary* or the regular service retirement, if greater. Up to 100% of the retirement allowance could be non-taxable.
- Non-Service Connected Disability Retirement:
Generally equal to 1/3 of the highest final 12 month average salary*, although it could be less depending on the age and retirement service of the applicant or more if the regular service retirement is greater. This is a taxable benefit.

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

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

Eligibility to File an Application

- Service Connected:
 - All Tiers: Disability retirement may be filed at any time during employment.
- Non-Service Connected:
 - Tier 1, Safety, and PEPR Tier 4: After completing at least five (5) years of retirement service credit.
 - Tier 3 and PEPR Tier 5: After completing at least ten (10) years of retirement service credit.

When a Disability Retirement Application can be Filed:

- While the member is in service;
- Within four months after the member's discontinuance of service;
- Within four months after the expiration of any period during which a presumption is extended beyond the member's discontinuance of service; or
- While, from the date of discontinuance of service to the time of the application, he or she is continuously physically or mentally incapacitated to perform his or her duties.

Acceptance of Application

- For the application to be accepted, the member must fully complete the disability application and provide at least one acceptable medical report. (An application can be filed by the member, the member's beneficiary or the member's employer.)
- The medical report must be from a treating physician who is under the opinion the member meets the standard of permanent incapacity as outlined in statute.
- The burden of proving the permanent incapacity resides with the applicant.

Burden of Proof

The burden of proof is on the applicant (or, if applicant is deceased, on the beneficiaries). An applicant must prove the existence of a permanent incapacity by a preponderance of the evidence to the Board of Retirement and to the courts.

(Government Code Section 31721; Rau v. Sacramento County Ret. Bd., 247 Cal. App. 2d 234, 238 (1966).)

Evidence

Competent medical evidence is required in order to support a disability claim. (Government Code § 31720.3)



CCCERA requires the submission of medical reports supporting the disability application.

(Disability Retirement Application and Hearing Policy, Section 2.1.c.)

Medical Evidence

- What is the member's ability to do essential work-related activities, such as walking, sitting, lifting, carrying, and understanding and remembering instructions?
- What are the member's work restrictions?
- If the member is seeking a service-connected disability, they must provide evidence that their incapacity is a result of injury or disease arising out of and in the course of the member's employment.

The evidence must amount to “substantial evidence.”

“Substantial” means anything credible, and of solid value.

'37 Act Presumptions (Safety)

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

Safety members are relieved of the burden of proving their illness arose out of and in the course of employment when a presumption applies, but 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

Disability Application Review

When the disability application file is complete, CCCERA staff provides all documents to the Board's Medical Advisor for review. The Medical Advisor makes a preliminary recommendation, summarizing the evidence or absence of evidence supporting the recommendation.

(Disability Retirement Application and Hearing Policy, Section 2.4)



Disability Application Review (cont.)

- If the Medical Advisor's preliminary recommendation is to grant the application, the matter is placed on the agenda for the Board to consider the recommendation. Final determination to grant a disability application resides with the Board.
- If the Medical Advisor cannot recommend granting the application based on the evidence submitted, CCCERA staff will advise the applicant that she or he may:

Disability Application Review (cont.)

1. Submit additional medical or other evidence in support of the application, which shall be provided 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.

If the applicant does not request a hearing or submit additional medical evidence, the application is closed 6 months after the date of notice of the medical advisors recommendation was sent.

(Disability Retirement Application and Hearing Policy, Section 2.4)

Hearing Requested

When a hearing is requested or by Board direction, more information may be attained through discovery.

- Complete file is sent 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 PEPRAs Tier 5 members will have all work 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.

Hearing Process

- Case is filed the Office of Administrative Hearings
- All evidence is submitted
- Case is heard by an Administrative Law Judge (ALJ)
- ALJ issues a Report and Recommendation to the Board
- All parties are notified and provided an opportunity to respond to the purposed recommendation
- Placed on the agenda for Board action
- Final determination resides with the Board

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.



Questions?



Meeting Date
03/10/2021
Agenda Item
#13

MEMORANDUM

Date: March 10, 2021
To: Board of Retirement
From: Wrally Dutkiewicz, Compliance Officer
Subject: Final Employer Audit Report Dated January 28, 2021 – Contra Costa County Library

Background:

The employer audit of the Contra Costa County Library was initiated in the first quarter of 2020. The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated the deferment of the scheduled in-person meetings and certain aspects of the employer audit work. Audit work resumed in July 2020 and all audit activities were conducted virtually. A virtual audit exit meeting was held on November 9, 2020.

The employer audit scope items include the following:

- Accuracy of Payroll Information Provided to CCCERA;
- Salaries In Accordance with Publicly Available Pay Schedules;
- Enrollment of All Eligible Employees;
- Pension Benefit Review;
- Internal Revenue Code 415 Limits;
- Retiree Return to Work Monitoring; and
- Forfeiture of Benefits Earned or Accrued from the Commission of a Felony.

The audit report was presented to the CCCERA Audit Committee at its February 24, 2021 meeting.

Follow Up Items:

There were no follow-up items noted for the Contra Costa County Library.

Meeting Date

03/10/2021

Agenda Item

#13



Contra Costa County Employees'
Retirement Association

EMPLOYER AUDIT REPORT

January 28, 2021

EMPLOYER AUDIT

Contra Costa County Library

TABLE OF CONTENTS

AUDIT TRANSMITTAL LETTER	1
BACKGROUND	3
SCOPE	4
OBSERVATIONS AND FINDINGS	5
ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA.....	5
PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW	5
INPUT FILE REVIEW	6
COMPENSATION LIMITS.....	6
PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW	7
SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE	9
ENROLLMENT OF ELIGIBLE EMPLOYEES	10
PENSION BENEFIT REVIEW	12
REVIEW OF PENSION BENEFIT CALCULATIONS.....	12
RETIREE RETURN TO WORK MONITORING.....	12
FORFEITURE OF BENEFITS EARNED OR ACCRUED FROM THE COMMISSION OF A FELONY	12
INTERNAL REVENUE CODE SECTION 415 COMPLIANCE	12
FOLLOW-UP ITEMS	13
EMPLOYER REPLY	14



January 28, 2021

Monica Nino
Contra Costa County Administrator
1025 Escobar Street
4th Floor
Martinez, CA 94553

RE: Employer Audit Report – Contra Costa County Library

Dear Ms. Nino,

Enclosed is the employer audit report of Contra Costa County Library, conducted pursuant to Government Code Section 31543. I want to thank you and all the Library staff for their assistance in gathering all the records and documents and making them readily available during this audit. This cooperation was greatly appreciated and allowed for the audit to be completed in an efficient manner.

The *Employer Audit Report* is enclosed for your review. There were no “*Follow-Up Items*” related to the audit for the Library to complete. CCCERA is in receipt of a written response from the Contra Costa Library dated November 11, 2020 pertaining to the audit report. This response will be included in the “*Final Report*” which will be submitted to CCCERA’s Audit Committee for its review.

The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated the deferment of the scheduled in-person meetings and certain aspects of the employer audit work. In the intervening time periodic contact with Library staff was made with respect to the audit exit meeting deferment and the possibility of rescheduling the meeting. The audit exit meeting was scheduled on November 9, 2020, on which a virtual meeting was held, rather than an in-person meeting.

This report will be placed on the agenda and will be presented to the CCCERA Board of Retirement Audit Committee at its Wednesday, February, 2021 meeting.



In addition, I would like to extend my gratitude to Contra Costa County Library staff for the courtesy that they extended to CCCERA compliance staff during the review. Should you wish to discuss or have any questions regarding the items reviewed and the observations contained within this report, please contact me at 925-521-3960.

Best regards,



Wrally Dutkiewicz
Compliance Officer

CC: David Twa, Contra Costa County Administrator
Lisa Driscoll, Contra Costa County Finance Director
Milinda Cervantes, County Librarian

BACKGROUND

The Contra Costa County Employees' Retirement Association (CCCERA) is a public employee retirement system that was established by Contra Costa County on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death, and survivor benefits for Contra Costa County (County) employees and 16 other participating agencies under the California State Government Code, Section 31450, et. seq. (County Employees Retirement Law of 1937 or CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

CCCERA administers the retirement benefits for the employees of Contra Costa County and participating District employers. Participating employers within the CCCERA retirement system transmit payroll information and contributions to fund the benefits for their employees. CCCERA sets up retirees' accounts, processes applications, calculates retirement allowances, prepares monthly retirement benefit payment rolls, and makes adjustments to retirement benefits when needed.

Retirement allowances are computed in accordance with statute using three factors: years of service, age at retirement, and final compensation. For Legacy (pre-PEPRA) members, final compensation is defined as the highest average annual compensation earnable (as defined in G.C. Section 31461) by a member during the last one or three consecutive years of employment depending on the member's Tier, unless the member elects a different period with a higher average. For PEPRA members, final compensation is defined as the highest average annual pensionable compensation (as defined in G.C. Section 7522.34) earned by the member during a period of 36 consecutive months.

The employer's knowledge of the rules relating to membership and payroll reporting facilitates the employer in providing CCCERA with appropriate employee information. Correct enrollment of eligible employees and correct reporting of payroll information are necessary for the accurate computation of a member's retirement allowance.

Per CCCERA records, the Contra Costa Library had approximately two-hundred and twenty-two (222) employees in 2018-2019 with active memberships in CCCERA. For these employees the County reported pensionable compensation for Library employees to CCCERA of approximately \$10.3 million for fiscal year 2018-2019 and \$1.1 million in employee pension contributions. As of December 31, 2019, CCCERA had one hundred and eleven (111) retirees on record for the Library with a total paid benefit amount of approximately \$2.8 million in 2020.

SCOPE

The 2013 Pension Reform legislation granted CCCERA the authority under Government Code Section 31543 to conduct audits of employers to ensure that employee and payroll information used in the calculation of retiree pension benefits is correct and verifiable. The scope of these on-site reviews includes:

- Correctness of retirement benefits;
- Reportable compensation;
- Enrollment in, and reinstatement to the system (GC 31554);
- Pensionable compensation (GC 31461 and GC 7522.34);
- Determine if employees convicted of certain felonies have forfeited benefits earned or accrued from the commission of the felony (GC 7522.72(g) and GC 7522.74(g));
- Review MOUs with respect to compensation and salary regulations (i.e. Vacation Sales, etc.);
- Determine if compensation is paid to enhance a member's retirement benefit (GC 31461(b)(1) and GC 7522.34(c)(1));
- Evaluate employer's compliance with restrictions on retirees returning to work (GC 7522.56, I.R.S. bona fide separation and normal retirement age rules).

The on-site review of the Employer Library was conducted on January 28, 2020. The review period encompassed active employee records and retired employee records from 2017 through 2019.

OBSERVATIONS AND FINDINGS

ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA

➤ *Scope Item 1: No exceptions were observed in this section.*

PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW

Pursuant to Board of Retirement Regulations Section IV: Employer pensionable payroll and corresponding pension contributions are to be reported to the retirement system timely and accurately. (Contributions And Reporting, 2. Due Dates, 4. Employer Certification).

Due Dates:

Each employer shall report to the Association in a manner and frequency as determined by the Board sufficient for the Board to credit contributions and service to each member's record.

Unless otherwise specified, reports shall be due no later than the tenth of each month for the previous month's payroll and shall be accompanied by member and employer contributions. If the tenth of the month falls on a weekend or holiday, the due date shall be the last working day before the tenth. Reports, which are unreadable or incorrect, shall not be accepted and shall be returned to the employer. (Emphasis added.)

Reports and contributions received after the due date shall be considered late and subject to a late reporting penalty equal to: the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

➤ *Observation 1:*

- For November 2017, for sample employee ID 16, the timecards showed 8 hours of vacation time used for 11/6/2017; PeopleSoft does not reflect these hours. Follow up with the department indicated the difference was attributed to a payroll error that can no longer be corrected due to the time elapsed since the error had occurred.
- The timesheet for sample employee ID #31 shows an hour amount for LBD - Labor Distribution which is only shown as a Dollar amount in PeopleSoft that does not divide evenly if using the employee's regular rate of pay. It was confirmed with the department the LBD pay code is used to allocate wages to different organization codes and is performed by the Auditor Controllers office outside of the Library payroll department control.
- No material differences were observed during the timekeeping review.

INPUT FILE REVIEW

Employer Certification

Each payroll and pension contribution report shall include or be accompanied by a certification, under penalty of perjury, as to its accuracy. The certification shall be made by a duly authorized representative of the employer. (Board of Retirement Regulations *Section IV, 4. Employer Certification.*)

➤ *Observation 2: None*

COMPENSATION LIMITS

Federal and state laws place annual limits on the compensation that can be used to determine contributions and benefits for CCCERA plan members.

Legacy Members:

- The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans which are adjusted annually for cost-of-living increases.
- Members who commenced participation in CCCERA on or after January 1, 1996 are subject to the annual federal Internal Revenue Code Section 401(a)(17) compensation limit.
- For CERL benefit formulas (General Tiers 1, 3, Safety Tiers A & C), the 2018 calendar year compensation limit was increased by the I.R.S. to \$275,000 from \$270,000 for calendar year 2017.
- Members who commenced participation in CCCERA prior to January 1, 1996 are not subject to the Internal Revenue Code annual compensation limit.

PEPRA Members:

- For new employees who commenced participation in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (General Tiers 4,5, Safety Tiers D & E), the compensation which exceeds that annual pensionable compensation limit under California Government Code Section 7522.10(c) and (d) is not included in determining benefits or contributions.
- The 2018 calendar year PEPRA compensation limits are as follows:
 - For employees enrolled in Social Security – increased to \$121,388.
 - For employees not enrolled in Social Security – increased to \$145,666.
- The 2017 calendar year PEPRA compensation limits are as follows:
 - For employees enrolled in Social Security – increased to \$118,775.
 - For employees not enrolled in Social Security – increased to \$142,530.

➤ *Observation 3: None*

PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW

Compensation Earnable Applicable Law for Legacy Members

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

"Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise." (G.C. § 31461(b)(3).)

Pursuant to CCCERA's "Compensation Earnable Policy", Section III.D. "Compensation Earnable" excludes payments for additional services rendered outside of normal working hours.

Pay received for "overtime" is not included in "compensation earnable." To be included, the time for which compensation is received:

- (1) must be the normal working hours set forth in the applicable employment agreement;
- (2) must be required by the employer to be worked by the employee (as distinguished from voluntarily worked); and
- (3) must be ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period.

Pay that will be reviewed under these conditions is often described as "standby" and "on-call." Employers must report to CCCERA as pensionable only that pay for work that is required of and ordinarily served by everyone in the same grade or classification, at the same rate of pay.

Pensionable Compensation Applicable Law for PEPRA members

PEPRA defines "pensionable compensation" as follows:

"Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid. (Gov. Code Section 7522.34(a) and (b).)

PEPRA excludes from "pensionable compensation" the following:

- (1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
- (2) 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.

- (3) Any one-time or ad hoc payments made to a member.
- (4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.
- (5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
- (6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- (7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
- (8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code [FLSA].
- (9) Employer contributions to deferred compensation or defined contribution plans.
- (10) Any bonus paid in addition to the compensation described in subdivision (a) [of G.C. § 7522.34].
- (11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a) [of G.C. § 7522.34].
- (12) Any other form of compensation a public retirement board determines should not be pensionable compensation. (Gov. Code Section 7522.34(a) and (b).)

Pursuant to CCCERA's "Pensionable Compensation Policy", Section III:

The CCCERA Board has determined that "Pensionable Compensation" includes "base pay." Pensionable compensation does not include any pay other than base pay, in accordance with Govt. Code Sections 7522.34(c)(11) and (12).

Pensionable compensation (GC 31461 and 7522.34) is to be reported to the retirement system and the corresponding contributions are to be reported to the retirement system.

➤ *Observation 4: None*

SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE

➤ *Scope Item 2: No exceptions were observed in this section.*

Pursuant to CCCERA's Policy On Determining "Pensionable Compensation" Under PEPRA For Purposes Of Calculating Retirement Benefits, a "publicly available pay schedule" must meet all of the following requirements:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate.

➤ *Observation 5: No exceptions were observed in this section.*

ENROLLMENT OF ELIGIBLE EMPLOYEES

➤ *Scope Item 3: No exceptions were observed in this section.*

1. Exclusion from Membership – By Type of Employment

- A. All officers and employees of the County or districts shall be members of the association as provided in Article 4 under Sections 31550-31567 of the County Employees' Retirement Law of 1937 (Gov. Code Secs. 31450, et seq. "CERL"), unless excluded from membership by this Section.
- B. The following employees shall be excluded from membership:
 - i. Temporary, seasonal or independent contract employees who are employed or re-employed for temporary service or at certain specified periods each year.
 - ii. Intermittent or permanent-intermittent employees who are appointed to serve less than 80% of the full number of working hours required of regular employees or who actually serve less than 80% of such full number of working hours in one year as certified by their appointing authority.
 - iii. Part-time employees whose service for the County or district is less than fifty (50) percent of the full number or working hours required of fulltime employees at that employer.
 - iv. Project employees, unless the appointing authority certifies that the project is expected to be of one year or more in duration on a greater than part-time basis.
 - v. Provisional employees, unless they otherwise meet the requirements for reciprocal benefits with other retirement systems under Article 15 of CERL.
- C. In making its determination regarding an employee's inclusion in or exclusion from membership, the Board will not rely solely upon the term given to the type of employment. Rather, the Board will rely upon such additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full-time, permanent employment.

2. Exclusion from Membership – by Compensation

Except as otherwise herein provided, all employees of the County or district who receive compensation amounting to less than one-hundred (\$100) dollars per month, and in the case of employees paid on other than a monthly basis an average of one-hundred (\$100) dollars per month for the preceding year, including maintenance valued according to the schedule adopted by the governing body, are hereby excluded and exempted from membership in the Retirement Association. Any member of the Retirement Association whose salary is reduced to an amount less than one-hundred (\$100) dollars per

month shall have the option of continuing or discontinuing his/her active membership in the Association.

2.1 Exclusion from Membership – by Waiver

Newly hired employees age 60 and older may waive membership as authorized by Gov. Code Section 31552. Any such waiver of membership shall be effective only if it is submitted to the CCCERA Retirement Chief Executive Officer within 90 days of the employee’s date of hire; provided, however, that the Retirement Chief Executive Officer may, in his/her sole and reasonable discretion, waive the time limitation if the newly hired employee establishes good cause for such a waiver.

3. Certifications

Every employee of the County or district within the county whose employees are members of the Association shall, upon entry into the Association, complete a sworn statement as provided for in Gov. Code Section 31526(b). A certified copy of the member’s birth certificate or other evidence of birth may be required by the Board.

It shall be the employer’s responsibility to assure compliance with this section. The Board shall assess the employer five hundred (\$500) dollars per employee for every month or fraction thereof that the required certification is not submitted. The Board shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

➤ *Observation 6: None*

PENSION BENEFIT REVIEW

➤ *Scope Item 4: No exceptions were observed in this section.*

REVIEW OF PENSION BENEFIT CALCULATIONS

- a. Compensation Policies
 - i. *Policy On Determining "Compensation Earnable Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members – Adopted: 9/10/2014; GC 31461;*
 - ii. *Policy On Determining "Pensionable Compensation" Under PEPRA For Purposes Of Calculating Retirement Benefits - Adopted: 9/10/2014; GC 7522.34;*
 - iii. *Policy Regarding Assessment and Determination Of Compensation Enhancements – Adopted 11/1/2012, Amended: 3/8/2017; GC 31461(b)(1) and 7522.34(c)(1)*

➤ *Observation 7: None*

RETIREE RETURN TO WORK MONITORING

- b. Retiree Return to Work Monitoring
 - i. GC 7522.56 Retired Persons; Service and Employment Restrictions

➤ *Observation 8: None*

FORFEITURE OF BENEFITS EARNED OR ACCRUED FROM THE COMMISSION OF A FELONY

- c. Felony Forfeiture Monitoring and Notification – GC 7522.72(g) and GC 7522.74(g)

➤ *Observation 9: None*

INTERNAL REVENUE CODE SECTION 415 COMPLIANCE

As adopted on December 8, 2010 and amended on January 9, 2013 and July 11, 2018.

➤ *Observation 10: None*

FOLLOW-UP ITEMS

The following items were noted during the course of the review and require follow-up by the Employer Name and CCCERA:

There are no follow up items for the Contra Costa County Library.

EMPLOYER REPLY

The following reply was received from Employer Name to CCCERA:

Contra Costa County Library

777 Arnold Drive, Suite 210
Martinez, California 94553-3633
(925) 608-7700
FAX (925) 608-7761

Contra
Costa
County



Melinda S. Cervantes
County Librarian

November 11, 2020

Mr. Wrally Dutkiewicz
Compliance Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

RE: Draft Employer Audit Report – Contra Costa County Library

Dear Mr. Dutkiewicz,

Thank you for forwarding the November 4, 2020 draft of the Employer Audit Report prepared by CCCERA on the Contra Costa County Library. This letter is to acknowledge receipt of the document and to thank you for the review of its contents on Monday, November 9, 2020.

The Library concurs with the results of the audit. As you know, events in 2020 forced a postponement of the audit schedule. Our department was appreciative of CCCERA staff who were helpful, kind, and very patient during the entire process. There were no follow up items for the Library to address as a result of this professionally organized and cordial audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth A. Kilian".

Beth A. Kilian
Library Personnel Officer
Contra Costa County Library

cc: Alison McKee, Interim County Librarian



Meeting Date
03/10/2021
Agenda Item
#14

MEMORANDUM

Date: March 10, 2021
To: Board of Retirement
From: Wrally Dutkiewicz, Compliance Officer
Subject: Final Employer Audit Report Dated January 28, 2021 – Contra Costa County Employment and Human Services Department (EHSD)

Background:

The employer audit of the Contra Costa County Employment and Human Services Department (EHSD) was initiated in the first quarter of 2020. The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated the deferment of the scheduled in-person meetings and certain aspects of the employer audit work. Audit work resumed in July 2020 and all audit activities were conducted virtually. A virtual audit exit meeting was held on January 14, 2021.

The employer audit scope items include the following:

- Accuracy of Payroll Information Provided to CCCERA;
- Salaries In Accordance with Publicly Available Pay Schedules;
- Enrollment of All Eligible Employees;
- Pension Benefit Review;
- Internal Revenue Code 415 Limits;
- Retiree Return to Work Monitoring; and
- Forfeiture of Benefits Earned or Accrued from the Commission of a Felony.

The audit report was presented to the CCCERA Audit Committee at its February 24, 2021 meeting.

Follow Up Items:

It was noted during the audit that there were missing and incomplete enrollment affidavits for new EHSD employees. Seventeen (17) affidavits were incomplete and forty-six (46) were missing.

The department submitted an audit response and plan of correction dated January 22, 2021.

As of February 26, 2021 CCCERA received twelve (12) of the seventeen incomplete enrollment affidavits and twenty-three (23) of the forty-six missing enrollment affidavits.

Meeting Date
03/10/2021
Agenda Item
#14



Contra Costa County Employees'
Retirement Association

EMPLOYER AUDIT REPORT

January 28, 2021

EMPLOYER AUDIT

Contra Costa County

Employment and Human Services

Department

TABLE OF CONTENTS

AUDIT TRANSMITTAL LETTER	1
BACKGROUND	3
SCOPE	5
OBSERVATIONS AND FINDINGS	6
ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA.....	6
PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW	6
INPUT FILE REVIEW	6
COMPENSATION LIMITS.....	7
PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW	7
SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE	10
ENROLLMENT OF ELIGIBLE EMPLOYEES	11
PENSION BENEFIT REVIEW	12
REVIEW OF PENSION BENEFIT CALCULATIONS.....	13
RETIREE RETURN TO WORK MONITORING.....	13
FORFEITURE OF BENEFITS EARNED OR ACCRUED FROM THE COMMISSION OF A FELONY	13
INTERNAL REVENUE CODE SECTION 415 COMPLIANCE	13
FOLLOW-UP ITEMS	14
EMPLOYER REPLY	15



January 28, 2021

Monica Nino
Contra Costa County Administrator
1025 Escobar Street
4th Floor
Martinez, CA 94553

RE: Employer Audit Report – Contra Costa County Employment and Human Services Department

Dear Ms. Nino,

Enclosed is the employer audit report of the Contra Costa County Employment and Human Services Department employer audit, conducted pursuant to Government Code Section 31543. I want to thank you and all department staff for their assistance in gathering all the records and documents and making them readily available during this audit. This cooperation was greatly appreciated and allowed for the audit to be completed in an efficient manner.

The *Employer Audit Report* is enclosed for your review. Please note the “*Follow-Up Items*” indicated in the report for the County and EHSD to address. It was noted during the audit that there were missing enrollment affidavits for new employees of EHSD.

The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated the deferment of the scheduled in-person audit activities during the balance of 2020. In the intervening time periodic contact with EHSD staff was made with respect to the audit deferment and the possibility of rescheduling meetings to be performed on a virtual basis. Audit activities resumed in October 2020. The virtual audit exit meeting was held on January 14, 2021.

This report will be placed on the agenda and will be presented to the CCCERA Board of Retirement Audit Committee at its February 24, 2021 meeting.



Contra Costa County Employment and Human Services Department

In addition, I would like to extend my gratitude to Contra Costa County Employment and Human Services Department staff for the courtesy that they extended to CCCERA compliance staff during the review. Should you wish to discuss or have any questions regarding the items reviewed and the observations contained within this report, please contact me at 925-521-3960.

Best regards,



Wrally Dutkiewicz
Compliance Officer

CC: Lisa Driscoll, County Finance Director
Kathy Gallagher, Director Employment & Human Services Department

BACKGROUND

The Contra Costa County Employees' Retirement Association (CCCERA) is a public employee retirement system that was established by Contra Costa County on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death, and survivor benefits for Contra Costa County (County) employees and 16 other participating agencies under the California State Government Code, Section 31450, et. seq. (County Employees Retirement Law of 1937 or CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

CCCERA administers the retirement benefits for the employees of Contra Costa County and participating District employers. Participating employers within the CCCERA retirement system provide payroll information and retirement contributions to fund the benefits for their employees. CCCERA establishes member accounts, processes service and disability applications, calculates retirement allowances, prepares monthly retirement benefit payment rolls, makes adjustments to retirement benefits when needed and prepares tax reporting records.

Retirement allowances are computed in accordance with statute using three factors: years of service, age at retirement, and final compensation. For Legacy (pre-PEPRA) members, final compensation is defined as the highest average annual compensation earnable (as defined in G.C. Section 31461) by a member during the last one or three consecutive years of employment depending on the member's Tier, unless the member elects a different period with a higher average. For PEPRA members, final compensation is defined as the highest average annual pensionable compensation (as defined in G.C. Section 7522.34) earned by the member during a period of 36 consecutive months.

The employer's knowledge of the rules relating to membership and payroll reporting facilitates the employer in providing CCCERA with appropriate employee information. Correct enrollment of eligible employees and correct reporting of payroll information are necessary for the accurate computation of a member's retirement allowance.

The Contra Costa Employment and Humans Services Department (EHSD) is a County department. Its staff are County employees and their employment and compensation are set by the County Board of Supervisors. The department's mission is to *"partner with the community and deliver quality services to ensure access to resources that support, protect, and empower individuals and families to achieve self-sufficiency"*¹:

"The Employment & Human Services Department is responsible for a budget in excess of \$400 million; 10% is funded by the County and 90% from Federal and State revenues. EHSD administers over 40 programs mandated by federal, state and local governments".²

Per CCCERA records, EHSD had approximately 1,900 employees in fiscal year 2018-2019 with active memberships in CCCERA. For these employees the County reported pensionable compensation to

¹ <https://ehsd.org/overview/>

² <https://ehsd.org/overview/about-us/>

Contra Costa County Employment and Human Services Department

CCCERA of approximately \$112 million The County submitted approximately \$12 million in employee pension contributions and \$31 million in employer pension contributions. As of December 31, 2019, CCCERA had 778 retirees and beneficiaries on record for EHSD with a total paid benefit amount of approximately \$27 million.

SCOPE

The 2013 Pension Reform legislation granted CCCERA the authority under Government Code Section 31543 to conduct audits of employers to ensure that employee and payroll information used in the calculation of retiree pension benefits is correct and verifiable. The scope of these on-site reviews includes:

- Correctness of retirement benefits;
- Reportable compensation;
- Enrollment in, and reinstatement to the system (GC 31543);
- Pensionable compensation (GC 31461 and GC 7522.34);
- Determine if employees convicted of certain felonies have forfeited benefits earned or accrued from the commission of the felony (GC 7522.72(g) and GC 7522.74(g));
- Review MOUs with respect to compensation and salary regulations (i.e. Vacation Sales, etc.);
- Determine if compensation is paid to enhance a member's retirement benefit (GC 31461(b)(1) and GC 7522.34(c)(1)); and
- Evaluate employer's compliance with restrictions on retirees returning to work (GC 7522.56, I.R.S. bona fide separation and normal retirement age rules).

The on-site review was scheduled for March 31, 2020. Due to the shelter-in-place state and county orders due to COVID-19, and audit deferment until the fall of 2020, audit communications and discussions were held virtually between September 2020 and October 2020 and audit activities were conducted virtually. The review period encompassed active employee records and retired employee records from 2016 through 2019.

OBSERVATIONS AND FINDINGS

ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA

➤ **Scope Item 1:** *No exceptions were observed in this section.*

PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW

Pursuant to Board of Retirement Regulations Section IV: Employer pensionable payroll and corresponding pension contributions are to be reported to the retirement system timely and accurately. (Contributions And Reporting, 2. Due Dates, 4. Employer Certification).

Due Dates:

Each employer shall report to the Association in a manner and frequency as determined by the Board sufficient for the Board to credit contributions and service to each member's record.

Unless otherwise specified, reports shall be due no later than the tenth of each month for the previous month's payroll and shall be accompanied by member and employer contributions. If the tenth of the month falls on a weekend or holiday, the due date shall be the last working day before the tenth. Reports, which are unreadable or incorrect, shall not be accepted and shall be returned to the employer. (Emphasis added.)

Reports and contributions received after the due date shall be considered late and subject to a late reporting penalty equal to: the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

➤ **Observation 1:** *None*

INPUT FILE REVIEW

Employer Certification

Each payroll and pension contribution report shall include or be accompanied by a certification, under penalty of perjury, as to its accuracy. The certification shall be made by a duly authorized representative of the employer. (Board of Retirement Regulations *Section IV, 4. Employer Certification*.)

➤ **Observation 2:** *None*

COMPENSATION LIMITS

Federal and state laws place annual limits on the compensation that can be used to determine contributions and benefits for CCCERA plan members.

Legacy Members:

- The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans which are adjusted annually for cost-of-living increases.
- Members who commenced participation in CCCERA on or after January 1, 1996 are subject to the annual federal Internal Revenue Code Section 401(a)(17) compensation limit.
- For CERL benefit formulas (General Tiers 1, 3, Safety Tiers A & C), the 2018 calendar year compensation limit was increased by the I.R.S. to \$275,000 from \$270,000 for calendar year 2017.
- Members who commenced participation in CCCERA prior to January 1, 1996 are not subject to the Internal Revenue Code annual compensation limit.

PEPRA Members:

- For new employees who commenced participation in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (General Tiers 4,5, Safety Tiers D & E), the compensation which exceeds that annual pensionable compensation limit under California Government Code Section 7522.10(c) and (d) is not included in determining benefits or contributions.
- The 2018 calendar year PEPRA compensation limits are as follows:
 - For employees enrolled in Social Security – increased to \$121,388.
 - For employees not enrolled in Social Security – increased to \$145,666.
- The 2017 calendar year PEPRA compensation limits are as follows:
 - For employees enrolled in Social Security – increased to \$118,775.
 - For employees not enrolled in Social Security – increased to \$142,530.

➤ **Observation 3:** None

PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW

Compensation Earnable Applicable Law for Legacy Members

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

"Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise." (G.C. § 31461(b)(3).)

Pursuant to CCCERA's "Compensation Earnable Policy"³, Section III.D. "Compensation Earnable" excludes payments for additional services rendered outside of normal working hours.

³ <https://www.cccera.org/governance-and-policies>

Pay received for "overtime" is not included in "compensation earnable." To be included, the time for which compensation is received:

- (1) must be the normal working hours set forth in the applicable employment agreement;
- (2) must be required by the employer to be worked by the employee (as distinguished from voluntarily worked); and
- (3) must be ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period.

Pay that will be reviewed under these conditions is often described as "standby" and "on-call." Employers must report to CCCERA as pensionable only that pay for work that is required of and ordinarily served by everyone in the same grade or classification, at the same rate of pay.

Pensionable Compensation Applicable Law for PEPRA members

PEPRA defines "pensionable compensation" as follows:

"Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid. (Gov. Code Section 7522.34(a) and (b).)

PEPRA excludes from "pensionable compensation" the following:

- (1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
- (2) 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.
- (3) Any one-time or ad hoc payments made to a member.
- (4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment but is received by the member while employed.
- (5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
- (6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- (7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

Contra Costa County Employment and Human Services Department

- (8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code [FLSA].
- (9) Employer contributions to deferred compensation or defined contribution plans.
- (10) Any bonus paid in addition to the compensation described in subdivision (a) [of G.C. § 7522.34].
- (11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a) [of G.C. § 7522.34].
- (12) Any other form of compensation a public retirement board determines should not be pensionable compensation. (Gov. Code Section 7522.34(a) and (b).)

Pursuant to CCCERA's "Pensionable Compensation Policy"⁴, Section III:

The CCCERA Board has determined that "Pensionable Compensation" includes "base pay." Pensionable compensation does not include any pay other than base pay, in accordance with Govt. Code Sections 7522.34(c)(11) and (12).

Pensionable compensation (GC 31461 and 7522.34) is to be reported to the retirement system and the corresponding contributions are to be reported to the retirement system.

➤ **Observation 4: None**

⁴ <https://www.cccera.org/governance-and-policies>

SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE

➤ **Scope Item 2:** *No exceptions were observed in this section.*

Pursuant to CCCERA's Policy On Determining "Pensionable Compensation"⁵ Under PEPR For Purposes Of Calculating Retirement Benefits, a "publicly available pay schedule" must meet all of the following requirements:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate.

➤ **Observation 5:** *None*

⁵ <https://www.cccera.org/governance-and-policies>

ENROLLMENT OF ELIGIBLE EMPLOYEES

➤ **Scope Item 3:** *No exceptions were observed in this section.*

1. Exclusion from Membership – By Type of Employment

- A. All officers and employees of the County or districts shall be members of the association as provided in Article 4 under Sections 31550-31567 of the County Employees' Retirement Law of 1937 (Gov. Code Secs. 31450, et seq. "CERL"), unless excluded from membership by this Section.
- B. The following employees shall be excluded from membership:
 - i. Temporary, seasonal or independent contract employees who are employed or re-employed for temporary service or at certain specified periods each year.
 - ii. Intermittent or permanent-intermittent employees who are appointed to serve less than 80% of the full number of working hours required of regular employees or who actually serve less than 80% of such full number of working hours in one year as certified by their appointing authority.
 - iii. Part-time employees whose service for the County or district is less than fifty (50) percent of the full number or working hours required of fulltime employees at that employer.
 - iv. Project employees, unless the appointing authority certifies that the project is expected to be of one year or more in duration on a greater than part-time basis.
 - v. Provisional employees, unless they otherwise meet the requirements for reciprocal benefits with other retirement systems under Article 15 of CERL.
- C. In making its determination regarding an employee's inclusion in or exclusion from membership, the Board will not rely solely upon the term given to the type of employment. Rather, the Board will rely upon such additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full-time, permanent employment.

2. Exclusion from Membership – by Compensation

Except as otherwise herein provided, all employees of the County or district who receive compensation amounting to less than one-hundred (\$100) dollars per month, and in the case of employees paid on other than a monthly basis an average of one-hundred (\$100) dollars per month for the preceding year, including maintenance valued according to the schedule adopted by the governing body, are hereby excluded and exempted from membership in the Retirement Association. Any member of the Retirement Association whose salary is reduced to an amount less than one-hundred (\$100) dollars per

Contra Costa County Employment and Human Services Department

month shall have the option of continuing or discontinuing his/her active membership in the Association.

2.1 Exclusion from Membership – by Waiver

Newly hired employees age 60 and older may waive membership as authorized by Gov. Code Section 31552. Any such waiver of membership shall be effective only if it is submitted to the CCCERA Chief Executive Officer within 90 days of the employee's date of hire; provided, however, that the Chief Executive Officer may, in his/her sole and reasonable discretion, waive the time limitation if the newly hired employee establishes good cause for such a waiver.

3. Certifications

Every employee of the County or district within the county whose employees are members of the Association shall, upon entry into the Association, complete a sworn statement as provided for in Gov. Code Section 31526(b). A certified copy of the member's birth certificate or other evidence of birth may be required by the Board.

It shall be the employer's responsibility to assure compliance with this section. The Board shall assess the employer five hundred (\$500) dollars per employee for every month or fraction thereof that the required certification is not submitted. The Board shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

- **Observation 6:** *It was observed that enrollment affidavits were either incomplete or missing from CCCERA's members' records during the period 2017 through 2019. In 2017 three (3) enrollment affidavits were submitted to CCCERA without employer certification and ten (10) enrollment affidavits were missing altogether. In 2018 three (3) incomplete enrollment affidavits were submitted without employer certification and ten (10) were missing from CCCERA records. For 2019 there were eleven (11) enrollment affidavits submitted without employer certification and forty-six (46) were missing from CCCERA Records.*
- *While the department is the first point of contact for CCCERA's membership enrollment paperwork, Contra Costa County is the employer for EHSD employees. As such, the County is responsible for the timely submission of fully completed enrollment affidavits to CCCERA. It was noted that for the audit period CCCERA staff did not reach out to EHSD or the County but rather reached out to the member to address the missing enrollment affidavits. In addition, it was noted that CCCERA's website provided instructions for members to submit forms directly to CCCERA. CCCERA's website was not clear in its direction specifically for enrollment affidavits which differ from other forms. The website has been amended to specify that both employee and employer must complete the enrollment affidavit and the form is to be submitted by the employer. The enrollment affidavit itself has been amended to include the same instructions.*

PENSION BENEFIT REVIEW

- **Scope Item 4:** *None.*

REVIEW OF PENSION BENEFIT CALCULATIONS

- a. Compensation Policies
 - i. *Policy On Determining “Compensation Earnable Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For “Legacy” (Pre-PEPRA) Members – Adopted: 9/10/2014; GC 31461;*
 - ii. *Policy On Determining “Pensionable Compensation” Under PEPRA For Purposes Of Calculating Retirement Benefits - Adopted: 9/10/2014; GC 7522.34;*
 - iii. *Policy Regarding Assessment and Determination Of Compensation Enhancements – Adopted 11/1/2012, Amended: 3/8/2017; GC 31461(b)(1) and 7522.34(c)(1)*

➤ **Observation 7:** None.

RETIREE RETURN TO WORK MONITORING

- b. Retiree Return to Work Monitoring
 - i. GC 7522.56 Retired Persons; Service and Employment Restrictions

➤ **Observation 8:** None.

FORFEITURE OF BENEFITS EARNED OR ACCRUED FROM THE COMMISSION OF A FELONY

- c. Felony Forfeiture Monitoring and Notification – GC 7522.72(g) and GC 7522.74(g)

➤ **Observation 9:** None

INTERNAL REVENUE CODE SECTION 415 COMPLIANCE

As adopted on December 8, 2010 and amended on January 9, 2013 and July 11, 2018.

➤ **Observation 10:** None

FOLLOW-UP ITEMS

The following items were noted during the course of the review and require follow-up by the Department and CCCERA:

1. Enrollment Affidavits:
 - a. Seventeen (17) incomplete enrollment affidavits need to be completed and submitted;
 - b. Forty-six (46) missing enrollment affidavits need to be completed and submitted to CCCERA.

EMPLOYER REPLY

The following response to the employer audit was received from the EHSD by CCCERA on January 22, 2021:

EHSD Plan of Correction:

EHSD Personnel will ensure all new hire CCCERA enrollment affidavits will be complete, correct, and submitted timely to the CCCERA office for processing.

EHSD Personnel will take (or has taken) the following steps to ensure that all enrollment affidavits will be complete, correct, and submitted in a timely manner to CCCERA:

- On January 20, 2021 a training was held for the EHSD Personnel Operations Staff via Microsoft Teams with Jasmin Lee, James Lambert, and Dorothy Saechao of CCCERA regarding new hire paperwork
 - During this training, CCCERA Forms 101, 102, and 104 were reviewed in detail.
 - EHSD Personnel staff were able to ask scenario questions, frequently asked questions from new employees during orientation, and received clarification on their role in completion of the forms.
 - Based on the training, EHSD Personnel will develop a desk guide that will outline the process, include samples of completed enrollment affidavit form(s), FAQs, and contact information for CCCERA team assigned to EHSD should there be additional questions.

- Moving forward, new hires will receive CCCERA enrollment information ahead of attending New Employee Orientation (NEO) and due dates to return the forms to Personnel will be implemented
 - EHSD holds NEO twice a month on Wednesdays. Typically, it is during the paperwork portion of the orientation that EHSD Personnel Operation staff review the CCCERA enrollment forms.
 - To allow the new employee more time for review and to gather required information to complete the forms, the CCCERA packet along with instructions will be sent when they are being noticed of their start date/NEO.
 - For new hires that are unable to complete their enrollment forms during NEO, a due date will be set for the following Friday. This will allow the new employee two (2) days to submit the completed enrollment affidavit into EHSD Personnel or at minimum FORM 101.
 - EHSD Personnel will explain the importance of completing the form in a timely manner and the impacts should there be any delays.
 - If EHSD Personnel does not receive the completed form by the following Friday, a follow up email will be sent to the new employee in addition to a phone call.

- On January 14, 2021, CCCERA provided EHSD Personnel with a summary of Incomplete Enrollment Affidavits for review period 2017-2019. In total, seventeen (17) items were marked as Incomplete and forty-six (46) were marked as missing FORM 101.
 - EHSD Personnel will send new CCCERA forms to each of the identified employees requesting the forms to be returned within one week of notification.



Meeting Date
03/10/2021
Agenda Item
#15

MEMORANDUM

Date: March 10, 2021
To: Board of Retirement
From: Wrally Dutkiewicz, Compliance Officer
Subject: Final Employer Audit Report Dated February 17, 2021 – Rodeo Sanitary District

Background:

The employer audit of the Rodeo Sanitary District was initiated in November 2020. The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated that the audit be conducted on a virtual basis. A virtual audit exit meeting was held on January 11, 2021.

The employer audit had the following limited scope:

- Pensionable Compensation;
- Accuracy of Payroll Information and Pension Contributions submitted to CCCERA; and
- Salaries In Accordance with Publicly Available Pay Schedules.

The audit report was presented to the CCCERA Audit Committee at its February 24, 2021 meeting.

Follow Up Items:

Based on the review of the District's Memorandum of Understanding with its members and the District's policies governing the administration of on-call duty, it appears that the on-call compensation paid to its members may not be considered "compensation earnable" for retirement calculation purposes and may not be in compliance with applicable law because the pay is for additional services provided after normal working hours. Applicable law states that "compensation earnable" does not include payments or additional services rendered outside of normal working hours. This provision appears in Government Code Section 31461(b)(3), which was recently upheld by the California Supreme Court (*Alameda County Deputy Sheriffs' Assn. v. Alameda County Employees' Ret. Assn.*, 9 Cal.5th 1032 (2020)). This rule of law is also set forth in the CCCERA Board of Retirement Policy On Determining "Compensation Earnable" Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members, Section D.

The District submitted an audit response dated February 16, 2021. In its response the District indicated its intention to continue reporting \$119.05 of the \$500 on-call stipend because each employee is required to serve on-call for 168 consecutive hours (one full week), which includes forty (40) hours which are not outside normal working hours.

The audit report was presented to the CCCERA Audit Committee at its February 24, 2021 meeting during which CCCERA staff was directed to prepare a communication to the District providing clear direction regarding the exclusion of all on-call compensation from pensionable compensation.

On February 25, 2021, CCCERA provided to the District a letter advising that based on the review of all pertinent documents and information indicating that on-call/standby status is not considered regular hours of work, CCCERA has concluded that the District's on-call pay is excluded from compensation earnable in its entirety under applicable law, because it is pay for services rendered outside of normal working hours.



Contra Costa County Employees'
Retirement Association

EMPLOYER AUDIT REPORT – COMPENSATION EARNABLE REVIEW

February 17, 2021

EMPLOYER AUDIT

Rodeo Sanitary District

TABLE OF CONTENTS

AUDIT TRANSMITTAL LETTER.....	1
BACKGROUND.....	3
SCOPE.....	4
OBSERVATIONS AND FINDINGS.....	5
ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA.....	5
PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW.....	5
INPUT FILE REVIEW.....	5
PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW.....	6
SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE.....	11
FOLLOW-UP ITEMS.....	12
CCCERA LETTER TO DISTRICT AUDIT FINDINGS - ON-CALL COMPENSATION.....	13
EMPLOYER REPLY.....	14

Rodeo Sanitary District – Compensation Earnable Review



February 17, 2021

Steven Beall
District Manager
Rodeo Sanitary District
800 San Pablo Avenue
Rodeo, CA 94572

RE: Employer Audit Report – Rodeo Sanitary District On-Call Compensation

Dear Mr. Beall,

Enclosed is the report of CCCERA's employer audit, conducted pursuant to Government Code Section 31543. I want to thank you and Nancy Lefebvre, District Administrator for all the assistance in gathering all the records and documents and making them readily available during this audit. This cooperation was greatly appreciated and allowed for the audit to be completed in an efficient manner.

The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated that the audit be conducted virtually. The virtual audit exit meeting was held January 11, 2021.

The *Employer Audit Report* is enclosed for your review. Please review the "follow-up" item contained in the report which states, based on the review and analysis of the District's on-call compensation paid to its members, appears not to be in compliance with applicable law and CCCERA's "compensation earnable" policy and may be considered excludable from "compensation earnable". The District may submit a response to this audit report along with any further information regarding its on-call compensation policies and practices.



Rodeo Sanitary District – Compensation Earnable Review

This report will be placed on the agenda and will be presented to the CCCERA Board of Retirement Audit Committee at its Wednesday, February 24, 2021 meeting.

Should you wish to discuss or have any questions regarding the items reviewed and the observations contained within this report, please contact me at 925-521-3960.

Best regards,



Wrally Dutkiewicz
Compliance Officer

CC: Nancy Lefebvre, District Administrator, Rodeo Sanitary District

BACKGROUND

The Contra Costa County Employees' Retirement Association (CCCERA) is a public employee retirement system that was established by Contra Costa County on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death, and survivor benefits for Contra Costa County (County) employees and 16 other participating agencies under the California State Government Code, Section 31450, et. seq. (County Employees Retirement Law of 1937 or CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

CCCERA administers the retirement benefits for the employees of Contra Costa County and participating District employers. Participating employers within the CCCERA retirement system provide payroll information and retirement contributions to fund the benefits for their employees. CCCERA establishes member accounts, processes service and disability applications, calculates retirement allowances, prepares monthly retirement benefit payment rolls, makes adjustments to retirement benefits when needed and prepares tax reporting records.

Retirement allowances are computed in accordance with statute using three factors: years of service, age at retirement, and final compensation. For Legacy (pre-PEPRA) members, final compensation is defined as the highest average annual compensation earnable (as defined in G.C. Section 31461) by a member during the last one or three consecutive years of employment depending on the member's Tier, unless the member elects a different period with a higher average. For PEPRA members, final compensation is defined as the highest average annual pensionable compensation (as defined in G.C. Section 7522.34) earned by the member during a period of 36 consecutive months.

The employer's knowledge of the rules relating to membership and payroll reporting facilitates the employer in providing CCCERA with appropriate employee information. Correct enrollment of eligible employees and correct reporting of payroll information are necessary for the accurate computation of a member's retirement allowance.

The Rodeo Sanitary District is an independent Special District of the State of California formed in 1939. The employees of the District became members of CCCERA through the Board of Retirement consent on August 21, 1963. The District had seven active employees in fiscal year 2019/2020 with employee pension contributions of approximately \$48,000 and employer pension contributions of approximately \$141,000 on reported total pensionable compensation of approximately \$730,000. The District had eight (8) retirees in fiscal 2019/2020 with approximately of \$278,000 pension benefits paid.

SCOPE

The 2013 Pension Reform legislation granted CCCERA the authority under Government Code Section 31543 to conduct audits of employers to ensure that employee and payroll information used in the calculation of retiree pension benefits is correct and verifiable. The scope of this audit focused on District compensation paid to its employees and reported to the retirement system. The purpose of this audit to review and test the following:

- Correctness of retirement benefits;
- Reportable compensation;
- Pensionable compensation (GC 31461 and GC 7522.34);
- Review MOUs with respect to compensation and salary regulations (i.e. on-call compensation, etc.); and
- Determine if compensation is paid to enhance a member's retirement benefit (GC 31461(b)(1) and GC 7522.34(c)(1)).

The audit of Rodeo Sanitary District was conducted virtually. The review period encompassed active employee records and retired employee records for fiscal years 2018/2019 and 2019/2020.

OBSERVATIONS AND FINDINGS

ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA

➤ **Scope Item 1:** *No exceptions were observed in this section.*

PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW

Pursuant to Board of Retirement Regulations Section IV: Employer pensionable payroll and corresponding pension contributions are to be reported to the retirement system timely and accurately. (Contributions And Reporting, 2. Due Dates, 4. Employer Certification).

Due Dates:

Each employer shall report to the Association in a manner and frequency as determined by the Board sufficient for the Board to credit contributions and service to each member's record.

Unless otherwise specified, reports shall be due no later than the tenth of each month for the previous month's payroll and shall be accompanied by member and employer contributions. If the tenth of the month falls on a weekend or holiday, the due date shall be the last working day before the tenth. Reports, which are unreadable or incorrect, shall not be accepted and shall be returned to the employer. (Emphasis added.)

Reports and contributions received after the due date shall be considered late and subject to a late reporting penalty equal to: the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

➤ **Observation 1:** *None*

INPUT FILE REVIEW

Employer Certification

Each payroll and pension contribution report shall include or be accompanied by a certification, under penalty of perjury, as to its accuracy. The certification shall be made by a duly authorized representative of the employer. (Board of Retirement Regulations *Section IV, 4. Employer Certification.*)

➤ **Observation 2:** *None*

Rodeo Sanitary District – Compensation Earnable Review

PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW

Compensation Earnable Applicable Law for Legacy Members

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

"Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise." (G.C. § 31461(b)(3).)

Pursuant to CCCERA's "Compensation Earnable Policy"¹, Section III.D. "Compensation Earnable" excludes payments for additional services rendered outside of normal working hours.

Pay received for "overtime" is not included in "compensation earnable." To be included, the time for which compensation is received:

- (1) must be the normal working hours set forth in the applicable employment agreement;
- (2) must be required by the employer to be worked by the employee (as distinguished from voluntarily worked); and
- (3) must be ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period.

Pay that will be reviewed under these conditions is often described as "standby" and "on-call." Employers must report to CCCERA as pensionable only that pay for work that is required of and ordinarily served by everyone in the same grade or classification, at the same rate of pay.

Pensionable Compensation Applicable Law for PEPRA members

PEPRA defines "pensionable compensation" as follows:

"Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid. (Gov. Code Section 7522.34(a) and (b).)

PEPRA excludes from "pensionable compensation" the following:

- (1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
- (2) 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

¹ Policy On Determining "Compensation Earnable" Under Assembly Bill 197 For Purposes of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members.

Rodeo Sanitary District – Compensation Earnable Review

of the member and which was converted to and received by the member in the form of a cash payment.

- (3) Any one-time or ad hoc payments made to a member.
- (4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.
- (5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
- (6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- (7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
- (8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code [FLSA].
- (9) Employer contributions to deferred compensation or defined contribution plans.
- (10) Any bonus paid in addition to the compensation described in subdivision (a) [of G.C. § 7522.34].
- (11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a) [of G.C. § 7522.34].
- (12) Any other form of compensation a public retirement board determines should not be pensionable compensation. (Gov. Code Section 7522.34(a) and (b).)

Pursuant to CCCERA's "Pensionable Compensation Policy", Section III:

The CCCERA Board has determined that "Pensionable Compensation" includes "base pay." Pensionable compensation does not include any pay other than base pay, in accordance with Govt. Code Sections 7522.34(c)(11) and (12).

Pensionable compensation (GC 31461 and 7522.34) is to be reported to the retirement system and the corresponding contributions are to be reported to the retirement system.

➤ **Observation 4: On-Call Compensation for Legacy (pre-2013) Members**

Applicable law states that "compensation earnable" does not include payments for additional services rendered outside of normal working hours. This provision appears in Government Code Section 31461(b)(3), which was recently upheld by the California Supreme Court in *Alameda County Deputy Sheriffs' Assn., et al. v. Alameda County Employees' Ret. Assn., et al.*, 9 Cal.5th 1032 (2020). This rule of law is also set forth in the CCCERA Board of Retirement Policy On Determining "Compensation Earnable" Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members, Section D.

To be included as compensation earnable, the time for which on-call compensation is received:

1. Must be the normal working hours set forth in the applicable employment agreement.

Rodeo Sanitary District – Compensation Earnable Review

The District's labor agreement with the members defines its normal working hours under Section 5 – Hours of Work and Work Schedule² as the following:

- a) *Normally, regular work schedules will provide eight (8) hours per day and forty (40) hours per week in the work week beginning 12:01am Monday and ending at 12:00 midnight the following Sunday.*
- b) *The District may require any employee to work in excess of the normal hours of work whenever the needs of the District so require. Such additional work shall be compensated in accordance with the provision of this Agreement, which governs hours of overtime. The normal work week may be extended at the request of the employee with the approval of the District.*
- c) *Normally, all employees will be assigned to regular day-work schedules (7:00 A.M. to 3:30 P.M.). In the event regular shift work schedules are established, employees shall receive an hourly differential based on clock hours worked as follows:*

For all hours between:

<i>Swing Shift</i>	<i>4:30 P.M. to 1:00 A.M.</i>	<i>\$0.75 per hour</i>
<i>Graveyard Shift</i>	<i>10:30 P.M. to 7:00 A.M.</i>	<i>\$1.25 per hour</i>

The District has defined its normal work week as being forty hours (40) per week. The District can also require the member to work in excess of the normal hours of work if the needs of the district so require. The compensation to be paid to the member for on-call work is defined in Section 6 – Overtime, Callback, and On-Call Pay of the labor agreement:

- d) *The District shall compensate the on-call employee a flat rate of \$500 per 7 day week. On-Call schedule shall be from Wednesday to Wednesday.*

On-call hours typically reflect time that the member is away from the employer's place of work and outside of a member's normal working hours. The member, if called back to work while on-call, will return to the employer's place of work to perform the work activity.

The District provides the following guidance in its policy governing on-call duty:

- *On-Call/Standby Status and Compensation. On-call/standby status is when an employee is provided a cellular phone and or other device which will provide notification in the event of an emergency repair/maintenance work need. Said Device shall be kept in the on-call employee's possession during the entire on-call period of time (normally Wednesday - Wednesday). The District Manager may also give notification of an emergency repair/maintenance work need verbally, in person or telephonically. A schedule shall be maintained by the staff where the employees shall be assigned, on a rotational basis, to be "on-call" on weekends, holidays and other times not considered regular hours of work for District employees. Callouts are subject to overtime rules. The*

² Labor Contract Between Rodeo Sanitary District and International Union of Operating Engineers, Stationary Local No. 39, AFL-CIO July 1, 2018 – June 30, 2023.

Rodeo Sanitary District – Compensation Earnable Review

District will agree to pay employees a 3-hour minimum for callbacks. Employees are to perform a minimum of three (3) hours of work per call or waive the guarantee.³

- *When an employee is on-call, he/she shall be free to utilize his/her time as desired, but must remain within the general Rodeo Sanitary District area, going no farther than 30 minutes' travel time away from any District facility.⁴*

Based on the review of the District's policies governing on-call duty, members that are scheduled to work on-call duty perform the duty after normal working hours and therefore compensation paid to members for on-call duty may be excluded from compensation earnable under Government Code Section 31461(b)(3) and CCCERA's "compensation earnable" policy.

2. Must be required by the employer to be worked by the employee (as distinguished from voluntarily worked).

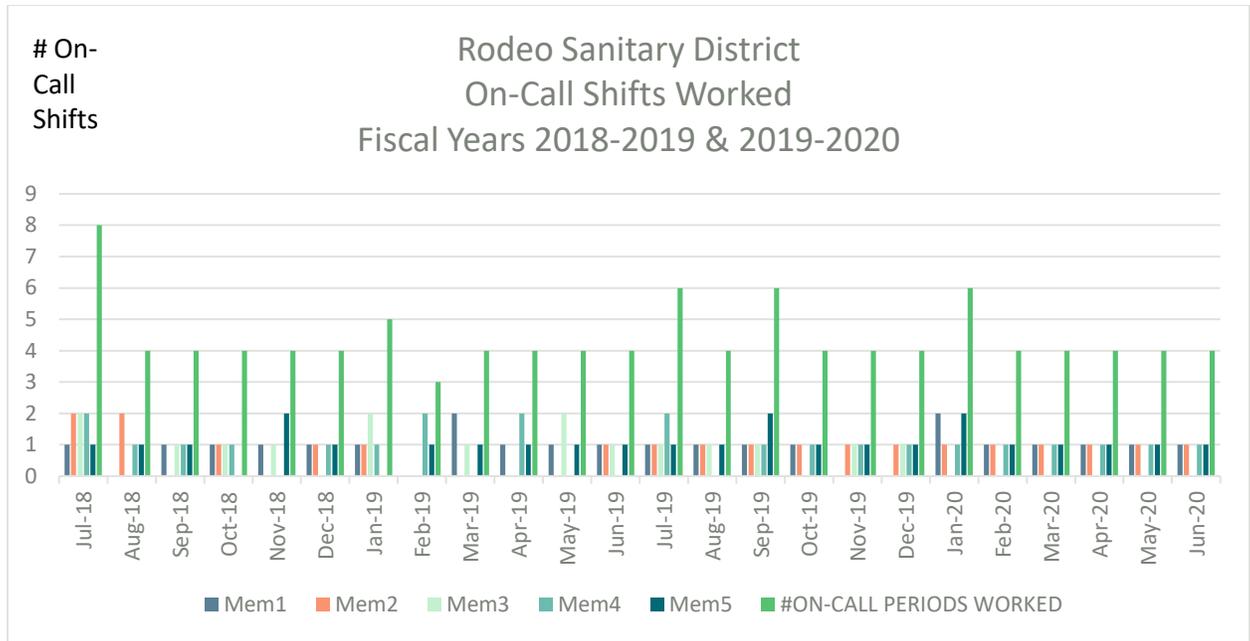
Under Section 5 – Hours of Work and Work Schedule, b) of the District's labor agreement the District "...may require any employee to work in excess of the normal hours of work whenever the needs of the District so require. Such additional work shall be compensated in accordance with the provisions of this Agreement, which governs hours of overtime. The normal workweek may be extended at the request of the employee and with the approval of the District."

The District schedules members to be on-call for seven days week from Wednesday to Wednesday in order to provide coverage at the District's operations should a need arise. It was observed that each of the active members that had been identified in the District's compensation record extract from CCCERA's pension administration system consistently received on-call compensation for the period 2012 – 2020 at the flat compensation rate of \$400 per on-call pay period up to June 2018, and then at the flat rate of \$500 starting in July 2018 pay month. The payment of on-call compensation to each of the active members, and as reported to the retirement system, appears to reflect one period of on-call compensation per month. It was observed that the on-call schedule followed a rotational pattern over the two fiscal years with each member working on average one on-call duty period per pay period.

³ Rodeo Sanitary District Policy Manual March 2011, Revised May 2020, Policy Number 2010.9

⁴ Rodeo Sanitary District Policy Manual March 2011, Revised May 2020, Policy Number 2010.10

Rodeo Sanitary District – Compensation Earnable Review



In fiscal year 2018/19 there were fifty-two (52) on-call shifts scheduled and worked by the members⁵ with three (3) members having worked eleven (11) total shifts, about one on-call shift a month for each member. One member worked eight (8) on-call shifts in total for the year.

In fiscal year 2019/20 there were fifty-four (54) on-call shifts scheduled and worked by the members with one member who terminated in January 2020 having worked five (5) shifts, and the balance of the shifts being redistributed on a rotational basis to the remaining eligible members.

3. Must be ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period.

The District had five (5) members that were eligible to receive on-call compensation per the District’s labor agreement and payroll/compensation policies during fiscal years 2018/19 and 2019/20. One member terminated 1/20/2020 who was in the Collection System Crew Leader occupational classification and does not appear in the balance of FY 2019/20. Three (3) of the members who worked on-call duty and received on-call compensation were in the Operator II occupational classification. There was one member in the Operator in Training occupational classification.

It was observed that the schedule of on-call periods worked by the members in both the single occupant classifications, and with other members such as the Operator II classification, that all worked the on-call duty on a rotational basis with minor variances between the total number of on-call shifts worked.

⁵ Based on payroll reports provided by the District for fiscal years 2018/2019 and 2019/2020

SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE

➤ **Scope Item 2:** *No exceptions were observed in this section.*

Pursuant to CCCERA’s Policy On Determining “Pensionable Compensation” Under PEPRA For Purposes Of Calculating Retirement Benefits, a "publicly available pay schedule" must meet all of the following requirements:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate.

➤ **Observation 5:** *None*

FOLLOW-UP ITEMS

The following items were noted during the review and require follow-up by the District and CCCERA:

- Based on the review of the District's Memorandum of Understanding with its members and the District's policies governing the administration of on-call duty, it appears that the on-call compensation paid to its members may not be considered "compensation earnable" for retirement calculation purposes and may not be in compliance with applicable law because the pay is for additional services provided after normal working hours. Applicable law states that "compensation earnable" does not include payments or additional services rendered outside of normal working hours. This provision appears in Government Code Section 31461(b)(3), which was recently upheld by the California Supreme Court (*Alameda County Deputy Sheriffs' Assn. v. Alameda County Employees' Ret. Assn.*, 9 Cal.5th 1032 (2020)). This rule of law is also set forth in the CCCERA Board of Retirement Policy On Determining "Compensation Earnable" Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members, Section D.

If the District disagrees with this analysis, please provide additional information for review. If there is no further information to provide, the District is to discontinue collection and submitting retirement contributions to CCCERA for on-call pay.

CCCERA LETTER TO DISTRICT AUDIT FINDINGS: ON-CALL COMPENSATION

CCCERA LETTER TO DISTRICT AUDIT FINDINGS - ON-CALL COMPENSATION

On January 15, 2021 CCCERA sent the following letter to the District regarding the findings of this audit report regarding the District's on-call pay:



January 15, 2021

Steven Beall
District Manager
Rodeo Sanitary District
800 San Pablo Avenue
Rodeo, CA 94572

RE: On Call Pay (Pay Code D32)

Dear Mr. Beall,

Based on the Employer Audit sent to you on January 12, 2021 Rodeo Sanitary District ("District") should discontinue collecting and submitting legacy member retirement contributions for pay code D32, Differential On Call Pay @1.0 with your next payroll schedule.

A review of the District's Memorandum of Understanding provision regarding on-call duty indicates that the on-call compensation may not be included in "compensation earnable" for retirement calculation purposes because the pay is for additional services provided after normal working hours. Applicable law states that "compensation earnable" does not include payments or additional services rendered outside of normal working hours. This provision appears in Government Code Section 31461(b)(3), which was recently upheld by the California Supreme Court (*Alameda County Deputy Sheriffs' Assn. v. Alameda County Employees' Ret. Assn.*, 9 Cal.5th 1032 (2020)). This rule of law is also set forth in the CCCERA Board of Retirement Policy On Determining "Compensation Earnable" Under Assembly Bill 197 For Purposes Of Calculating Retirement Benefits For "Legacy" (Pre PEPR) Members, Section D.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Christina Dunn".

Christina Dunn
Deputy CEO

1200 Concord Avenue, Suite 300, Concord, CA 94520 Phone: (925) 521-3960 Fax: (925) 521-3289 cccera.org

EMPLOYER REPLY

The following reply was received from the Rodeo Sanitary District by CCCERA on February 16, 2021:



RODEO SANITARY DISTRICT

800 SAN PABLO AVE. · RODEO, CA 94572-1232
(510) 799-2970 · FAX (510) 799-5403

February 18, 2021

Contra Costa County Employee Retirement Association
1200 Concord Avenue Ste 300
Concord, CA 94520

Re: On call pay (Pay Code D32)

Dear Ms. Dunn

The Rodeo Sanitary District is in receipt of your letter dated January 15, 2021 that outlines CCCERA's decision not to include on call pay in pensionable compensation, per Government Code Section 31461(b)(3).

As a result, the District has stopped reporting most on call pay as of January 1, 2021, in order to be in compliance with [Government Code] Section 31461(b)(3). However, the District intends to continue reporting \$119.05 of the \$500 stipend because under the District's Policy Manual, each employee is required to serve on-call for 168 consecutive hours (one full week), which includes 40 hours that are *not* "outside normal working hours" as specified in Section 31461(b)(3).

Please confirm that it is unnecessary to correct reports prior to January 1, 2021 which included the entire amount of on-call pay.

Sincerely,

A handwritten signature in blue ink that reads 'Steven S. Beall'.

Steven S. Beall, P.E.
District Manager
Rodeo Sanitary District
bealls@rodcosan.org

cc:Wdutfkiewicz@cccera.org

CALIFORNIA WATER ENVIRONMENT ASSOCIATION SF BAY SECTION 2018 SMALL PLANT OF THE YEAR



Meeting Date
03/10/2021
Agenda Item
#16

MEMORANDUM

Date: March 10, 2021
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Consider and take possible action to authorize the CEO to acquire additional support hours from CPAS Systems, Inc., not to exceed \$24,600.

Background

Since 2009, CCCERA has had a maintenance and system software support services agreement with CPAS Systems, Inc. for its pension administration system. It is typically renewed on an annual basis in September.

This year, there is a special project to more efficiently and effectively create necessary queries and reporting. This project has required additional programming assistance from CPAS. It has resulted in the need for additional support hours beyond what is included in the annual renewal. It is anticipated up to \$24,600 for the purchase of support hours is necessary.

Recommendation

Consider and take possible action to authorize the CEO to acquire additional support hours from CPAS Systems, Inc., not to exceed \$24,600.



Meeting Date
03/10/2021
Agenda Item
#17

SACRS VOTING PROXY FORM

The following are authorized by the _____ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

(if you have more than one alternate, please attach the list of alternates in priority order):

_____ Voting Delegate

_____ Alternate Voting Delegate

These delegates were approved by the Retirement Board on ____ / ____ / ____.

The person authorized to fill out this form and submit electronically on behalf of the Retirement Board:

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by April 15, 2021 to Sulema H. Peterson, SACRS Executive Director at Sulema@sacrs.org.

TUESDAY, MAY 4TH

12:00 NOON (ALL TIMES EASTERN) – OPENING REMARKS

12:05 PM – 12:35 PM – KEYNOTE SPEAKER – MACROECONOMIC VIEW

12:40 PM – 1:25 PM – EXECUTIVE DIRECTOR/CEO ROUNDTABLE

 1:25 PM – 1:40 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

1:40 PM – 2:25 PM – ARTIFICIAL INTELLIGENCE IN ASSET MANAGEMENT AND BENEFITING
FROM DISRUPTIVE INNOVATION INVESTMENT

 2:25 PM – 2:40 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

2:25 PM – 3:10 PM – MULTI-ASSET INVESTING

 3:10 PM – 3:25 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

3:25 PM – 3:55 PM – CHINA'S ROLE IN THE NEW WORLD ORDER AND ITS ROLE IN PORTFOLIOS

4:00 PM – 4:40 PM – EMERGING MARKETS

4:45 PM – 5:00 PM – SIGNIFICANT VALUE WAITING TO BE UNLOCKED IN JAPAN

WEDNESDAY, MAY 5TH

12:00 NOON – 12:30 PM – KEYNOTE SPEAKER

12:35 PM – 1:20 PM – ASSET ALLOCATION AND RISK MANAGEMENT

 1:20 PM – 1:35 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

1:35 PM – 2:10 PM – RISK MITIGATING STRATEGIES

 2:10 PM – 2:25 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

2:25 PM – 3:00 PM – RISK PARITY

 3:00 PM – 3:15 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

3:15 PM – 3:35 PM – SHOULD GOLD BE ADDED AS A STRATEGIC ASSET?

3:40 PM – 4:25 PM – UNCONSTRAINED FIXED INCOME

 4:25 PM – 4:40 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

4:40 PM – 5:15 PM – CATASTROPHE (CAT) BONDS

THURS, MAY 6TH

12:00 NOON – 12:30 PM – ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG): OVERVIEW

12:35 PM – 1:25 PM – BUILDING A MORE DIVERSE NEXT GENERATION –
DIVERSITY & INCLUSION AND EMERGING MANAGERS

 1:25 PM – 1:40 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

1:40 PM – 2:25 PM – CLIMATE CHANGE – IMPACT, RISKS AND OPPORTUNITIES

 2:25 PM – 2:40 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

2:40 PM – 2:55 PM – CYBERSECURITY RISK

 2:55 PM – 3:10 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

3:10 PM – 3:55 PM – CREDIT STRATEGIES

 3:55 PM – 4:10 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

4:10 PM – 5:00 PM – DISTRESSED INVESTING – OPPORTUNISTIC AND SPECIAL SITUATIONS

 5:00 PM – 5:15 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

FRIDAY, MAY 7TH

12:00 NOON – 12:50 PM – CIO ROUNDTABLE

 12:50 PM – 1:05 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

1:05 PM – 1:50 PM – HEDGE FUNDS

 1:50 PM – 2:05 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

2:05 PM – 2:25 PM – AN ALTERNATIVE TO TRADITIONAL CARRIED INTEREST:
MEASURING PRIVATE MARKET OUTPERFORMANCE

2:30 PM – 3:15 PM – PRIVATE EQUITY

 3:15 PM – 3:30 PM – NETWORKING – ONE-ON-ONE MEETINGS WITH ALLOCATORS/
CONSULTANTS AND MANAGERS

3:30 PM – 4:15 PM – REAL ESTATE

4:20 PM – 5:00 PM – INFRASTRUCTURE



Meeting Date
03/10/2021
Agenda Item
#19b.

Spring Conference

SACRS Board of Directors is proud to announce the SACRS Annual Spring Conference being held May 11-14, 2021. Originally scheduled to be in-person, the conference will transition to an online format, while still retaining its reputation for value to public pension trustees and affiliate members.

Attendees will enjoy a safe and convenient way to advance their education, as they practice CDC social distancing recommendations. The Conference will offer valuable insights on investment, legislative and operation/benefit matters impacting our public pension systems.

Don't miss out on dynamic speakers, valuable trustee training, and the opportunity to share best practices with your professional peers.

REGISTER

CORONAVIRUS DISEASE (COVID-19)

SACRS is closely monitoring information from the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO), and state and local agencies regarding the Coronavirus (COVID-19). We will follow all recommendations and guidelines from these agencies as well as local health departments.

SPEAKER SOLICITATION

If you would like to submit a suggestion to be considered for a presentation, topic or speaker during a session at the conference, please complete the **speaker solicitation form**. The suggestions must be educational, non-marketing and relevant to SACRS attendees.

Registered Attendees will receive their conference link one week prior to conference

Start Date - End Date
May 11, 2021 - May 14, 2021

Early Bird Discount Deadline
Wednesday, March 31, 2021

Regular Registration Deadline
Tuesday, May 11, 2021

- REGISTER
- PRICING
- FUNCTIONS
- LOCATION

Registration Fees

Price Description	Amount
Affiliate Early Pricing	\$300
Affiliate Regular Price	\$350
Affiliate Late Pricing	\$400
Non-Member Pricing	\$500
Speaker Registration	\$0
Speaker Registration	\$0
Affiliate Emeritus	\$0
System Member Pricing	\$120
Non-Profit Member Pricing	\$120