



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
June 10, 2020, 9:00 a.m.

The Board of Retirement meeting will be accessible telephonically at +1 (872) 240-3412, access code 524-186-309 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.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may submit public comment to info@cccera.org 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. Accept comments from the public.
3. Approve minutes from the May 6, 2020 meeting.
4. Routine items for June 10, 2020.
 - 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.

5. Update from Segal on pension administration system project.
6. Consider and take possible action to issue a Request for Proposal for a Pension Administration System vendor.
7. Consider and take possible action to issue a Request for Proposal for Data Cleansing Services.
8. Presentation of 2019 CCCERA budget vs. actual expenses report.
9. Legislative update.
10. 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

May 6, 2020

9:00 a.m.

The Board of Retirement meeting will be accessible telephonically at (646) 749-3122, access code 182-448-693 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.

Present: Candace Andersen, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, William Pigeon, Mike Sloan, Todd Smithey and Russell Watts (by roll call)

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; Tim Hoppe, Retirement Services Manager; and Jasmine Lee, Member Services Manager

Outside Professional Support: Representing:
Howard Marks Oaktree Capital Management, L.P.

1. Pledge of Allegiance

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

2. Recognition of Michelle Reyes for 20 years of service

Smithey recognized and congratulated Michelle Reyes for her 20 years of service.

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 March 11, 2020 and April 8, 2020 meetings. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

5. Routine Items

It was **M/S/C** to approve the routine items of the May 6, 2020 meeting. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

It was the consensus of the Board to move to Item 8.

8. Presentation from Oaktree

Price introduced Howard Marks from Oaktree Capital Management, L.P.

Marks reviewed risks, market cycles and trends as related to the issuance of high yield bonds and how they affect the availability of opportunities in distressed debt. He also reviewed how typical market cycles unfold.

9. Consider and take possible action to cause an election to be held to fill the vacancy in the alternate safety member seat

Levy reviewed the law on filling the upcoming vacancy in the alternate safety seat. It was **M/S/C** to cause an election to be held at the earliest possible date to fill the upcoming vacancy in the alternate safety seat of the Board of Retirement, in accordance with Government Code Section 31523. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Pigeon, Smithey and Watts)

10. Miscellaneous

(a) Staff Report –

Strohl reported CCERA staff is working very hard for the benefit of its members and we are continuing to process retiree payroll on time and make vendor payments. The phone lines have been opened on a limited basis and we are maintaining our essential functions.

Price provided an update on CCCERA's rebalancing activities.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Gordon thanked Strohl and Price for the updates. He also commended Strohl and Andersen for their leadership and feels we are in great hands.

Holcombe appreciated the updates going out to the members.

CLOSED SESSION

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

The Board moved into open session.

6. It was **M/S/C** to deny the service-connected disability application for Ivan Suchel as recommended by the Hearing Officer. (Yes: Andersen, Gordon, Holcombe, Kroll, MacDonald, Phillips, Smithey and Watts. No: Pigeon)
7. There was no reportable action related to Govt. Code Section 54956.9(d)(1). MacDonald recused himself from this item and was no longer present for subsequent discussion and voting.

Andersen and MacDonald were no longer present for subsequent discussion and voting.

It was **M/S/C** to adjourn the meeting. (Yes: Gordon, Holcombe, Kroll, Kwon, Phillips, Pigeon, Smithey and Watts)

Todd Smithey, Chairman

David MacDonald, Secretary

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>
Adams, David	48938	03/31/20	SR	Safety A	Unmodified
Aleridge, Curtis	64809	03/31/20	SR	Tier II and III	Unmodified
Alston, Veronica	38860	03/31/20	SR	Tier II and III	Unmodified
Ambrosini, Lyn	70764	03/31/20	SR	Tier III	Unmodified
Arrington, Pamela	24705	03/14/20	SR	Tier III	Unmodified
Avery, Michael	D7830	03/28/20	SR	Safety A	Unmodified
Baio, Daniel	D7160	03/28/20	SR	Safety A	Unmodified
Baker, William	60631	01/03/20	SR	Safety A	Unmodified
Bartlett, Linda	53037	02/29/20	SR	Tier II and III	Unmodified
Billeci, Todd	47876	03/31/20	SR	Safety A	Unmodified
Blanchette, Stefanie	45833	03/31/20	SR	Tier III	Unmodified
Boylan, John	43055	03/28/20	SR	Tier II and III	Unmodified
Bunting, William	54548	03/31/20	SR	Tier III	Unmodified
Castro, Joyce	D7830	03/31/20	SR	Tier I	Unmodified
Christiansen, Christopher	60907	03/31/20	SR	Safety A	Unmodified
Cicotte, Carolyn	60358	03/31/20	SR	Tier III	Option 1
Crain, Carolyn	63505	03/16/20	SR	Tier II and III	Unmodified
D'Angelica, Debra	60658	03/30/20	SR	Tier III	Unmodified
Deguzman, Beatriz	62233	03/28/20	SR	Tier III	Unmodified
DeHope, Jacqueline	44673	03/30/20	SR	Tier II and III	Unmodified
De Lany, Andrea	45279	03/31/20	SR	Tier II	Unmodified
Doherty, William	66462	03/16/20	SR	Safety A	Option 2
Elford, Kristine	34507	03/31/20	SR	Tier I and III	Unmodified
Ennis, Vera	60753	02/29/20	SR	Safety A	Unmodified
Faust, Beverly	44534	03/28/20	SR	Tier II and III	Unmodified
Frost, Patricia	71559	03/31/20	SR	Tier III	Unmodified
Furtado, Michael	D3406	03/18/20	SR	Tier 1	Unmodified
Garrett, Jeffrey	54163	03/15/20	SR	Safety A	Unmodified
Gilmore, Roderick	60431	02/01/20	SR	Tier II and III	Unmodified
Guest, Susan	43754	03/31/20	SR	Tier III	Unmodified
Hobbs, Vernon	65698	02/21/20	SR	Tier II and III	Unmodified
Hogan, Jane	D9500	03/14/20	SR	Tier II and III	Unmodified
Huddleston, Margaret	74359	03/28/20	SR	Tier I	Unmodified
Johnston, Jacquelyn	44947	03/28/20	SR	Tier III	Unmodified
Leta, Rosemary	51643	03/21/20	SR	Tier II and III	Unmodified
Linde, Margaret	66133	03/28/20	SR	Tier III	Unmodified
March, Gary	47146	02/19/20	SR	Safety A	Unmodified
Marchese, Kenneth	56458	03/28/20	SR	Safety A	Unmodified
Marinello, Sherrie	72581	02/29/20	SR	Tier III	Unmodified
Millado, Nestor	48964	03/01/20	SR	Tier II and III	Unmodified
Morrison, Lance	70638	02/27/20	SCD	Safety A	Unmodified

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

Padmanabhan, Rama	42943	10/31/19	SR	Tier II	Unmodified
Penaloza, Franklin	32101	03/31/20	SR	Safety A	Unmodified
Roney, Gene	56672	03/31/20	SR	Tier III	Unmodified
Roquemore, Michele	54856	02/28/20	SR	Safety A	Unmodified
Samson, Claudia	D7274	03/15/20	SR	Tier I	Unmodified
Santiago, Todd	52274	03/27/20	SR	Safety A	Unmodified
Taglorin, Elmer	55764	02/29/20	SR	Tier III	Unmodified
Wen, Kuo-Chih	54726	03/27/20	SR	Safety A	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			

D. Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Albertsen, Inez	03/03/20	Contra Costa County
Bickford, Kent	05/13/20	Contra Costa County
Birse, Herbert	03/22/20	Contra Costa County
Brennes, Hannibal	04/11/20	Contra Costa County
Byrne, Peter	01/29/20	Contra Costa County
Cevasco, Susan	04/10/20	Contra Costa County
Cole, Ruth	04/05/20	Contra Costa County
Comey, Anita	04/07/20	Contra Costa County
Carey, Chrystal	05/21/20	Contra Costa County
Cristy, William	05/06/20	Contra Costa County
Darms, John	04/13/20	Consolidated Fire
Garcia, Alicia	04/23/20	Contra Costa County
Granacha, Mary	03/12/20	Contra Costa Housing Authority
Julian, Daniel	03/08/20	Contra Costa County
Klement, George	05/20/20	Moraga Fire District
Kryder, Mary	03/28/20	Contra Costa County
Lytle, Cyrille	04/21/20	Contra Costa County
Masterson, Guy	04/17/20	Consolidated Fire
Mouton, Doris	04/14/20	Contra Costa County
Namekata, May	04/01/20	Contra Costa County
Oza, Hansa	04/14/20	Contra Costa County
Pereira, Susan	04/19/20	Contra Costa County
Rock, John	05/19/20	Contra Costa County
Wallace, David	03/29/20	Contra Costa County
Williams Jr., Emmett	03/28/20	Contra Costa County

<u>Option Type</u>	<u>Tier</u>
NSP = Non-Specified	I = Tier I
SCD = Service Connected Disability	II = Tier II
SR = Service Retirement	III = Tier III
NSCD = Non-Service Connected Disability	S/A = Safety Tier A
* = County Advance	S/C = Safety Tier C
Selected w/option	
	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
Adil, Tehmina	89284	P5.2	04/01/20	Contra Costa County
Ahmadi, Marghuba	87082	P5.2	04/01/20	Contra Costa County
Arjona, Christian Louie	89225	P5.2	04/01/20	Contra Costa County
Austin, Alexandra	89316	P5.2	04/01/20	Contra Costa County
Banh, Stephanie	89299	P5.2	04/01/20	Contra Costa County
Barahona, Cheryl	89232	P5.2	04/01/20	Contra Costa County
Battle, Terry	88294	P5.2	04/01/20	Contra Costa County
Bayot, Jomil	81725	P5.2	04/01/20	Contra Costa County
Berestka, Monina	D7274	P4.3	04/01/20	Moraga-Orinda Fire District
Bernal, Carlos	89280	S/E	04/01/20	Contra Costa County
Bostic, Maria	89306	P5.2	04/01/20	Contra Costa County
Brooks, Crystal	89285	P5.2	04/01/20	Contra Costa County
Brown, Tayler	89322	P5.2	04/01/20	Contra Costa County
Bunton, Samuel	89311	P5.2	04/01/20	Contra Costa County
Carmona, Deanna	89302	P4.3	04/01/20	First Five of Contra Costa
Carr, Jonathan	89323	P5.2	04/01/20	Contra Costa County
Choy, Angela	89271	P5.2	04/01/20	Contra Costa County
Chung-Ng, Peiye	89270	P5.2	04/01/20	Contra Costa County
Cox, Rebecca	89242	P5.2	04/01/20	Contra Costa County
DeMaria, Christy	D7160	S/D	04/01/20	East Contra Costa County Fire Protection District
Donato, Erwin	89259	P5.2	04/01/20	Contra Costa County
Donovan, Nicole	D7160	P4.3	04/01/20	East Contra Costa County Fire Protection District
Dugal, Vijay	89303	P5.2	04/01/20	Contra Costa County
Earl, Jackie	89264	P5.2	04/01/20	Contra Costa County
Ehmen-Krause, Esa	89296	S/E	04/01/20	Contra Costa County
Endeshaw, Fikirte	87210	P5.2	04/01/20	Contra Costa County
Farney, Gregory	89290	P5.2	04/01/20	Contra Costa County
Garner, Michael	89308	P5.2	04/01/20	Contra Costa County
Giske, Anna	89288	P5.2	04/01/20	Contra Costa County
Gloria, Carolina	D4980	P4.3	04/01/20	Contra Costa County Employee Retirement Association
Graham, Gorden	D7274	P4.3	04/01/20	Moraga-Orinda Fire District
Gutierrez, Yvangeline	87183	P5.2	04/01/20	Contra Costa County
Hayat, Rebecca	89272	P5.2	04/01/20	Contra Costa County
Ibarra, Ulda	83155	P5.2	04/01/20	Contra Costa County
Jah, Brima	89286	P5.2	04/01/20	Contra Costa County
Jahn, Corey	89309	P5.2	04/01/20	Contra Costa County
Kelly, Sean	89233	S/E	04/01/20	Contra Costa County
Kemp, Sydney	89300	P5.2	04/01/20	Contra Costa County
Kendrick, Bret	89268	S/E	04/01/20	Contra Costa County
Kim, Christina	87843	P5.2	04/01/20	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

Name	Employee Number	Tier	Membership Date	Employer
Kimmel, Carolyn	89230	P5.2	04/01/20	Contra Costa County
Kolb, Katie	88204	S/E	04/01/20	Contra Costa County
Kumar, Asalendra	84594	P5.2	04/01/20	Contra Costa County
Lassalle, Rosa	89281	P5.2	04/01/20	Contra Costa County
Lastimoso, Karren Love	89184	P5.2	04/01/20	Contra Costa County
Lewis-Dixon, Candace	69062	III	04/01/20	Contra Costa County
Maglasang, Ma Lora	78704	P5.2	04/01/20	Contra Costa County
Mangoba, Kassandra	89224	P5.2	04/01/20	Contra Costa County
Manou, Patrick	89269	P5.2	04/01/20	Contra Costa County
McCarl, Kimberly	89250	P5.2	04/01/20	Contra Costa County
McCoy, Shantel	89261	P5.2	04/01/20	Contra Costa County
McInroe, Jennifer	89331	P5.2	04/01/20	Contra Costa County
Millard, Albert	89282	P5.2	04/01/20	Contra Costa County
Miller, Kristin	D9990	P4.3	04/04/20	Contra Costa County Housing Authority
Moore, Ashton	89310	P5.2	04/01/20	Contra Costa County
Moreno, Feliz	89278	P5.2	04/01/20	Contra Costa County
Morris, Amanda	89325	P5.2	04/01/20	Contra Costa County
Oblena, Emmanuel	89283	P5.2	04/01/20	Contra Costa County
Parrish, Dexter	80492	P5.2	04/01/20	Contra Costa County
Phun, Kathie	81890	P5.2	04/01/20	Contra Costa County
Pina, Vanessa	89237	P5.2	04/01/20	Contra Costa County
Pineda, Edgard	89244	P5.2	04/01/20	Contra Costa County
Prince, Jamaria	89295	P5.2	04/01/20	Contra Costa County
Rock, Mabel	89256	S/E	04/01/20	Contra Costa County
Roessler, Jase	89329	P5.2	04/01/20	Contra Costa County
Saeteurn, Feuy	88034	P5.2	04/01/20	Contra Costa County
Santos, Shalise	82392	P5.2	04/01/20	Contra Costa County
Schwanker, Juan	89238	P5.2	04/01/20	Contra Costa County
Shiffer, Jason	89312	P5.2	04/01/20	Contra Costa County
Shonkwiler, Rachael	89287	P5.2	04/01/20	Contra Costa County
Sparks, Sharifa	85389	P5.2	04/01/20	Contra Costa County
Tateo, Michele	86736	P5.2	04/01/20	Contra Costa County
Tewolde, Isaac	88091	P5.2	04/01/20	Contra Costa County
Thompson, Eric	89324	P5.2	04/01/20	Contra Costa County
Urbina, Nicole	87391	P5.2	04/01/20	Contra Costa County
Valenzuela, Enrique	89328	P5.2	04/01/20	Contra Costa County
Watson, Leslie	89192	P5.2	04/01/20	Contra Costa County
Williams, Gabriel	89327	P5.2	04/01/20	Contra Costa County

Key:

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

TIER CHANGES

Name	Employee Number	Old Tier	New Tier	Effective Date	Employer	Reason for Change
Garcia-Licona, Rosa	83378	P4.2	P5.2	04/01/20	Contra Costa County	Contra Costa Fire to Health Services
Jackson (Mayes), Dimitria	89069	P5.2	III	02/01/20	Contra Costa County	Recip In Age & Tier Change
Warden, Christopher	D9500	P5.3	III	1/1/2020	Contra Costa County Superior Courts	Recip In Age & Tier Change

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

Contra Costa County Employees' Retirement Association
Asset Allocation as of April 30, 2020

Meeting Date
06/10/20
Agenda Item
#4

	Market Value	Percentage of Total Fund	Current Target Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
Liquidity						
Sit	602,921,519	6.9%	6.0%	0.9%		
Dimensional Fund Advisors	405,589,452	4.6%	6.0%	-1.4%		
Insight	858,089,834	9.8%	12.0%	-2.2%		
Total Liquidity	1,866,600,804	21.4%	24.0%	-2.6%	24.0%	-2.6%
		Range				
		16% - 28%				
Growth						
Domestic Equity						
Boston Partners	201,010,177	2.3%	2.5%	-0.2%		
Jackson Square	244,951,312	2.8%	2.5%	0.3%		
BlackRock Index Fund	184,809,846	2.1%	2.0%	0.1%		
Emerald Advisors	139,091,467	1.6%	1.5%	0.1%		
Ceredex	119,585,730	1.4%	1.5%	-0.1%		
Total Domestic Equity	889,448,531	10.2%	10.0%	0.2%	5.0%	5.2%
Global & International Equity						
Pyrford (BMO)	420,396,713	4.8%	5.0%	-0.2%		
William Blair	440,338,245	5.0%	5.0%	0.0%		
First Eagle	347,590,727	4.0%	4.0%	-0.0%		
Artisan Global Opportunities	444,412,562	5.1%	4.0%	1.1%		
PIMCO/RAE Emerging Markets	269,511,275	3.1%	4.0%	-0.9%		
TT Emerging Markets	292,110,706	3.3%	4.0%	-0.7%		
Total Global & International Equity	2,214,360,228	25.4%	26.0%	-0.6%	24.0%	1.4%
Private Equity	1,074,785,721	12.3%	11.0%	1.3%	11.0%	1.3%
Private Credit	604,587,020	6.9%	5.0%	1.9%	12.0%	-5.1%
Real Estate - Value Add	182,422,108	2.1%	4.0%	-1.9%	4.0%	-1.9%
Real Estate - Opportunistic & Distress	459,601,485	5.3%	4.0%	1.3%	4.0%	1.3%
Real Estate - REIT (Adelante)	66,164,917	0.8%	1.0%	-0.2%	1.0%	-0.2%
High Yield (Allianz)	190,262,311	2.2%	2.0%	0.2%	0.0%	2.2%
Risk Parity			5.0%	-0.1%	5.0%	-0.1%
AQR GRP EL	216,224,259	2.5%				
PanAgora	210,296,530	2.4%				
Total Other Growth Assets	3,004,344,351	34.4%	32.0%	2.4%	37.0%	-2.6%
Total Growth Assets	6,108,153,110	70.0%	68.0%	2.0%	66.0%	4.0%
		Range				
		60% - 80%				
Risk Diversifying						
AFL-CIO	346,458,519	4.0%	3.5%	0.5%	3.0%	1.0%
Parametric Defensive Equity	175,872,761	2.0%	2.5%	-0.5%	3.5%	-1.5%
Wellington Real Total Return	71,603,011	0.8%	2.0%	-1.2%	3.5%	-2.7%
Total Risk Diversifying	593,934,291	6.8%	8.0%	-1.2%	10.0%	-3.2%
		Range				
		0% - 10%				
Cash and Overlay						
Overlay (Parametric)	43,544,435	0.5%		0.5%		
Cash	112,694,667	1.3%		1.3%		
Total Cash and Overlay	156,239,102	1.8%	0.0%	1.8%	0.0%	1.8%
Total Fund	8,724,927,307	100%	100%		100%	

*Current targets and ranges reflect asset allocation targets accepted by the Board on June 26, 2019 (BOR Resolution 2019-4)

Private Market Investments
As of April 30, 2020

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	2,054,977	0.02%	
Invesco IREF IV	12/01/14	12/01/21				35,000,000	16,901,831	0.19%	5,191,261
Invesco IREF V	09/11/18	09/11/25				75,000,000	33,076,010	0.38%	42,644,651
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	3,575,910	0.04%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	41,410,258	0.47%	
Long Wharf LREP VI	02/05/20					50,000,000	5,717,110	0.07%	43,607,532
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	25,473,622	0.29%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	54,212,390	0.62%	15,697,379
						630,000,000	182,422,108	2.09%	111,086,823
Outstanding Commitments							111,086,823		
Total							293,508,931		

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	21,069,138	0.24%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	78,333,601	0.90%	3,162,610
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	50,033,992	0.57%	20,556,753
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	23,527,733	0.27%	25,050,462
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	4,241,993	0.05%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	28,718,003	0.33%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	50,328,590	0.58%	18,720,000
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	29,666,553	0.34%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	46,830,792	0.54%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	18,229,338	0.21%	4,462,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	23,463,776	0.27%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	21,842,935	0.25%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	63,315,041	0.73%	7,572,500
						830,000,000	459,601,485	5.27%	154,334,480
Outstanding Commitments							154,334,480		
Total							613,935,965		

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	9,640,793	0.11%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	21,577,267	0.25%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	4,138,549	0.05%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				920,000,000	569,230,411	6.52%	385,033,096
						1,274,500,000	604,587,020	6.93%	402,352,879
Outstanding Commitments							402,352,879		
Total							1,006,939,899		

Private Market Investments
As of April 30, 2020

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				244,310,534	146,348,478	1.68%	25,255,080
Adams Street Secondary II	12/31/08	12/31/20				28,365,000	5,933,326	0.07%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				30,845,875	20,308,948	0.23%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				51,037,500	63,077,688	0.72%	23,962,500
AE Industrial Partners Fund II	05/18/18	05/18/28				7,921,855	7,608,903	0.09%	27,078,145
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	2,403,851	0.03%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	9,718,219	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	7,274,161	0.08%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	71,409,097	14,958,655	0.17%	0
EIF USPF IV	06/28/10	06/28/20				63,433,206	40,172,052	0.46%	4
Ares EIF V	09/09/15	11/19/25				48,308,385	46,336,510	0.53%	8,692,054
Genstar Capital Partners IX, L.P.	02/21/19					12,306,038	11,929,381		38,378,208
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				34,816,729	1,691,116	0.02%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				27,000,000	27,034,471	0.31%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				43,500,000	56,618,468	0.65%	6,500,000
Paladin III	08/15/08	08/15/18				34,036,377	47,809,099	0.55%	459,904
Pathway	11/09/98	05/31/21				125,174,335	14,067,446	0.16%	10,671,119
Pathway 2008	12/26/08	12/26/23				29,281,938	18,645,368	0.21%	3,169,483
Pathway 6	05/24/11	05/24/26				38,331,160	37,716,777	0.43%	4,020,237
Pathway 7	02/07/13	02/07/23				65,723,215	74,819,972	0.86%	7,425,943
Pathway 8	11/23/15	11/23/25				40,082,065	52,375,013	0.60%	11,814,606
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				162,441,282	172,742,231	1.98%	45,139,231
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				29,999,802	68,660	0.00%	43,940,900
Siris Partners IV	05/18/18	05/18/28				16,204,485	18,790,695	0.22%	18,795,515
TPG Healthcare Partners, L.P.	06/28/19					2,960,719	2,025,399	0.02%	21,039,281
Trident VIII, L.P.	05/24/19					2,868,551	2,844,950	0.03%	37,131,449
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				74,900,938	69,958,566	0.80%	5,575,523
Aether IV	01/01/16	01/01/28				39,090,752	39,532,342	0.45%	13,174,389
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				44,774,995	40,085,928	0.46%	5,225,005
Wastewater Opportunity Fund	12/31/15	11/30/22				23,769,697	21,889,049	0.25%	1,252,530
						1,564,225,431	1,074,785,721	13.86%	378,799,190
Outstanding Commitments							378,799,190		
Total							1,453,584,911		

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
06/10/20
Agenda Item
#4

**Contra Costa County Employees' Retirement Association
Liquidity Report – April 2020**

April 2020 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$42,500,000	
Liquidity Sub-Portfolio Cash Flow	\$42,500,000	100%
Actual Benefits Paid	\$42,286,161	101%
<i>Next Month's Projected Benefit Payment</i>	<i>\$42,750,000</i>	

Monthly Manager Positioning – April 2020

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
Sit	\$552,669,526	(\$1,250,000)	\$51,501,993	\$602,921,519
DFA	\$413,652,257	(\$14,500,000)	\$6,437,194	\$405,589,452
Insight	\$865,823,667	(\$26,750,000)	\$19,016,167	\$858,089,834
Liquidity	\$1,832,145,450	(\$42,500,000)	\$76,955,354	\$1,866,600,804
Cash	\$242,040,035	\$213,839	(\$129,559,208)	\$112,694,667
Liquidity + Cash	\$2,074,185,485	(\$42,286,161)	(\$52,603,854)	\$1,979,295,471

Functional Roles

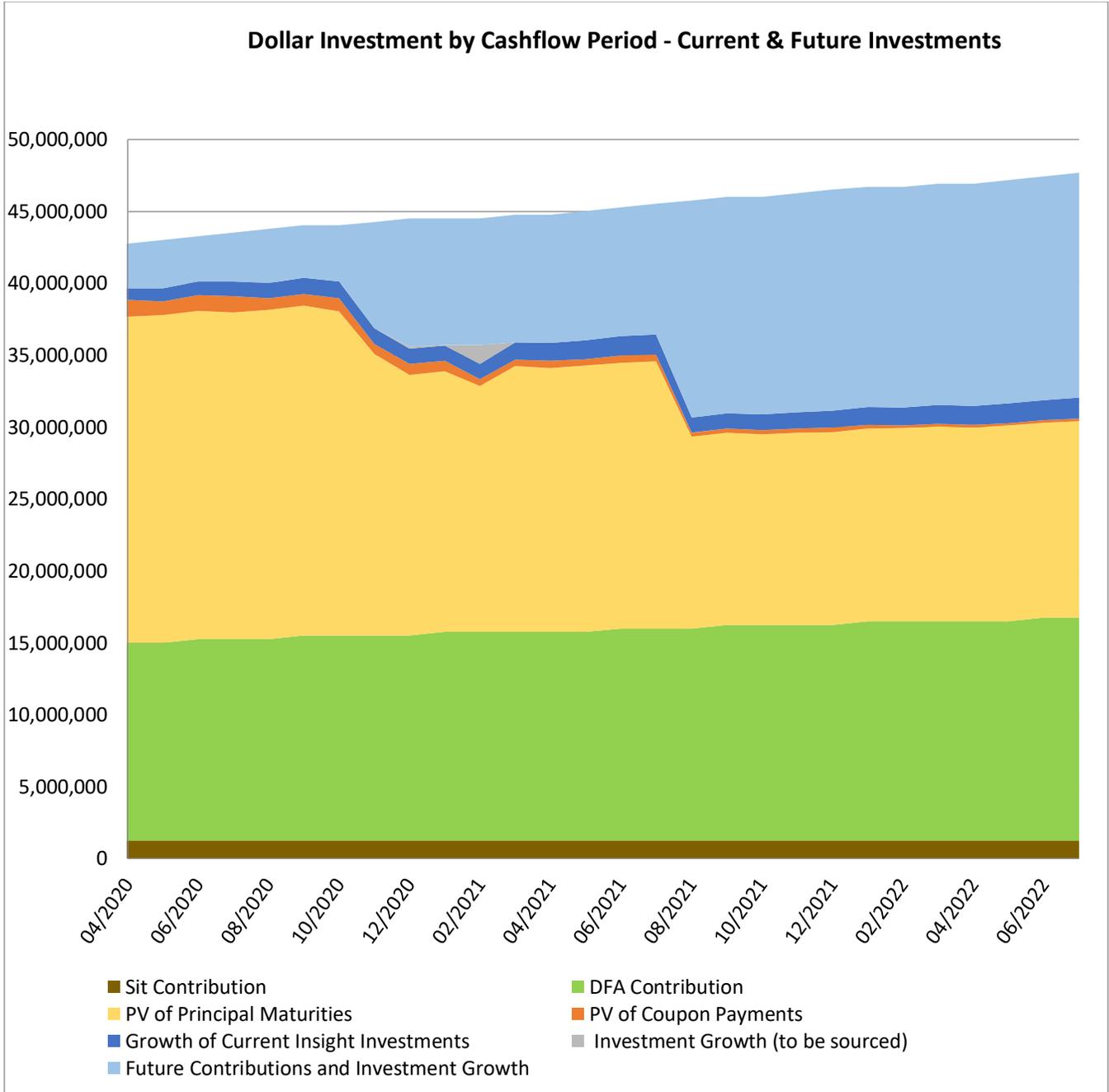
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined 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 fourth cash flow for 2020 from the liquidity program was completed on April 23rd. The actuarial model cash flow was slightly higher than actual experience, producing \$214 thousand more than the actual benefits paid.

Cash Flow Structure

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





Meeting Date
06/10/20
Agenda Item
#5

CCCERA Pension Administration System (PAS)
Modernization Project

Segal's Board Update

June 10, 2020

Presentation Objectives / Topics

- Highlight the Overall Scope of Phase 1 Pension Administration System (PAS) Modernization Project
- Summarize Phase 1 Milestones Completed
- Summarize Phase 1 Milestones Remaining
- PAS RFP Procurement Timeline
- Data Cleansing RFP Procurement Timeline
- Highlight the Phase 2 Scope and Projected Timeframe and Potential Costs
- Address any Questions from the CCCERA Board

Highlight the Overall Scope of Phase 1 PAS Modernization Project

PAS Modernization Project - broken into two phases:

- **Phase 1** – Assess, Define Requirements, and Procurement

ID	Task Name	Baseline Start	Baseline Finish	Finish	% Complete	Actual Finish	Timeline													
							4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter		
							Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Phase 1 - Assess, Define and Procure	Mon 11/11/19	Fri 9/11/20	Fri 11/20/20	67%	NA														
2	M1: Project Initiation	Mon 11/11/19	Mon 12/9/19	Mon 12/9/19	100%	Mon 12/9/19														
3	M2: Operational Assessment	Mon 12/9/19	Fri 2/7/20	Fri 2/7/20	100%	Fri 2/7/20														
4	M3: GAP Analysis	Mon 2/3/20	Tue 4/7/20	Tue 4/7/20	100%	Tue 4/7/20														
5	M4: Develop Comprehensive Business Requi	Mon 12/16/19	Tue 4/7/20	Tue 4/7/20	100%	Tue 4/7/20														
6	M5: Develop IT Plan	Mon 2/10/20	Fri 5/1/20	Fri 5/1/20	100%	Fri 5/1/20														
7	M6: RFP Development	Tue 4/7/20	Thu 5/21/20	Fri 6/26/20	75%	NA														
8	M7: Procurement	Thu 5/21/20	Fri 9/11/20	Fri 11/20/20	0%	NA														

Note: 2-month delay in PAS RFP finalization activities as the official RFP issuance / release was expected around May 2020. Now it is projected to be issued on June 26th, 2020.

Summarize Phase 1 Milestones Completed

Milestone 1 – Project Initiation Phase

- Project Staffing Plan
- Organization Plan
- Quality Plan
- Project Charter
- Baseline Project Schedule
- Deliverable Outlines

Milestone 2 – Operational Assessment Needs

- Visioning Session and Demo(s)
- Operations Needs Assessment Report

Milestone 3 – Identify the Gaps

- Analysis of Current Pension Administration System
- Conduct Review of Business Operations Review Material
- Generate a Prioritized List of Operational Gaps

- ✓ Milestone 1 - Completed
- ✓ Milestone 2 - Completed
- ✓ Milestone 3 - Completed

Summarize Phase 1 Milestones Completed

Milestone 4 – Develop Comprehensive Business Requirements

Business Requirements Analysis
Market Study of Potential Options
Utilize Segal Guidebooks and Data Repositories
Final Report with Recommendations

Milestone 5 – Plan Development

Review Current Technical Infrastructure
Recommend Overall Strategies to Meet Operational and Technical Needs
Build and Deliver a IT Plan that Addresses the Recommendations Above
Provide an Estimate of Costs, Resources, and Schedules

- ✓ Milestone 4 - Completed
- ✓ Milestone 5 - Completed

Summarize Phase 1 Milestones Remaining

Milestone 6 – RFP Development Services

RFP Outline

RFP, Evaluation and Oversight of possible data cleansing project

Goals & Objectives for PAS Modernization

Set of Requirements of PAS Modernization

RFP Development

Milestone 7 – Procurement Services

Vendor List

Bidder Conference Agenda

Bidder Questions and CCCERA Responses

Evaluator Worksheet and Handbook

Reference Check Questionnaire

Questions to and Responses from Bidders

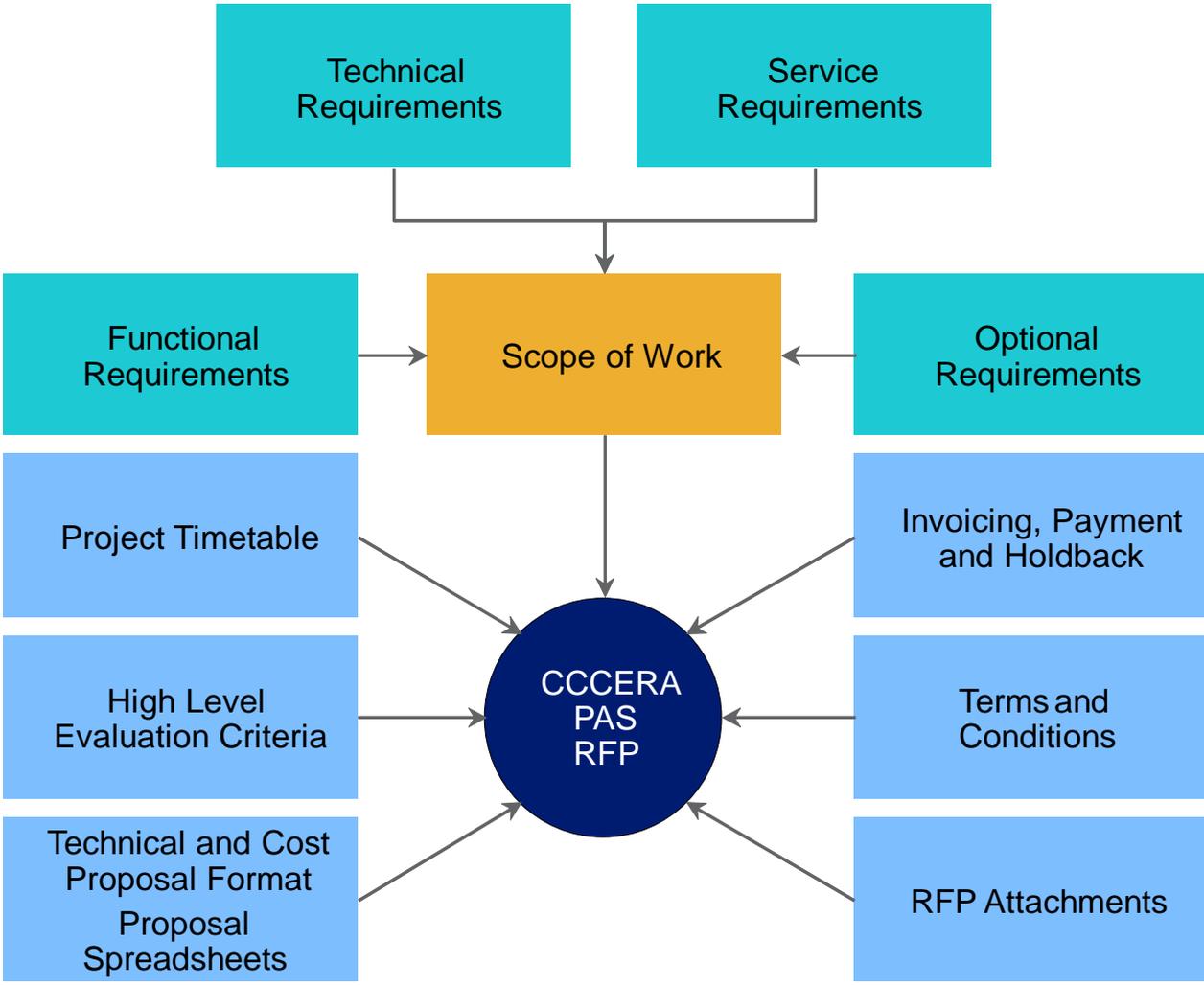
Side-by-Side Cost Comparison

Final RFP Assessment & Evaluation
Proposal Evaluation

- ✓ Milestone 6 - Almost Complete / RFP(s) Ready to Issue
- ✓ Milestone 7 – Activities Underway

Milestone 6: PAS RFP Development

- Approach to Compiling the PAS RFP



PAS RFP Procurement Estimated Timeframe

DATE	ACTIVITY
June 26, 2020	Anticipated PAS RFP Release Date
July 10, 2020	Due Date for Pre-Bid Questions
July 24, 2020	CCCERA Response to Pre-Bid Questions
August 28, 2020	Deadline for Receipt of Proposals
September 21 st to 25 th , 2020	Hold Scripted Product Demonstrations / Presentations
October 16, 2020	Finalize Evaluation / Notify Successful Vendor
November 30, 2020	Project Starts

Data Cleansing RFP Procurement Estimated Timeline

DATE	ACTIVITY
June 26, 2020	Anticipated Data Cleansing RFP Release Date
July 10, 2020	Due Date for Pre-Bid Questions
July 17, 2020	CCCERA Response to Pre-Bid Questions
July 31, 2020	Deadline for Receipt of Proposals
August 14, 2020	Finalize Evaluation / Notify Successful Vendor
September 7, 2020	Project Starts

Phase 2 - Scope

- Vendor Project Initiation / Start Up
- Initial Licensing / Infrastructure Implementation / Hosting Setup
- Imaging (ECMS) System Implementation / Image Migration
- Data Cleansing and Conversion
- Pension Administration System (PAS) Implementation
 - Requirements
 - Design
 - Development / Customization
 - Testing
 - Training
 - Parallel Testing
 - Legacy System Decommission
 - Go-Live / Rollout
- System Warranty
- Segal Project Management / OPM / QA Services
- System Post Implementation Support
- Ongoing Hosting Services

Projected Phase 2 - Timeframes

PAS Implementation Vendor

- Estimated Project Start Date – 12/1/2020
- Expectation of a 36 to 42 month Implementation timeframe
- Estimation of System Go-Live in early 2024
- Continuation of 12-months of System Warranty and Post Implementation Support
- Continuation of ongoing Hosting Services

Data Cleansing Vendor

- Estimated Project Start Date – 9/7/2020
- Ongoing data cleansing effort in parallel with PAS project
- Ongoing data conversion extraction effort in parallel with PAS project

Estimating Phase 2 – Costs

- Segal maintains a comprehensive database of pension project information;
 - ✓ 25-years of pension implementation experience
 - ✓ Over 70 pension implementation projects
 - ✓ Use of “Multi-Variate Calculator” to test range
- Specifically referenced and compared five (5) similar sized retirement system projects to that of the CCCERA Modernization project. Attributes:
 - ✓ Recent (i.e., within the past 2 to 5 years)
 - ✓ Similar requirements
 - ✓ Similar staffing levels as CCCERA
 - ✓ Similar participant counts

Projected Phase 2 – Potential Costs

Project Activity	Projected Cost (Low)	Projected Cost (High)	Projected Cost (Average)
One-Time Costs:			
Initial Licensing / Infrastructure	\$200,000	\$600,000	\$400,000
Imaging (ECMS) System Implementation / Image Migration	\$200,000	\$800,000	\$500,000
Data Cleansing and Conversion	\$500,000	\$1,500,000	\$1,000,000
Pension Administration System (PAS) Implementation	\$5,000,000	\$11,000,000	\$8,000,000
System Warranty	\$200,000	\$600,000	\$400,000
Sub-Total One-Time Costs	\$6,100,000	\$14,500,000	\$10,300,000
Segal Project Management / OPM / QA Services	\$1,404,000	\$1,404,000	\$1,404,000
TOTAL One-Time Costs	\$7,504,000	\$15,904,000	\$11,704,000
Annual Recurring Costs:			
System Post Implementation Support	\$200,000	\$600,000	\$400,000
Ongoing Hosting Services	\$100,000	\$300,000	\$200,000

Cost Drivers

- **Complexity** – the degree of complexity of the solution being implemented.
- **Marketplace / Timing** – what is going on in the marketplace at the time a client is pursuing a new solution, (i.e., if there is a lot of work ‘available’ or if there is a lack of work for the vendor).
- **Vendor Backlog** – among each of the vendors, what is their backlog, how many projects are ending, how many staff are on or are about to be on overhead.
- **Client and/or County’s Reputation / Risk** – what is the retirement system and/or the County’s reputation in the marketplace vis-à-vis previous projects, previous litigation / settlement, previous “false starts”, etc.
- **Travel Costs** – what is the cost to travel to the client site, along with hotels and meals.
- **Vendor Dynamics** – are the number of vendors decreasing, or is it increasing, are some vendors redesigning their solution, or marketing their existing one – competitive factor.

However Segal can help CCCERA control costs by including cost provisions and/or a “Cap” amount as part of the RFP Process.

Questions...?





Meeting Date
06/10/20
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#6

MEMORANDUM

Date: June 10, 2020
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Consider and take possible action to issue a Request for Proposal for a Pension Administration System vendor.

Overview

Technology is an important component in CCCERA's ability to provide pension benefits and administer the system prudently. There have been a number of technological improvements in service delivery in the marketplace since CCCERA first implemented its current pension administration system. Last Fall, Segal began working with CCCERA to determine system requirements and assist with the RFP preparation. In order to better serve members and improve how the system is administered, it is requested that a Request for Proposal be issued for a Pension Administration System vendor.

Recommendation

Consider and take possible action to issue a Request for Proposal for a Pension Administration System vendor.



<i>Meeting Date</i> 06/10/20 <i>Agenda Item</i> #7

MEMORANDUM

Date: June 10, 2020
To: CCCERA Board of Retirement
From: Gail Strohl, Chief Executive Officer
Subject: Consider and take possible action to issue a Request for Proposal for Data Cleansing Services.

Overview

CCCERA has been working with Segal in making preparations for the possible conversion to a new pension administration system. In order to have a more efficient and effective process, it is desired to have a data cleansing vendor already working on the project prior to the beginning of the conversion to a new system. This vendor would conduct a data assessment and assist with data cleansing and data migration to a new pension administration system.

Recommendation

Consider and take possible action to issue a Request for Proposal for Data Cleansing Services.



Meeting Date
06/10/20
Agenda Item
#8

MEMORANDUM

Date: June 10, 2020
To: CCCERA Board of Retirement
From: Henry Gudino, Accounting Manager
Subject: Review of 2019 CCCERA budget versus actual expenses report

Background

Enclosed please find a budget versus actuals expense update report for the 2019 fiscal year from January 1 through December 31, 2019. The update is divided into three sections including: Total CCCERA departments including Administrative and Non-Administrative expenses (p.1), followed by separate Total Administrative (p.2) and Total Non-Administrative expense sections (p.3).

Administrative departmental expenses include Executive, Compliance, Administrative/ HR, Accounting, Information Technology, Retirement Services, and Member Services. Non-Administrative expenses include Investments and Legal, any other departmental legal fees, and Disaster Recovery program costs.

For the year ended December 31, 2019; total CCCERA expenses amounted to \$13,138,341 of which \$10,200,473 was Administrative and \$2,937,868 was Non-Administrative. Administrative expenses when compared to the 2019 approved Administrative budget of \$10,760,800 resulted in a favorable under budget variance of \$560,327 or 5% of budget.

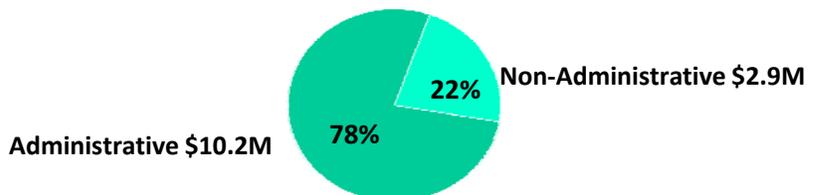
Section 31580.2 of the California Government Code sets a statutory limit for administrative expenses to be capped at 0.21% of the most current Actuarial Accrued Liability (AAL). Last measured as of December 31, 2018, the AAL is \$9,682,143,750 which results in a statutory limit of approximately \$20.3 million. The 2019 Administrative expenses of \$10.2 million are 0.105% of the AAL and well under the limit amount.

Recommendation

This memo is for informational purposes only, and no action is required.

**Contra Costa County Employees' Retirement Association
FY2019 Total Budget vs Actual Expenses
Including Administrative & Non-Administrative Departments**

	2019 Budget		2019 Actuals		\$ (over) under	% (over) under
Personnel Services:						
Salaries and Wages	\$ 6,087,900	\$	6,039,560	\$	48,340	1%
Employee Benefits and Retirement	4,700,000		4,273,512		426,488	9%
Total Personnel Services	10,787,900		10,313,072		474,828	4%
Operational Expenses:						
Professional Services						
Outside Legal Counsel Services	626,000		370,785		255,215	41%
Audit Services	267,000		134,346		132,654	50%
Actuary - Benefit Statements	75,000		82,720		(7,720)	(10%)
Disability Hearing/ Medical Reviews	150,000		104,177		45,823	31%
Other Professional Services	6,200		3,966		2,234	36%
Total Professional Services	1,124,200		695,994		428,206	38%
Office Expenses:						
Office Lease	501,200		446,271		54,929	11%
Telephone & Internet Services	61,500		117,218		(55,718)	(91%)
Equipment Lease & Maintenance	25,000		25,457		(457)	(2%)
Furniture & Equipment	11,000		15,290		(4,290)	(39%)
Office Supplies & Maintenance	114,500		130,025		(15,525)	(14%)
Printing & Postage	134,500		124,441		10,059	7%
Training & Education	165,000		97,590		67,410	41%
Travel & Transportation	230,100		183,158		46,942	20%
Insurance	260,000		260,342		(342)	(0%)
Total Office Expenses	1,502,800		1,399,792		103,008	7%
Information Technology Systems:						
Support Service & Software Contracts	437,300		491,453		(54,153)	(12%)
Hardware & Equipment Maintenance	62,600		14,403		48,197	77%
Project Consulting	85,000		65,491		19,509	23%
Total IT Systems	584,900		571,347		13,553	2%
Assets Depreciation	212,200		158,136		54,064	25%
Total CCCERA Expenses	\$ 14,212,000	\$	13,138,341	\$	1,073,659	8%



**CCCERA Administrative
FY2019 Budget vs Actual Expenses**

	2019 Budget	2019 Actuals	\$ (over) under	% (over) under
Personnel Services:				
Salaries and Wages	\$ 4,612,900	\$ 4,666,864	\$ (53,964)	(1%)
Employee Benefits and Retirement	3,727,900	3,459,721	268,179	7%
Total Personnel Services	8,340,800	8,126,585	214,215	3%
Operational Expenses:				
Professional Services				
Audit Services	267,000	134,346	132,654	50%
Actuary - Benefit Statements	75,000	82,720	(7,720)	(10%)
Disability Hearing/ Medical Reviews	150,000	104,177	45,823	31%
Other Professional Services	5,200	3,911	1,289	25%
Total Professional Services	497,200	325,154	172,046	35%
Office Expenses:				
Office Lease	459,700	401,685	58,015	13%
Telephone & Internet Services	47,100	91,723	(44,623)	(95%)
Equipment Lease & Maintenance	25,000	25,457	(457)	(2%)
Furniture & Equipment	10,000	12,227	(2,227)	(22%)
Office Supplies & Maintenance	106,500	120,758	(14,258)	(13%)
Printing & Postage	132,800	123,924	8,876	7%
Training & Education	144,500	86,314	58,186	40%
Travel & Transportation	130,900	85,417	45,483	35%
Insurance	260,000	260,342	(342)	(0%)
Total Office Expenses	1,316,500	1,207,847	108,653	8%
Information Technology Systems:				
Support Service & Software Contracts	311,100	353,684	(42,584)	(14%)
Hardware & Equipment Maintenance	49,500	13,875	35,625	72%
Project Consulting	65,000	41,741	23,259	36%
Total IT Systems	425,600	409,300	16,300	4%
Assets Depreciation	180,700	131,587	49,113	27%
Total Administrative Expenses	\$ 10,760,800	\$ 10,200,473	\$ 560,327	5%

**CCCERA Non-Administrative
FY2019 Budget vs Actual Expenses**

	2019 Budget	2019 Actuals	\$ (over) under	% (over) under
Personnel Services:				
Salaries and Wages	\$ 1,475,000	\$ 1,372,696	\$ 102,304	7%
Employee Benefits and Retirement	972,100	813,791	158,309	16%
Total Personnel Services	2,447,100	2,186,487	260,613	11%
Operational Expenses:				
Professional Services				
Fiduciary & General Legal Counsel	398,000	204,797	193,203	49%
Investment Legal Counsel	150,000	126,616	23,384	16%
Disability Legal Services	78,000	39,372	38,628	50%
Other Professional Services	1,000	55	945	95%
Total Professional Services	627,000	370,840	256,160	41%
Office Expenses:				
Office Lease	41,500	44,586	(3,086)	(7%)
Telephone & Internet Services	14,400	25,495	(11,095)	(77%)
Furniture & Equipment	1,000	3,063	(2,063)	(206%)
Office Supplies & Maintenance	8,000	9,267	(1,267)	(16%)
Printing & Postage	1,700	517	1,183	70%
Training & Education	20,500	11,276	9,224	45%
Travel & Transportation	99,200	97,741	1,459	1%
Total Office Expenses	186,300	191,945	(5,645)	(3%)
Information Technology Systems:				
Support Service & Software Contracts	126,200	137,769	(11,569)	(9%)
Hardware & Equipment Maintenance	13,100	528	12,572	96%
Project Consulting	20,000	23,750	(3,750)	(19%)
Total IT Systems	159,300	162,047	(2,747)	(2%)
Assets Depreciation	31,500	26,549	4,951	16%
Total Non-Administrative Expenses	\$ 3,451,200	\$ 2,937,868	\$ 513,332	15%



Meeting Date
06/10/20
Agenda Item
#9

MEMORANDUM

Date: June 10, 2020
To: CCCERA Board of Retirement
From: Karen Levy, General Counsel
Subject: Legislation Update

Background

The California Legislature reconvened on January 6, 2020 to begin the second year of the 2019-2020 legislative session. The Legislature recessed due to the Coronavirus (COVID-19) pandemic and reconvened in May 2020. Below is a summary of bills pending with the State Legislature that may be of interest to CCCERA, as well as a number of executive orders issued in the State of California and federal laws enacted as a result of the COVID-19 pandemic.

I. Executive Orders

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California as a result of the threat of COVID-19. Once the state of emergency has been declared by the Governor, state law grants various powers to its chief executive under the California Emergency Services Act. (Government Code Sections 8550-8669.7.) During the COVID-19 pandemic, the Governor has issued more than thirty executive orders to temporarily address the emergency situation.

On March 12, 2020, the Governor issued Executive Order (EO) N-25-20, ordering that all residents are to heed any orders and guidance of state and local public health official to control the spread of COVID-19. In addition, the EO temporarily suspended:

1. Certain open meetings rules, to allow state and local legislative bodies to hold public meetings via teleconferencing and make public meetings accessible telephonically or otherwise electronically to members of the public seeking to attend and address the legislative body. (The suspension was further clarified in EO N-29-20); and
2. Certain rules restricting public retirees from becoming temporarily reemployed or otherwise provide service to their former public employer. Consistent with federal law, work hour limitations and wait period requirements for retired annuitants have been

suspended. Employers are required to notify the director of the California Department of Human Resources of any individual employed pursuant to this Executive Order. (EO N-35-20 subsequently clarified that that suspension “shall also apply to local governments, as applicable, to ensure adequate staffing to appropriately respond to the COVID-19 pandemic.”)

II. Federal Laws

The **Families First Coronavirus Response Act (FFCRA)** was enacted on March 18, 2020 to address employee sick leave for specified reasons related to COVID-19. The FFCRA requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The FFCRA new paid leave requirements are administered and enforced by the U.S. Department of Labor, Wage and Hour Division.

The **Coronavirus Aid, Relief, and Economic Security Act (CARES Act)** was enacted on March 27, 2020 to address the economic consequences of the COVID-19 pandemic. The CARES Act included an over \$2 trillion economic relief package to workers, families, and small businesses. The administration of the CARES Act is with the U.S. Department of the Treasury. Of interest to CCCERA is a provision in the CARES Act regarding the tax treatment of Coronavirus-related distributions. Per Internal Revenue Service guidelines, a qualified individual may treat a distribution that meets the requirements to be a coronavirus-related distribution as coronavirus-related on the individual's federal income tax return.

(<https://www.irs.gov/newsroom/coronavirus-related-relief-for-retirement-plans-and-iras-questions-and-answers>.)

III. Pending State Legislation

AB 992 Open Meetings: Local Agencies: Social Media Introduced by Assembly Member Mullin

The Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines “meeting” for purposes of the act and prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body. This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

Status: Senate Committee on Rules

AB 2473 Public Investment Fund**Introduced by Assembly Member Cooper**

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law excludes from the disclosure requirement certain records regarding alternative investments in which public investment funds invest. This bill would exempt from disclosure under the act specified records regarding an internally managed private loan made directly by a public investment fund, including quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. Current constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

Status: Assembly Appropriations Committee.

AB 2659 Public Agencies: Information Practices**Introduced by Assembly Member Chen**

The Information Practices Act of 1977 prescribes a set of requirements, prohibitions, and remedies applicable to state agencies, as defined, with regard to their collection, storage, and disclosure of personal information. The act specifically requires an agency to establish rules of conduct for persons involved in the design, development, operation, disclosure, or maintenance of records containing personal information and to instruct these people with respect to the rules and the requirements of the act. This bill would require that the above-described rules of conduct include security awareness and training policies and procedures. This bill would amend California Civil Code Section 1798.20.

Status: Assembly Committee on Privacy and Consumer Protection.

AB 2676 California Public Records Act: Exemptions**Introduced by Assembly Member Quirk**

Current law exempts from disclosure critical infrastructure information, as defined, that is voluntarily submitted to the Office of Emergency Services for use by that office, including the identity of the person who or entity that voluntarily submitted the information. This law defines “voluntarily submitted” for that purpose. This bill would remove the restriction that the submission be voluntary, thereby expanding that exemption. Current constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect. The California Constitution also requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the

enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.

Status: Assembly Judiciary Committee.

AB 2937 County Employees Retirement Law of 1937: Non-Service Connected Disability Retirement

Introduced by Assembly Member Fong

This bill would create an optional provision, to be elected by a county board of supervisors by resolution adopted by majority vote, that would remove the retirement board's assessment regarding the intemperate use of alcoholic liquor or drugs as a condition for receiving an annuity plus a pension. Currently, if the disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part, their disability retirement sum consists of an annuity only without a pension. (Government Code Sections 31726, 31726.5, 31838.)

Status: Assembly Public Employment and Retirement Committee.

SB 783 County Employees Retirement Law of 1937

Introduced by Committee on Labor, Public Employment and Retirement (Senators Hill (Chair), Jackson, Mitchell, Morrell and Pan)

This bill could correct several cross-references within CERL.

Status: Assembly Public Employment and Retirement Committee.

SB 931 Local Government Meetings: Agenda and Documents

Introduced by Senator Wieckowski

The Brown Act requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require, if the local agency has an internet website, a legislative body or its designee to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. The bill would require, where the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a website link containing the documents by electronic mail or by other electronic means, the legislative body or its designee to send by electronic mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements.

Status: Senate Committee on Governance and Finance.

SB 1297 Public Employees' Retirement**Introduced by Senator Moorlach**

This bill would revise the provision of pension and other benefits to members of all state or local public retirement systems. The bill would apply its provisions prospectively to any member of a state or local public retirement system who is employed upon the date of its enactment and to any person who may be employed and become a member thereafter. The bill would:

- void any limit on a pension that prohibits the pension from exceeding a percentage of final compensation, as specified;
- prohibit a local entity from establishing a deferred retirement option program, as described, and if a local entity has established a deferred retirement option program, whether or not the program is closed to new participants, it would be required to disenroll any participating employees and close the program; with regard to any member of a state or local public retirement system, the bill would require that final annual compensation used for purposes of ascertaining any pension or benefit be calculated as an average of the member's three highest earning years;
- prohibit, for any method of calculating a pension that is based on fractional percentage of final compensation multiplied by years of service with respect to a particular age at retirement, that fractional percentage from exceeding 2.7%;
- include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities;
- require that an agency participating in PERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member;
- require that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time;
- require, if multiple employers cause increased liability, that the liability be apportioned equitably among them; and
- apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2021.

Status: Senate Committee on Labor, Public Employment and Retirement.

Recommendation

Receive and File.