AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING	Board Conference Room
September 25, 2024	1200 Concord Avenue, Suite 350
9:00 a.m.	Concord, California

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

1. Pledge of Allegiance.

2. Public Comment (3 minutes/speaker).

3. Approve minutes from the August 28, 2024 meeting. (Action Item)

CLOSED SESSION

4. The Board will go into closed session under Gov. Code Section 54957(b)(1) to consider the evaluation of performance of a public employee:

   Title: Chief Executive Officer

OPEN SESSION

5. Review of real estate investment performance and pacing recommendation. (Presentation Item)

6. Consider and take possible action to amend the CCCERA Board of Retirement Regulations. (Action Item)

7. Consider and take possible action to issue a request for proposal for labor relations consultant Services and a Request for Proposal to provide labor and employment law consultant services. (Action Item)

8. Consider authorizing the attendance of Board: (Action Item)
   a. Pension Bridge Real Assets, December 9-10, 2024, Austin, TX.
   b. NCPERS 2025 Pension Communications Summit, January 26-27, 2025,

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.

Washington, DC.

c. NCPERS 2025 Legislative Conference & Policy Day, January 27-29, 2025, Washington, DC.

9. Miscellaneous
   a. Staff Report
   b. Outside Professionals' Report
   c. Trustees' comments

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

Meeting Date
09/25/2024
Agenda Item
#3

Contra Costa County Employees' Retirement Association

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING	Board Conference Room
August 28, 2024	1200 Concord Avenue, Suite 350
9:00 a.m.	Concord, California

BOARD MEMBER CANDACE ANDERSEN PARTICIPATED IN THE BOARD MEETING VIA TELECONFERENCE AT THE LOCATION LISTED BELOW.

TELECONFERENCE LOCATION:
1516 KAMOLE STREET
HONOLULU, HI 96821

Present: Candace Andersen, Dennis Chebotarev, Donald Finley, Scott Gordon, Jerry Holcombe, Jay Kwon, David MacDonald, Dan Mierzwa, John Phillips, Mike Sloan, and Samson Wong

Absent: Louie Kroll

Staff: Christina Dunn, Chief Executive Officer; Colin Bishop, Deputy Chief Executive Officer; Karen Levy, General Counsel; and Tim Price, Chief Investment Officer

Outside Professional Support:	Representing:
Danny Sullivan	Verus

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

2. **Accept comments from the public**
   No member of the public offered comment.

3. **Approve minutes from the July 24, 2024 meeting**
   It was **M/S/C** to approve the minutes from the from the July 24, 2024 meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, and Sloan).

4. **<u>Presentation of asset allocation implementation plan</u>**
   Price presented the asset allocation implementation plan.

5. **<u>Consider and take possible action to adopt Board of Retirement Resolution No. 2024-4, Investment Asset Allocation Targets and Ranges</u>**
   It was **M/S/C** to adopt Board of Retirement Resolution No. 2024-4, Investment Asset Allocation Targets and Ranges. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, and Sloan).

Wong was available for subsequent discussion and voting.

6. **<u>Review of total portfolio performance for period ending June 30, 2024</u>**
   a. Presentation from Verus - Sullivan reviewed CCCERA's investment fund performance for the period ending June 30, 2024.
   b. Presentation from staff - Price reviewed CCCERA's sub-portfolios noting the fund largely performed as expected, exhibiting returns above expectations for the amount of risk taken over the long term.

7. **<u>Review of report on Risk Diversifying Sub-portfolio</u>**

   Price and Mitch Taylor presented the Risk Diversifying Sub-portfolio report.

8. **<u>Consider and take possible action to issue a request for proposals for investment consultant services</u>**

   It was **M/S/C** to issue a request for proposals for both general and specialty investment consultant services. (Yes: Andersen, Chebotarev, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, Sloan, and Wong).

9. **<u>Consider and take possible action to establish an investment committee and adopt an investment committee charter</u>**

   It was **M/S/C** to establish an investment committee and adopt an investment committee charter with a re-evaluation of the committee in twenty-four months. (Yes: Andersen, Chebotarev, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, Sloan, and Wong).

   Investment committee members:

David MacDonald	Chairperson
Jay Kwon	Vice Chairperson
John Phillips	Committee Member
Dan Mierzwa	Committee Member

10. <u>Consider and take possible action to approve pay code lists</u>

It was **M/S/C** to approve the pay code lists. (Yes: Andersen, Chebotarev, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, Sloan, and Wong).

11. <u>Consider and take possible action on SACRS voting proxy form</u>

It was **M/S/C** to appoint Mike Sloan as the Voting Delegate and Dan Mierzwa as the alternate at the upcoming SACRS Conference. (Yes: Andersen, Chebotarev, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, Sloan, and Wong).

12. **<u>Report from Audit Committee Chair on the August 14, 2024 Audit Committee meeting</u>**

Phillips reported on the August 14, 2024 Audit Committee meeting.

13. <u>Miscellaneous:</u>

a. Staff Report – Dunn reported CCCERA has contracted with Aon for strategic planning services. She noted Sagitec pension administration system functionality training for staff would begin next month.

b. Outside Professionals' Report – None

c. Trustees' Comments – MacDonald reported on the NCPERS's Public Pension Funding Forum.

It was **M/S/C** to adjourn the meeting. (Yes: Andersen, Chebotarev, Gordon, Holcombe, MacDonald, Mierzwa, Phillips, Sloan, and Wong)

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Scott W. Gordon, Chairperson Jerry R. Holcombe, Secretary

Verus

Meeting Date
09/25/2024
Agenda Item
#5

PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS

SEPTEMBER 2024

Private Real Estate Review

Contra Costa County Employees’ Retirement Association

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VERUSINVESTMENTS.COM

SEATTLE 206.622.3700
CHICAGO 312.815.5228
PITTSBURGH 412.784.6678
LOS ANGELES 310.297.1777
SAN FRANCISCO 415.362.3484

Executive Summary

— CCCERA's private real estate program has performed roughly in line with expectations with varying levels of performance across GPs, based on sector concentrations and vintage year.

— Our proprietary pacing model estimates continued annual commitments of approximately $400-$450 million are required to meet long-term allocation goals.

— Current market conditions favor light industrial, multi-family housing, and non-traditional sectors.

— Distressed and opportunistic funds may provide an attractive use of capital in the current market environment.

— Private capital (real estate debt) providers are facing less competition from traditional bank lending sources, which may also provide an attractive opportunity in the current environment.

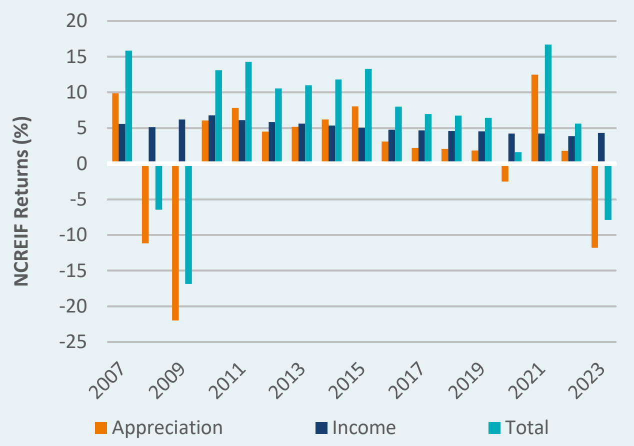
— CCCERA maintains a public REIT allocation, which provides additional exposure to the asset class as the private program ramps up; a recent addition to the REIT allocation includes positions in non-traditional sectors.

Market review

Performance

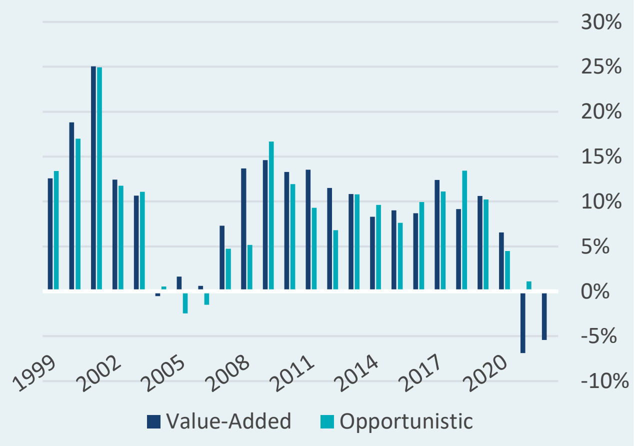
- Core real estate was negative in 2023. The unlevered NPI Index was down 7.9%, with the levered NFI-ODCE Index down 12.0%. 1st quarter of 2024 was also negative for both indices at -1.0% and -2.4%, respectively.
- Since late 2022, core real estate has experienced six consecutive quarters of write-downs, totaling negative 11.3% for the unlevered NPI Index and negative 18.4% for the levered NFI-ODCE Index.
- In 2023, every core sector was negative, ranging from office at -17.6% to retail at -0.9%. After years of performance headwinds and capital flight, retail assets that survived obsolescence are experiencing renewed interest.
- Non-core real estate vintage funds have historically outperformed during recessionary years and early recovery periods (e.g., 2000-2003 and 2009-2011) as market dislocations created attractive entry valuations. Given the recent stress in the market, current non-core vintages could be attractive, especially opportunistic strategies with a focus on distress.

NCREIF PROPERTY INDEX RETURNS (CORE)



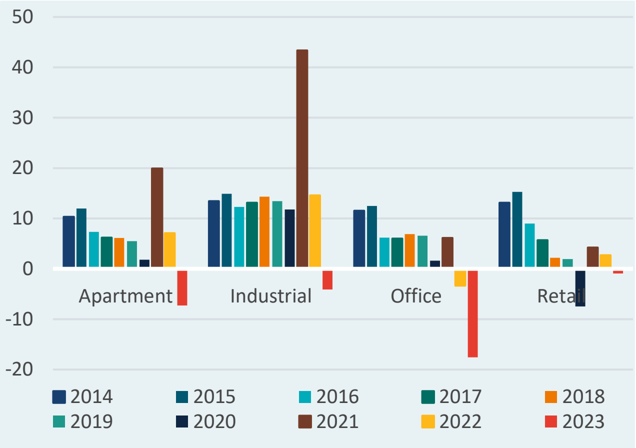
Source: NCREIF, as of 12/31/23

VINTAGE YEAR MEDIAN RETURN (%) NON-CORE REAL ESTATE



Source: Refinitiv, as of 9/30/23

CORE SECTOR ANNUAL RETURNS (%)

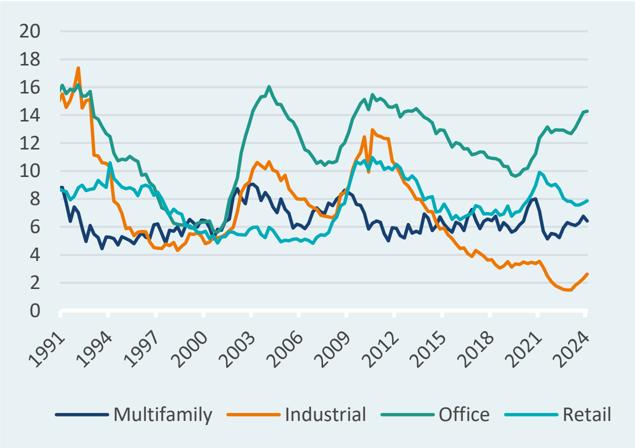


Source: NCREIF, as of 12/31/23

Fundamentals

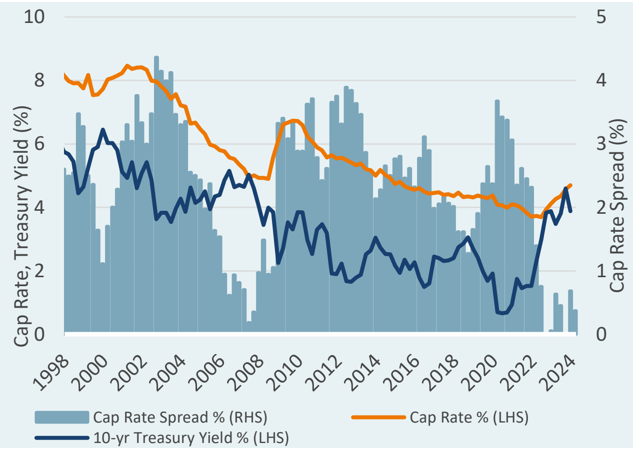
- Private real estate fundamentals have generally weakened over the last year with vacancy rates ticking upward and net operating income trending downward.
- Cap rates spreads however, have bounced around zero as they have been adjusting to the higher interest rate environment. While cap rates and interest rates do not trade in lockstep over shorter time periods, they generally correlate with each other over the long run. Since mid 2022, interest rates have climbed 3%, while appraisal cap rates have climbed 1%. The valuation process lags, and we expect continued pressure on cap rates, likely through 2024.
- Vacancy rates have been ticking upward for all sectors, with the exception of retail, which has trended down recently due to lack of new supply from years of underinvestment.
- NOI growth has come down from the highs of 2021 and early 2022 but remain positive for all sectors including office, although office has been bouncing around zero.

VACANCY BY PROPERTY TYPE



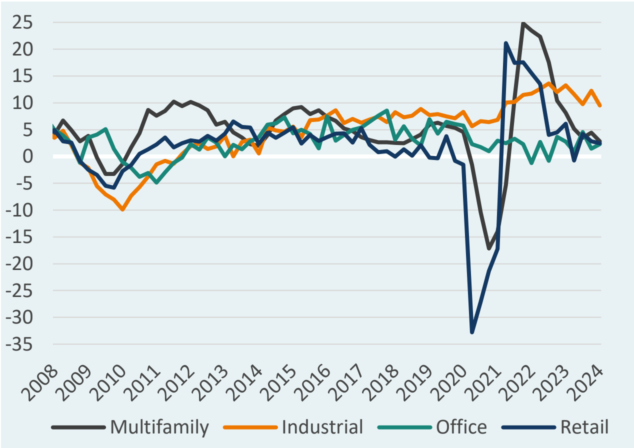
Source: NCREIF, as of 3/31/24

CAP RATE SPREADS



Source: FRED, NCREIF, as of 3/31/24

4-QTR ROLLING NOI GROWTH (%) BY PROPERTY TYPE

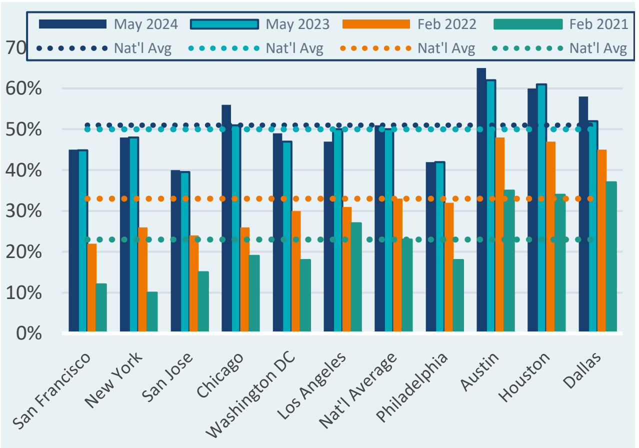


Source: NCREIF, as of 3/31/24

Office – challenges persist

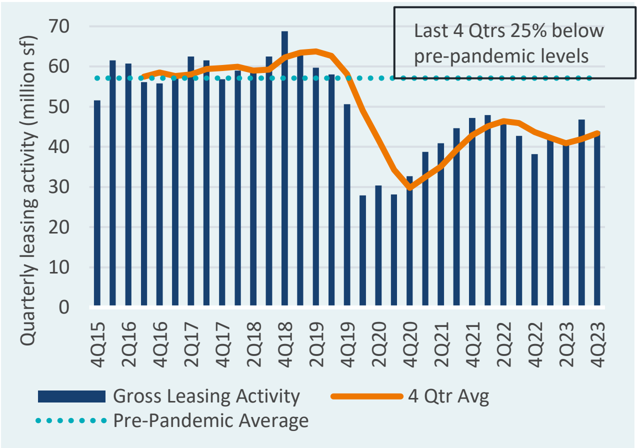
- Physical occupancy remains at 51% of pre-covid levels (nationally) and has not seen any significant improvement over the last 12 months. Structural shifts remain with most companies embracing a hybrid work environment.
- Peak office usage on a given week is modestly higher as peak Tuesday office usage is averaging 60%, leaving room for employers to continue to shrink their office footprints.
- New leasing activity is trending slightly upward, however is still down 25% relative to pre-pandemic levels.
- We continue to see a bifurcation in demand with new leasing activity gravitating towards newer office buildings with more attractive amenities. Office buildings delivered since 2015 have experienced positive net absorption since Covid while all other buildings are facing net tenant outflows.
- The leasing cycle for office tends to average 5-7 years, so many leases are still at pre-pandemic levels. Values remain uncertain and will likely take several years to work through the system and fully reset. Capital is scarce for office assets, leading to few transactions and financing is a challenge as lenders are reducing exposures to the sector.

OFFICE PHYSICAL USAGE TRENDS



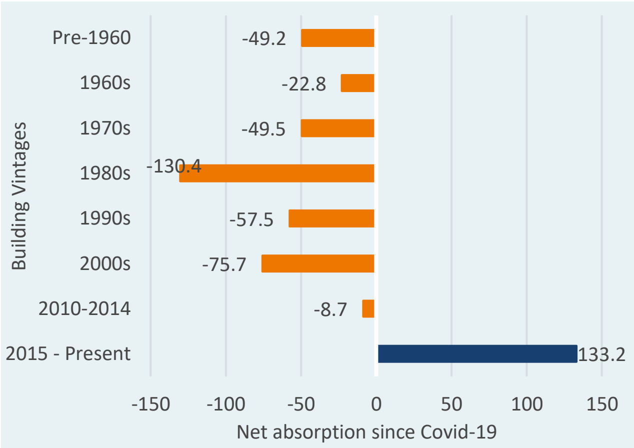
Source: Kastle, 5/13/24

OFFICE LEASING ACTIVITY (QUARTERLY)



Source: JLL, March 2024

FLIGHT TO QUALITY – NET LEASING ACTIVITY

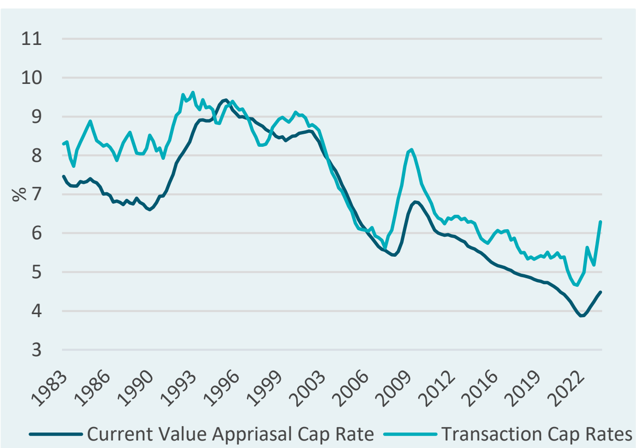


Source: JLL, March 2024

Cap rates

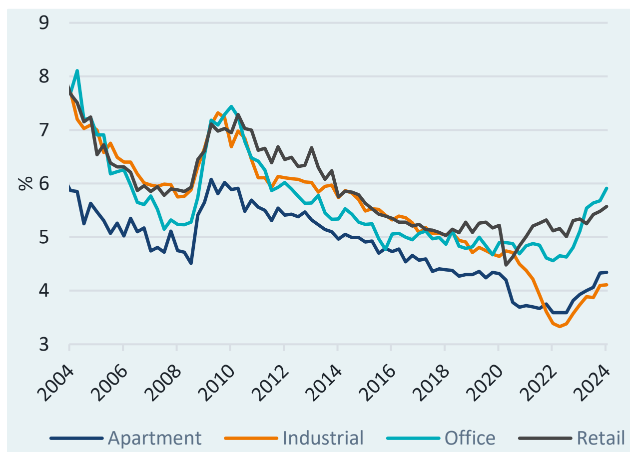
- Private real estate appraisal cap rates have been slower to react to the rising interest rate environment. This is not atypical, as the appraisal process generally lags when there is a decline in transaction volumes and fewer comparable sales or “comps” for appraisers to use as a data set.
- Where transactions are taking place, there is a continued widening gap with appraised values, indicating there is more downside to come in private valuations as they adjust to “market”.
- We have also seen a widening gap over the last several years between property types as industrial and multifamily have been in favor with investors, versus office and retail. Private market cap rates have come up 0.7% over the last 2 years (through the end of ‘23).
- We can also look to the public real estate markets for an idea of where cap rates are heading. Implied cap rates in the REIT market have moved up quickly as indicated in the chart on the bottom right. Implied cap rates are more volatile but can be a leading indicator directionally as they are quicker to respond than the appraisal process.

PRIVATE CAP RATES (4-QTR MOVING AVERAGES)



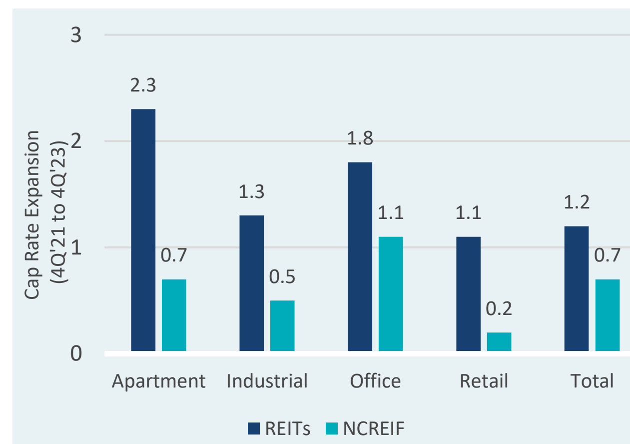
Source: NCREIF, 3/31/2024

CURRENT VALUE CAP RATES BY PROPERTY TYPE



Source: NCREIF, 3/31/2024

PRIVATE CAP RATES VS REIT IMPLIED CAP RATES



Source: NCREIF, NAREIT, 12/31/23

New supply and absorption

Demand has declined recently while new completions remains elevated.

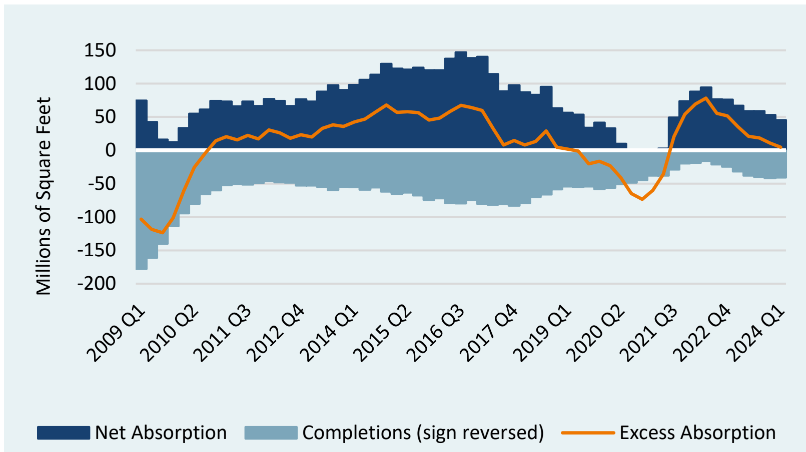
Demand has been declining across most segments of CRE markets.

Excess net absorption has been negative (with the exception of retail) as higher levels of new construction from years prior are hitting the market.

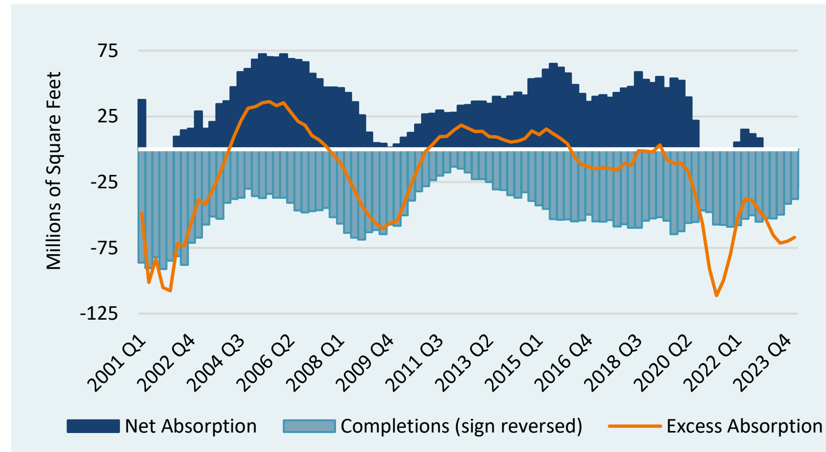
Given higher construction costs and availability of debt, new permitting has declined, indicating new supply may begin to trend back down.

Retail is the one bright spot for this metric, as new completions remain muted.

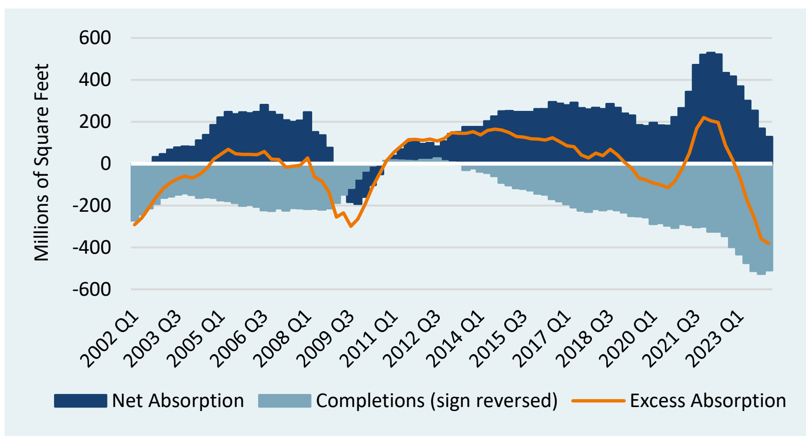
RETAIL



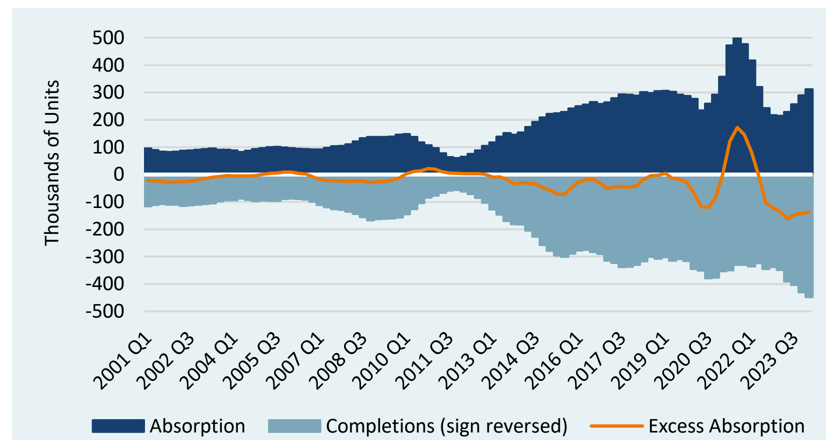
OFFICE



INDUSTRIAL



MULTIFAMILY



Source: American Realty Advisors utilizing CoStar data as of 12/31/23

Fundraising

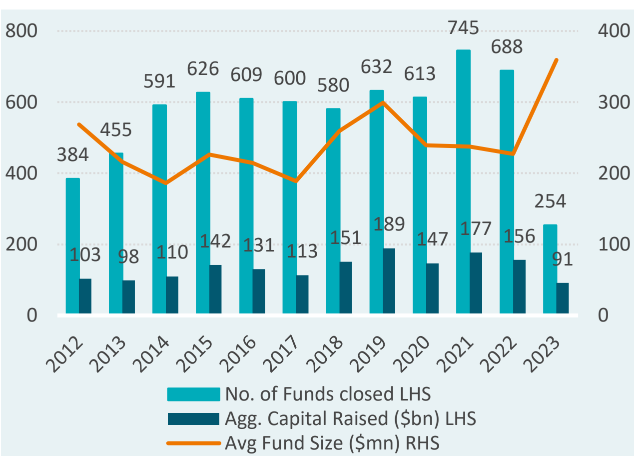
— The number of funds closed declined substantially over the last year with the total amount of capital raised coming down as well. The average fund size was higher overall. Many funds are staying in market much longer, extending final closes past initial target dates.

— Dry powder in the closed-end fund space has come down slightly, off record highs. Transaction volumes have continued to be depressed.

— The majority of funds that closed the last couple of years were targeting opportunistic and distressed strategies, a shift from prior years where value-add was relatively higher. Investor preference appears to be for funds that can take advantage of stressed market opportunities and/or investing through the capital structure.

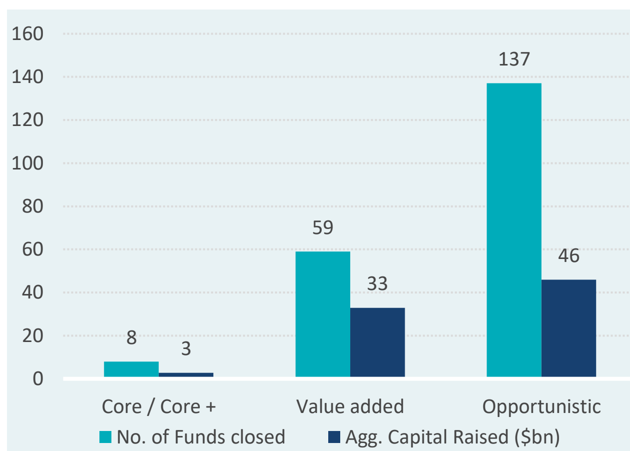
— Current core real estate open-end fund redemption queues total over $39 billion (averaging 17% of NAV) from 21 core funds that Verus recently surveyed. This has grown from $33 billion a year prior, and most funds expect to take well over a year to satisfy redemption queues. As core funds continue to re-price, delivering negative returns, redemptions have hit levels not seen since the GFC.

HISTORICAL PRIVATE REAL ESTATE CLOSED-END FUNDRAISING ($B)



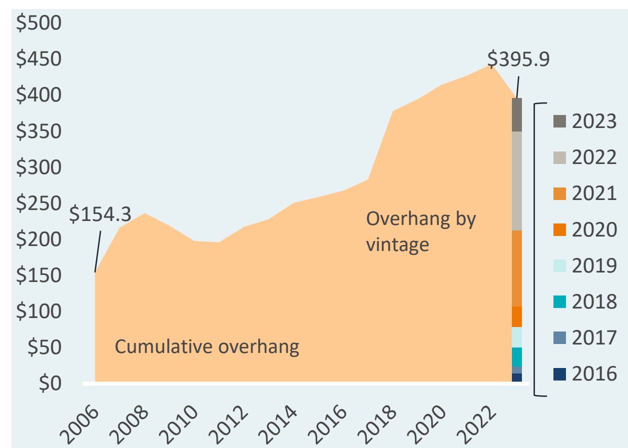
Source: Pitchbook, as of 12/31/23

2023 PRIVATE REAL ESTATE CLOSED-END FUNDRAISING ($B) BY STRATEGY



Source: Pitchbook, as of 12/31/23 (Opportunistic includes Distressed)

DRY POWDER ($B) – CLOSED-END FUNDS



Source: Pitchbook, 12/31/2023

Real estate debt

— Spreads within commercial real estate lending have come down slightly from one year ago. With base rates moving from 0 to 5% in two years and CRE spreads at a premium to corporate loans, we still see an attractive risk-adjusted return for lending strategies.

— CMBS spreads have widened dramatically between higher-quality and lower-quality rated bonds. Higher-quality bonds are trading at relatively tight spreads while BBBs are trading at near-record highs. Exposure to office assets within CMBS has contributed to spread volatility.

— We would caution that some evergreen CRE debt strategies have continued to experience defaults/write-downs with additional valuation pressures possible, especially from office loans.

— Transaction volumes have fallen off over the last two years, though private capital is facing less competition from traditional lenders (banks and insurance companies) as many are de-risking their portfolios.

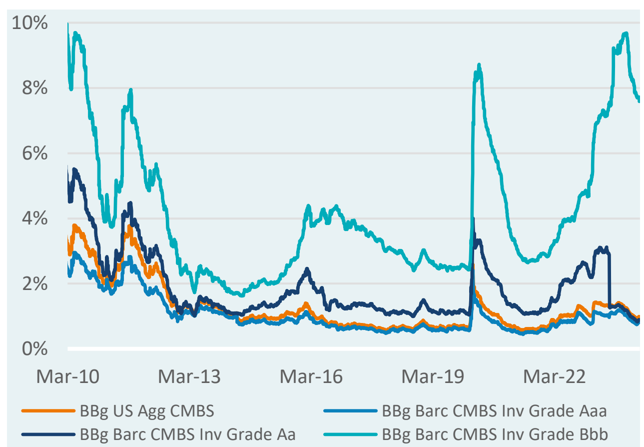
— Lending standards have tightened up for all loan types but particularly for construction and development loans.

PRIVATE MARKET LENDING SPREADS

	Stable Asset Whole Loans	Transitional Asset Whole Loans	Lower Risk Mezz	Transitional Asset Mezz & Pref Equity	Developme nt Loan Mezz & Pref Equity
Capital Stack	0 - 65% LTV	0 - 80% LTV	50-65% LTV	65-80% LTC	65 - 80% LTC
Duration	2-5 Years	2-5 Years	2-7 Years	2-4 Years	2-4 Years
Typical Lending Spreads	SOFR + 1.5-1.75%	SOFR + 2.65 – 4.25%	SOFR + 4.0-5.5%	SOFR + 6.0 - 8.0%	SOFR + 11-14%

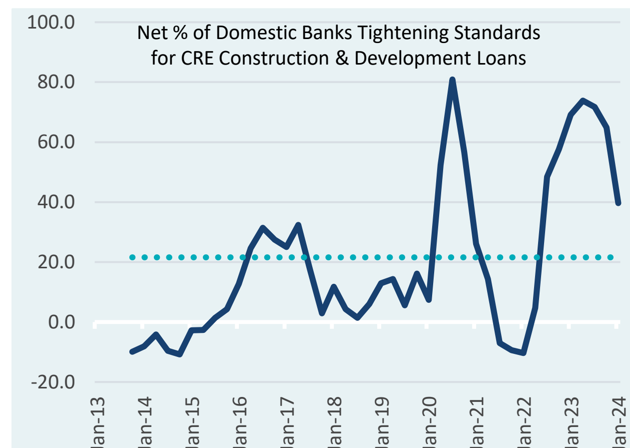
Source: PGIM, as of 5/28/24

CMBS SPREADS



Source: Bloomberg, as of 5/6/24

DECLINE IN CONSTRUCTION FINANCING

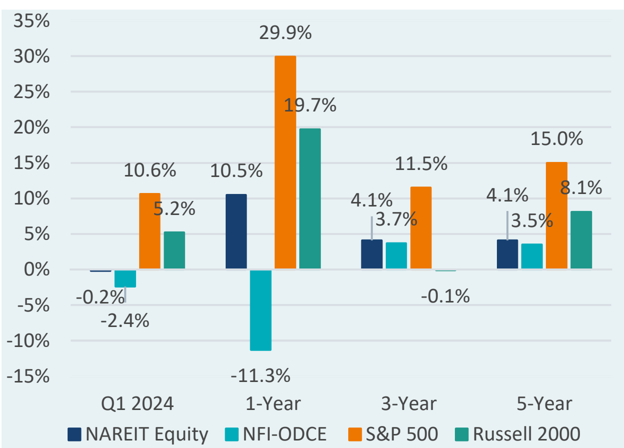


Source: CenterSquare, The Federal Reserve, as of January 2024

REITs

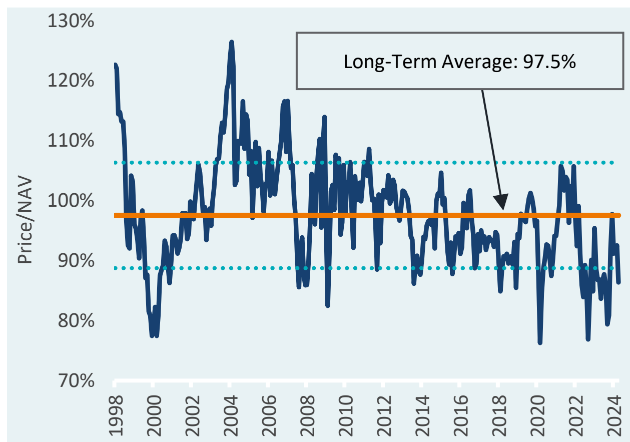
- REITs were flat in 1Q'24, underperforming the S&P 500 by 10% in the quarter. REITs also underperformed broader equities in calendar year 2023 (16.1% vs 26.3% for S&P 500) and in 2022 (-26.8% vs -18.1% for the S&P 500).
- REITs have outperformed private core real estate over the last year by over 20% (+10.5% vs -11.3% for NFI-ODCE Index) and now have similar returns to private core real estate over 3- and 5-year trailing periods.
- REITs are currently trading at a discount of approximately 12% of NAV through April 2024, a reasonable entry point for those looking to get into the asset class.
- We are neutral on REITs; while there are moderate discounts to NAV, the volatility in the asset class make it difficult to be tactical and the NAVs themselves are going to be volatile given the valuation uncertainty in real estate more broadly.
- REITs do offer differentiated exposures vs private core real estate. Outside of the four main property types, core real estate exposure to other property types is 8-10%, while REIT exposure to those same non-core sectors is greater than 50% and has been increasing over the last two decades as shown below.

REIT PERFORMANCE



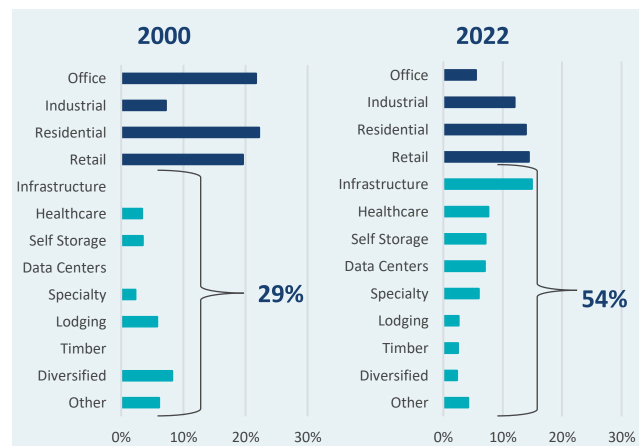
Source: Bloomberg, NAREIT, NCREIF, as of 3/31/24

REIT PRICE TO NAV



Source: CenterSquare, as of 4/30/24

GROWTH IN ALTERNATIVE PROPERTY TYPES



Source: NAREIT

Outlook summary

Strategy	Current Environment	Potential Risks	Outlook/Implementation	View
Core real estate	Core real estate has experienced six straight quarters of negative total returns as valuations have been steadily adjusting downward. The NFI ODCE was down 12% in 2023 and is down over 18% over the last six quarters (through 1Q'24). The primary reason has been adjusting to the higher interest rate environment; however, fundamentals have softened with rising vacancy rates, declining growth rates, higher costs of debt, and an over-supply in certain markets and property types.	— Cap rates have not yet fully adjusted to the new higher interest rate environment, and we expect more to come in 2024, especially in the office sector. — Core real estate returns tend to have high correlation to overall GDP growth. There are risks to weakening fundamentals if a recession materializes.	We recommend clients continue to rebalance/ take liquidity from core ODCE funds where possible, although redemption exit queues continue to pay only modest liquidity. We recommend continued diversification into alternative property types to reduce existing exposures to office, which may face longer-term challenges.	**Negative**
Value-add real estate	The costs of leverage remains elevated, making it difficult for strategies historically reliant upon leverage to make deals pencil out. Transaction levels remain subdued for value-add investments as some sellers remain reluctant to trade at deeply discounted pricing. Some deals are getting done where a catalyst exists, such as the need to refinance/ restructure and we are seeing some transactions completed where there are opportunities to add value, such as mark to market leases. Entry pricing is more favorable on a go-forward basis.	— Higher interest rates and borrowing costs have challenged high leverage value-add strategies, pressuring total returns. — Slowing rent growth in a cooling economy has the potential to further reduce forecasted returns	We continue to favor strategies with limited focus on high leverage and those with strong asset management and internal operating capabilities to add value as cap rate compression and market growth will be less reliable sources of return.	**Neutral**
Opportunistic real estate	The steep rise in interest rates that began in 2022 has created pockets of stress and distress in the real estate market. Many asset owners in need of refinancing face a gap in their capital stack as values have declined and credit standards have tightened. Borrowers will be forced to get creative with financing as they often lack fresh equity capital and want to minimize their dilution. Preferred equity financing, structured solutions, and investments in debt may see attractive opportunities.	— Higher interest rates and borrowing costs have challenged high leverage opportunistic strategies, pressuring total returns. — Competition could be a challenge as large sums of capital have been raised waiting for this opportunity to emerge. — Increasing construction costs due to materials and labor may pressure development strategies.	Non-core funds with vintage years during periods of economic stress tend to be some of the best performing vintages. The impact from higher rates will likely create more attractive entry points. Loans coming due at higher borrowing costs and at higher loan-to-values sets the stage for opportunities to provide rescue capital. GPs with experience in distressed situations and those able to be flexible up and down the cap stack are viewed favorably.	**Positive**
Real estate debt	Lending rates have increased, both from floating rate base rates as well as spreads. Traditional lending sources (banks and insurance companies) are retreating from writing loans as they continue to reduce risk across their balance sheets. Loan maturities coming due over the next few years will need refinancing and private lenders are well positioned to take advantage of the opportunity.	— Rising rates, while generally positive for lending strategies, could also decrease transaction volumes and therefore increase competition for deals. — Loan defaults are also on the horizon so having capabilities to structure workouts will be important.	Levered whole loan strategies look attractive as borrowing costs have risen, both in base rates and spreads. Private capital providers look attractive as there will be less competition from traditional lending sources. Construction financing is also receiving a premium due to lack of competition in the market.	**Positive**

Outlook summary (continued)

Strategy	Current Environment	Potential Risks	Outlook/Implementation	View
REITs	REITs have continued to lag the broader equity market in 1Q'24 (0% vs 10.6%), 2023 (16% vs 26%), and 2022 (-27% vs -18%). Valuations have been adjusting to the higher interest rate environment, much faster than the private market real estate appraisal process. REITs appear to have a more favorable valuation profile when viewed from an implied cap rate perspective, although fundamentals continue to show some weakness overall.	— REITs have higher leverage than core real estate. — Rising interest rates can have a negative effect on REITs and all yield-sensitive assets over short periods. — REITs are sensitive to economic decline and general equity market volatility.	Verus believes REITs can provide liquid exposure to real estate with the following caveats: high sensitivity to equity market volatility over shorter holding periods, higher leverage, and higher exposures to non-core sectors. Active management is preferred. REIT valuations are currently at a discount; however, this has been volatile and difficult to time.	**Neutral**

Portfolio review

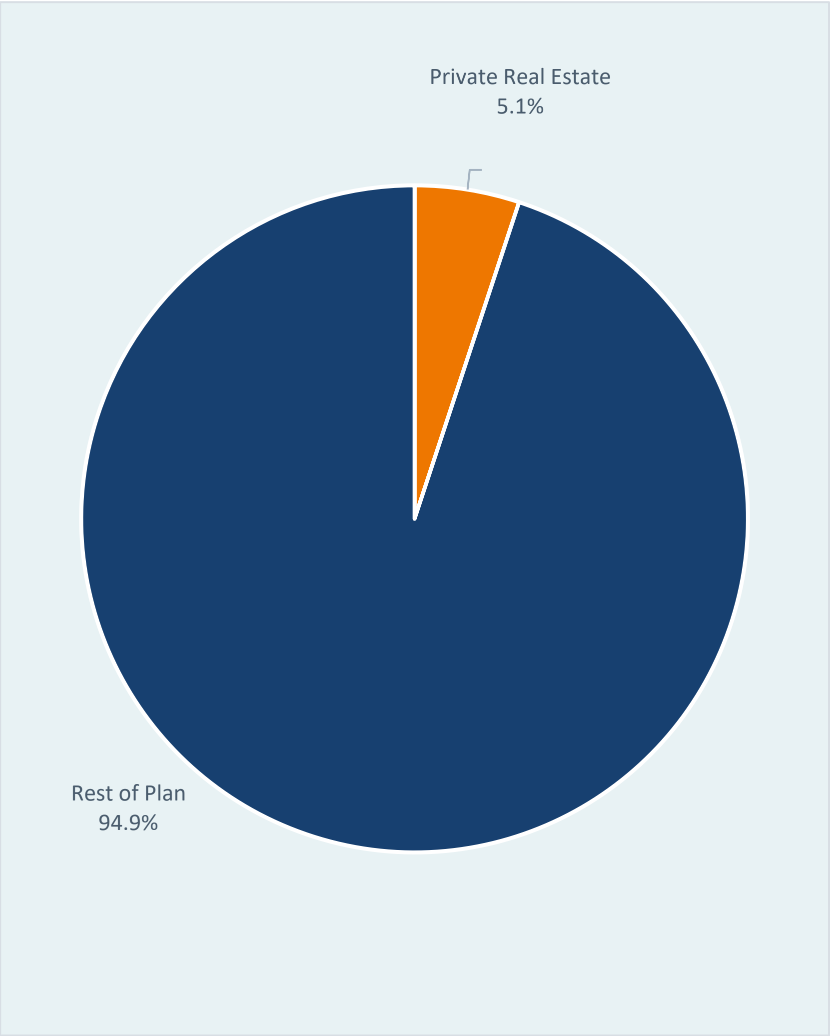
CCCERA portfolio allocation

Asset Class	Current Actual (6/30/24)	Current Policy Target[1]	Long Term Policy[2]
Growth	**76.7%**	**70.0%**	**73.0%**
Public Equities	43.2%	38.0%	28.0%
High Yield	1.4%	0.0%	0.0%
Multi-asset credit	0.0%	3.0%	4.0%
REITs	1.9%	2.0%	0.0%
Private Real Estate Equity	5.1%	5.0%	7.0%
Private Real Estate Debt	0%	0%	3.0%
Private Equity	11.7%	10.0%	15.0%
Private Credit	10.3%	10.0%	13.0%
Infrastructure	0.0%	2.0%	3.0%
Risk Parity	3.1%	0.0%	0.0%
Diversifying	**7.0%**	**8.0%**	**10.0%**
Liquidity	**14.1%**	**17.0%**	**17.0%**
Cash	**2.1%**	**5.0%**	**0.0%**

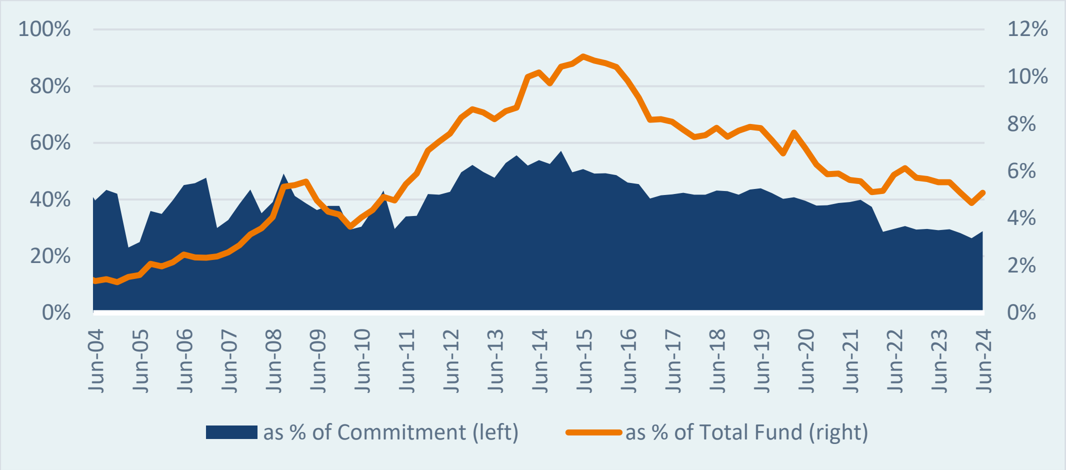
Public market investment in REITs remains the best holding place, as the private markets real estate portfolio continues to be built out.

(1) From Investment Asset Allocation Resolution 2024-4
(2) Long Term Policy approved 7/24/2024

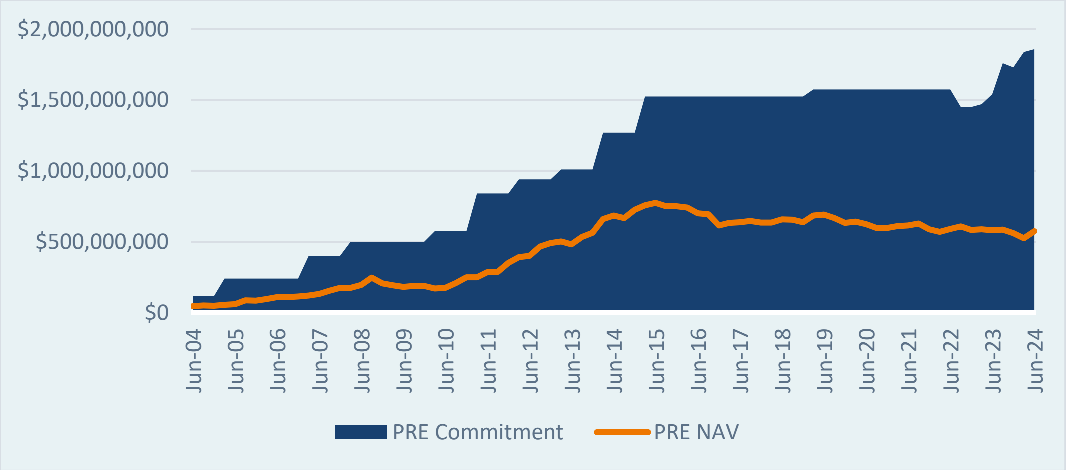
Private real estate program at a glance



PRIVATE REAL ESTATE VALUE AS % OF COMMITMENT AND TOTAL FUND



PRIVATE REAL ESTATE IN DOLLAR TERMS



as of 6/30/24. Commitment values are cumulative from 2004 onward.

Current holdings

Total Fund

Closed End Funds - Investment Summary

Contra Costa County Employees' Retirement Association

Period Ending: June 30, 2024

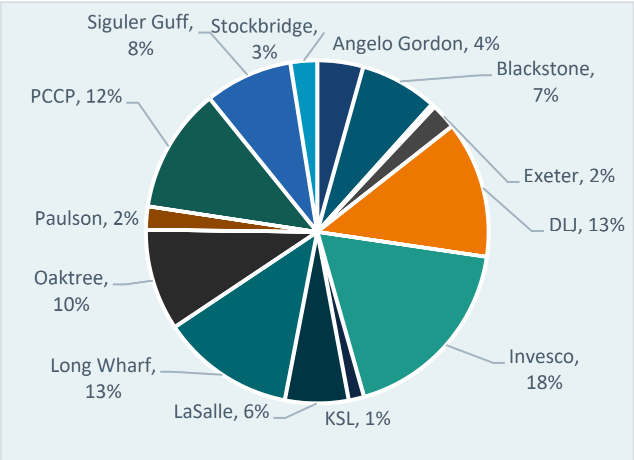
Inception Date	Manager Name/Fund Name	Estimated Market Value as of 6/30/2024[1]	Total Commitment	Total % Called	Capital Called	Current Qtr. Capital Called	Current Qtr. Distributions	Total Distributions[5]	Remaining Commitment	Distrib./ Paid-In (DPI)[2]	Tot. Value/ Paid-In (TVPI)[3]	Latest Valuation
			Verus Internal Analysis									
Real Estate												
1/23/2012	Angelo Gordon Realty Fund VIII[4]	$8,618,767	$80,000,000	94%	$75,401,855	$0	$0	$101,711,550	$12,334,302	1.35	1.46	3/31/2024
12/8/2014	Angelo Gordon Realty Fund IX	$16,277,597	$65,000,000	93%	$60,125,000	$0	$1,300,000	$59,312,501	$7,572,500	0.99	1.26	3/31/2024
3/24/2023	BlackStone Strategic Partners Real Estate VIII	$17,619,730	$80,000,000	21%	$16,656,030	$8,935,285	$0	$0	$63,343,970	0.00	1.06	3/31/2024
3/24/2023	Blackstone Real Estate Partners X	$24,377,636	$100,000,000	25%	$25,244,264	$18,770,635	$0	$0	$74,755,736	0.00	0.97	3/31/2024
12/14/2023	Cross Lake RE IV	$411,560	$60,000,000	3%	$1,880,326	$0	$0	$0	$58,119,674	0.00	0.22	3/31/2024
3/18/2024	Cross Lake RE IV SRO AIV	$1,607,871	$8,975,352	17%	$1,495,894	$0	$0	$0	$7,479,458	0.00	1.07	3/31/2024
6/23/2005	DLJ RECP III	$11,272,264	$75,000,000	95%	$70,968,662	$0	$0	$77,985,055	$4,031,338	1.10	1.26	3/31/2024
2/11/2008	DLJ RECP IV	$35,422,822	$100,000,000	119%	$118,794,333	$0	$0	$99,841,735	$1,876,084	0.84	1.14	3/31/2024
7/1/2014	DLJ RECP V	$12,259,819	$75,000,000	146%	$109,393,496	$0	$0	$100,933,448	$1,766,747	0.92	1.03	3/31/2024
3/19/2019	DLJ RECP VI	$15,080,536	$50,000,000	88%	$43,951,508	$5,454,749	$0	$11,369,099	$15,396,028	0.26	0.60	3/31/2024
12/14/2023	EQT Exeter Industrial Value Fund VI	$13,862,806	$60,000,000	25%	$15,000,000	$9,000,000	$0	$0	$45,000,000	0.00	0.92	3/31/2024
N/A	EQT Multifamily Value II	$0	$40,000,000	0%	$0	$0	$0	$0	$40,000,000	N/A	N/A	N/A
6/30/2014	Invesco Real Estate IV[4]	$110,579	$35,000,000	87%	$30,546,401	$0	$209,179	$39,986,504	$4,453,599	1.31	1.31	3/31/2024
2/20/2019	Invesco Real Estate V	$57,133,237	$75,000,000	87%	$65,318,898	$0	$0	$9,319,462	$9,681,102	0.14	1.02	6/30/2024
9/27/2022	Invesco Real Estate VI	$47,545,781	$100,000,000	57%	$56,734,047	$841,121	$0	$2,230,131	$66,873,408	0.04	0.88	3/31/2024
11/10/2023	KSL Capital Partners VI, L.P.	$8,343,536	$50,000,000	25%	$12,266,048	$499,235	$822,835	$0	$37,733,952	0.00	0.68	3/31/2024
7/16/2013	LaSalle Income & Growth VI[4]	$11,502,890	$75,000,000	95%	$71,428,571	$0	$0	$84,541,423	$0	1.18	1.34	3/31/2024
2/28/2017	LaSalle Income & Growth VII	$22,868,035	$75,000,000	114%	$85,708,742	$0	$0	$61,623,058	$2,845,685	0.72	0.99	3/31/2024
7/3/2013	Long Wharf Fund IV[4]	$107,880	$25,000,000	100%	$25,000,000	$0	$0	$34,948,087	$0	1.40	1.40	6/30/2024
9/30/2016	Long Wharf Fund V[4]	$25,046,517	$50,000,000	100%	$50,000,000	$0	$456,986	$37,701,359	$0	0.75	1.25	6/30/2024
6/27/2019	Long Wharf Fund VI	$33,431,828	$50,000,000	100%	$49,999,998	$0	$991,080	$28,047,570	$2	0.56	1.23	6/30/2024
5/30/2023	Long Wharf Fund VII	$13,675,575	$50,000,000	32%	$16,241,774	$5,242,718	$0	$0	$33,758,226	0.00	0.84	6/30/2024
12/31/2011	Oaktree REOF V[4]	$391,098	$50,000,000	101%	$50,315,673	$0	$0	$78,780,733	$5,000,000	1.57	1.57	6/30/2024
9/30/2013	Oaktree REOF VI[4]	$16,756,778	$80,000,000	100%	$80,000,000	$0	$0	$84,810,175	$18,400,000	1.06	1.27	6/30/2024
4/1/2015	Oaktree REOF VII	$37,717,749	$65,000,000	139%	$90,407,856	$28,928	$0	$26,277,174	$18,915,000	0.29	0.71	6/30/2024
11/10/2013	Paulson Real Estate Fund II[4]	$12,566,601	$20,000,000	97%	$19,345,623	$0	$0	$25,449,660	$654,377	1.32	1.97	3/31/2024
4/28/2022	PCCP IX	$67,717,532	$75,000,000	83%	$62,051,564	$1,875,000	$0	$0	$12,948,436	0.00	1.09	3/31/2024
1/25/2012	Siguler Guff DREOF	$11,181,174	$75,000,000	93%	$69,375,000	$0	$7,759	$103,778,870	$5,625,000	1.50	1.66	3/31/2024
8/31/2013	Siguler Guff DREOF II	$24,738,654	$70,000,000	89%	$61,985,000	$0	$13,107	$55,704,893	$8,015,000	0.90	1.30	3/31/2024
1/27/2016	Siguler Guff DREOF II Co-Inv	$11,620,699	$25,000,000	85%	$21,277,862	$0	$0	$13,871,261	$3,722,138	0.65	1.20	3/31/2024
6/26/2024	Stockbridge Value Fund I	$14,459,322	$60,000,000	24%	$14,459,322	$14,459,322	$0	$0	$45,540,678	0.00	1.00	3/31/2024
	Total Closed End Real Estate	**$573,726,872**	$1,858,975,352	78%	$1,441,914,426	$65,106,992	$3,800,947	$1,138,223,748	$565,842,440	0.79	1.19	
	% of Portfolio (Market Value)	5.1%										

[1]Latest valuation + capital calls - distributions
[2](DPI) is equal to (capital returned / capital called)
[3](TVPI) is equal to (market value + capital returned) / capital called
[4]Capital has been fully called and fund is in redemption.
[5]Total distributions may include recallable distributions
[6]Remianing commitment includes recallable distributions

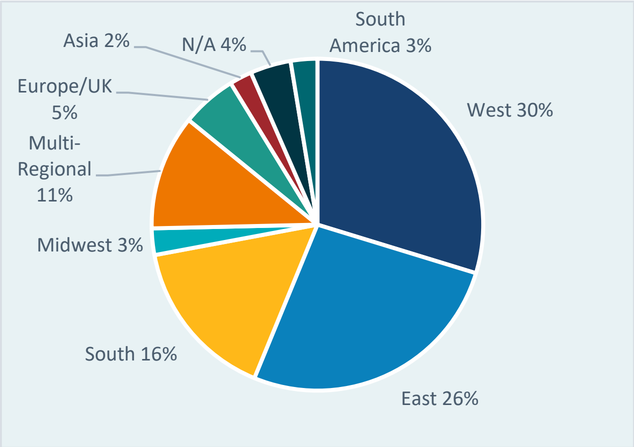
Excerpt from CCCERA's 6/30/24 Investment Performance Report. Private real estate holdings data are reported on a lagged cycle and are reflective of the last known values at the time of the report.

Program diversification

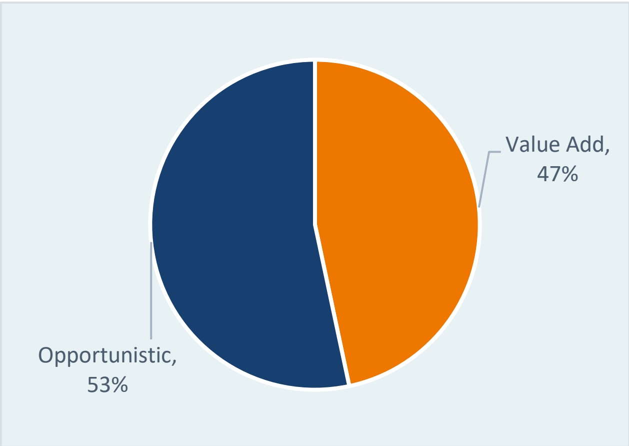
BY MANAGER



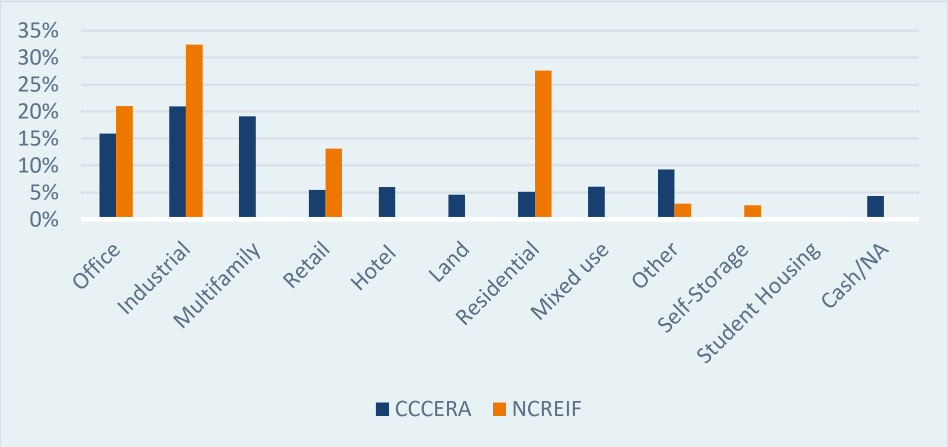
BY GEOGRAPHY



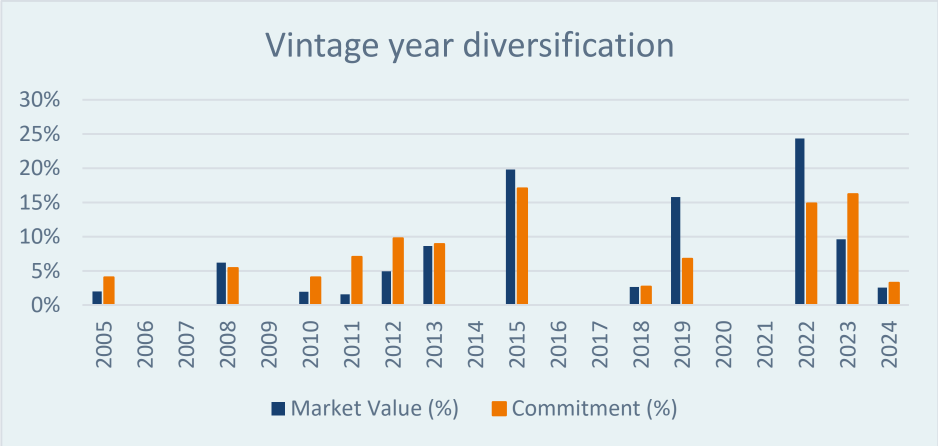
BY STRATEGY



BY PROPERTY TYPE



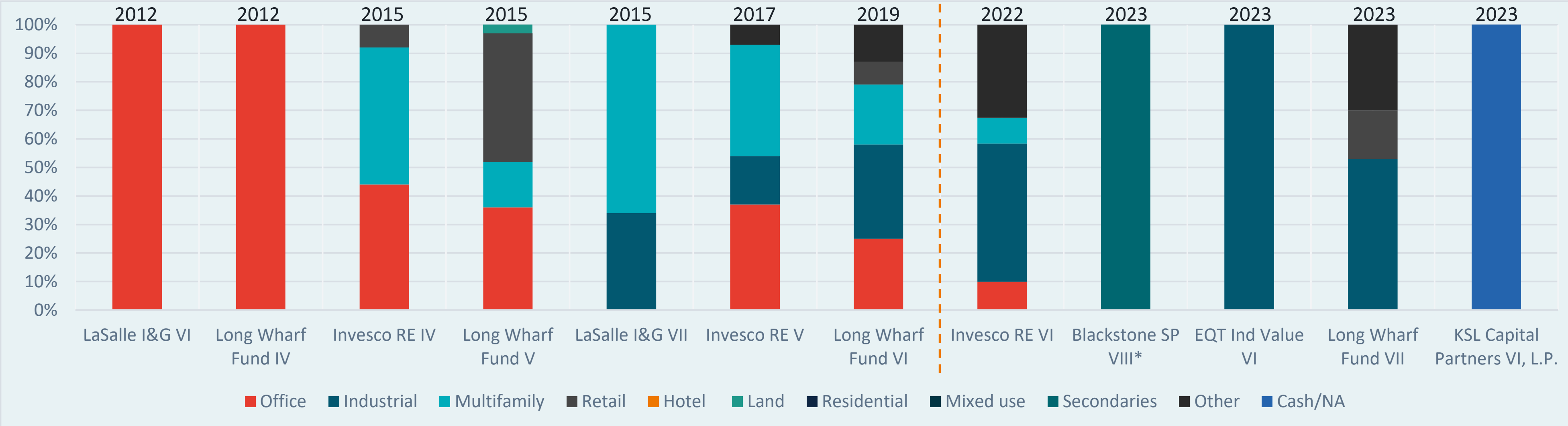
BY VINTAGE YEAR



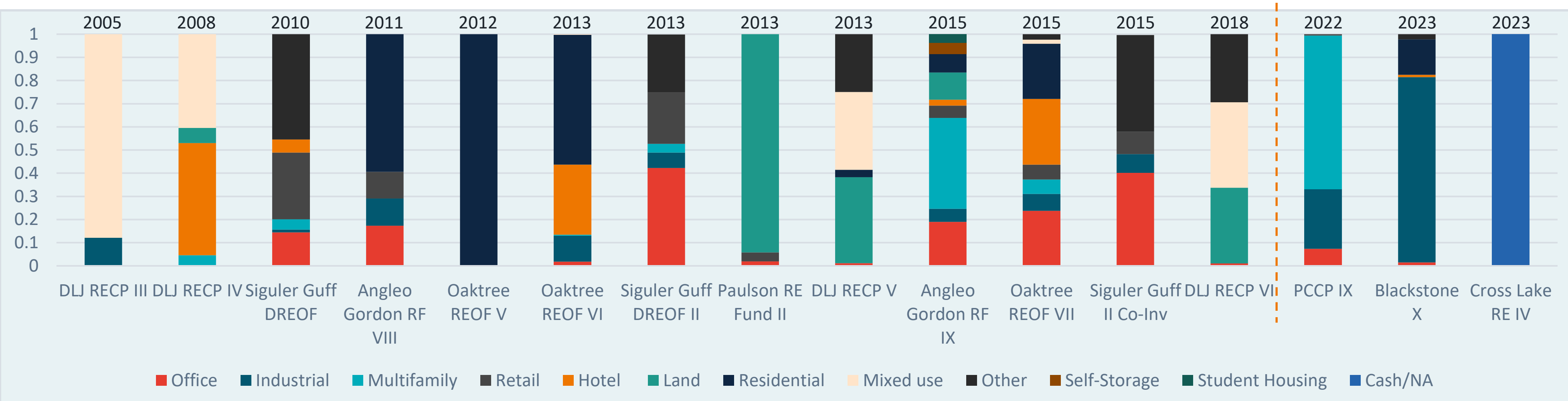
All calculations based on data provided by managers
Data is based on 6/30/24 market values.

Property type allocation (by fund and vintage year)

VALUE ADD FUNDS



OPPORTUNISTIC FUNDS



Data organized by earliest vintage (left) to later vintage (right). Source: respective managers. Blackstone Secondaries fund, Cross Lake IV, and Stockbridge data not available and therefore not included in value-add and opportunistic charts, respectively. Dashed line separates pre-and post-COVID vintage years.

Private real estate performance – value-add

		Net IRR		TVPI		DPI	
Fund	**Vintage**	**CCCERA**	**Median Peer**	**CCCERA**	**Median Peer**	**CCCERA**	**Median Peer**
LaSalle Income & Growth VI	2011	8%	13%	1.3	1.5	1.2	1.5
Long Wharf Fund IV	2011	11%	13%	1.4	1.5	1.4	1.5
LaSalle Income & Growth VII	2014	0%	9%	1.0	1.4	0.7	1.2
Long Wharf Fund V	2014	6%	9%	1.3	1.4	0.8	1.2
Invesco US Value-Add Fund IV	2015	10%	9%	1.3	1.3	1.3	1.1
Invesco US Value-Add Fund V	2019	-3%	3%	1.0	1.1	0.1	0.1
Long Wharf Fund VI	2019	15%	3%	1.2	1.1	0.6	0.1
Blackstone SP RE VIII	2022	n/a	-8%	1.1	0.9	0.0	0.0
EQT Industrial Value VI	2022	n/a	-8%	0.9	0.9	0.0	0.0
Invesco US Value-Add Fund VI	2022	n/a	-8%	0.9	0.9	0.0	0.0
KSL Capital Partners VI, L.P.	2023	n/a	-12%	0.7	0.7	0.0	0.0
Long Wharf Fund VII	2023	n/a	-12%	0.8	0.9	0.0	0.0
Stockbridge Value Fund I	2024	n/a	n/a	1.0	n/a	0.0	n/a

Median Peer Data Source: Cambridge Associates global value-add real estate universe data based on vintage year. Data as of 3/31/24

Private real estate performance – opportunistic

Fund	Vintage	Net IRR		TVPI		DPI	
		CCCERA	Median Peer	CCCERA	Median Peer	CCCERA	Median Peer
DLJ RECP Fund III	2005	-3%	-2%	1.3	0.9	1.1	0.9
DLJ RECP Fund IV	2008	0%	5%	1.1	1.2	0.8	1.2
Angelo Gordon Real Estate Fund VIII	2011	12%	14%	1.5	1.6	1.3	1.6
Siguler Guff DREOF	2010	11%	14%	1.7	1.6	1.5	1.6
Oaktree REOF V	2011	12%	12%	1.6	1.4	1.6	1.4
Oaktree REOF VI	2012	7%	7%	1.3	1.4	1.1	1.2
Paulson Real Estate Fund II	2012	11%	7%	2.0	1.4	1.3	1.2
DLJ RECP Fund V	2013	-1%	10%	1.0	1.4	0.9	1.2
Siguler Guff DREOF II	2013	6%	10%	1.3	1.4	0.9	1.2
Angelo Gordon Real Estate Fund IX	2014	5%	9%	1.3	1.4	1.0	1.2
Siguler Guff DREOF II Co-Inv	2014	4%	9%	1.2	1.4	0.7	1.2
Oaktree REOF VII	2015	10%	9%	0.7	1.3	0.3	1.0
DLJ RECP Fund VI	2018	-38%	10%	0.6	1.4	0.3	0.5
Blackstone Real Estate Partners X	2022	n/a	4%	1.0	1.0	0.0	0.0
PCCP IX	2022	n/a	4%	1.1	1.0	0.0	0.0
Cross Lake RE Fund IV	2023	n/a	-15%	0.2	0.9	0.0	0.0

Median Peer Data Source: Cambridge Associates global opportunistic real estate universe data based on vintage year. IRR figures for DLJ funds provided by manager. Data as of 3/31/24

Pacing forecast

Private real estate projections – value-add

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative To 6/30/24	(Contributions) / Distributions						
					2024 2H	2025	2026	2027	2028	2029	2030
Blackstone SP RE VIII	2022	$80.0	$63.3								
Net Cash Flow					($17.6)	($17.6)	($21.6)	($8.8)	$5.6	$8.8	$10.4
NAV				$17.6	$30.8	$40.7	$52.1	$47.8	$30.3	$13.9	$0.0
EQT Industrial Value VI	2022	$60.0	$45.0								
Net Cash Flow					($16.2)	($33.0)	$4.2	$5.4	$6.6	$7.8	$7.8
NAV				$13.9	$27.9	$56.6	$43.7	$31.6	$20.1	$9.2	($0.0)
Invesco U.S. Value-Add Fund IV	2015	$35.0	$4.5								
Net Cash Flow					$0.2						
NAV				$0.1	$0.0						
Invesco U.S. Value-Add Fund V	2019	$75.0	$9.7								
Net Cash Flow					$0.0	$69.6	$3.2	$0.3			
NAV				$57.1	$64.4	$3.0	$0.3	($0.0)			
Invesco U.S. Value-Add Fund VI	2022	$100.0	$43.3								
Net Cash Flow					($4.3)	$10.7	$21.7	$19.3	$28.5	$11.9	$0.1
NAV				$47.5	$59.4	$58.1	$45.6	$33.5	$10.3	$0.1	($0.0)
KSL Capital Partners VI, L.P.	2023	$50.0	$37.73								
Net Cash Flow					($3.0)	($18.0)	($17.0)	$5.0	$6.0	$18.0	$20.0
NAV				$8.3	$12.7	$32.7	$54.9	$58.5	$61.8	$53.6	$42.1
LaSalle Income & Growth VI	2012	$75.0	$3.6								
Net Cash Flow					$0.0	$7.7					
NAV				$11.5	$9.4	$0.0					
LaSalle Income & Growth VII	2015	$75.0	-$10.7								
Net Cash Flow					$3.3	$21.2					
NAV				$22.9	$20.4	($0.0)					
Long Wharf Fund IV	2012	$25.0	$0.0								
Net Cash Flow					$0.0	$0.0	$0.3				
NAV				$0.1	$0.2	$0.2	$0.0				
Long Wharf Fund V	2015	$50.0	$0.0								
Net Cash Flow					$2.3	$22.3	$1.9				
NAV				$25.0	$23.5	$1.9	$0.0				
Long Wharf Fund VI	2019	$50.0	$0.0								
Net Cash Flow					$4.0	$20.2	$12.7	$3.3			
NAV				$33.4	$32.2	$14.6	$3.1	$0.0			
Long Wharf Fund VII	2023	$50.0	$33.76								
Net Cash Flow					($15.0)	($10.0)	($2.2)	$10.0	$17.5	$17.5	$10.0
NAV				$13.7	$29.8	$42.4	$48.2	$42.4	$28.5	$13.5	$4.6
Stockbridge Value Fund I	2024	$60.0	$45.54								
Net Cash Flow					($3.0)	($18.0)	($18.0)	($6.5)	$6.0	$18.0	$20.0
NAV				$14.5	$18.9	$38.8	$60.7	$73.2	$74.6	$64.0	$50.4
Value-Add Balance		**$785.0**	**$275.6**	**$265.71**	**$298.00**	**$217.54**	**$193.00**	**$155.32**	**$89.23**	**$36.63**	**$4.60**
% of Total Assets				**2.4%**	**2.6%**	**1.8%**	**1.5%**	**1.2%**	**0.7%**	**0.3%**	**0.0%**
Total Plan Assets				**$11,299**	**$11,453**	**$11,997**	**$12,527**	**$13,037**	**$13,529**	**$14,000**	**$14,468**

Note: 3% value-add target. Assumptions for this model are detailed in the appendix. Projections for Blackstone SP RE VIII and both EQT funds are based on average estimates for PRE asset class. EQT Multifamily value II – committed capital is being returned.

Private real estate projections - opportunistic

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative To 6/30/24	2024 2H	2025	2026	2027	2028	2029	2030
					(Contributions) / Distributions						
Angelo Gordon Realty Fund VIII	2011	$80.0	$4.6								
Net Cash Flow					$0.0	$7.5	$4.1				
NAV				$8.6	$9.8	$3.6	($0.0)				
Angelo Gordon Realty Fund IX	2015	$65.0	$4.9								
Net Cash Flow					$7.3	$9.9	$0.7	$0.0	$0.0	$0.0	$0.8
NAV				$16.3	$10.3	$1.2	$0.6	$0.6	$0.7	$0.7	($0.0)
Blackstone RE Partners X	2022	$100.0	$74.8								
Net Cash Flow					($4.2)	($22.0)	($27.0)	($11.0)	$7.0	$11.0	$13.0
NAV				$24.4	$23.0	$39.8	$57.8	$55.6	$36.0	$16.8	$0.0
Cross Lake RE Fund IV	2023	$60.0	$58.1								
Net Cash Flow					($3.0)	($18.0)	($18.0)	($15.0)	$6.0	$18.0	$15.0
NAV				$0.4	$3.4	$21.7	$41.5	$60.0	$59.0	$45.8	$34.7
Cross Lake RE IV SRO AIV	2024	$9.0	$7.5								
Net Cash Flow					($2.0)	($4.0)	($1.5)	$3.0	$2.0	$3.0	$4.0
NAV				$1.6	$3.7	$8.1	$10.2	$8.1	$6.7	$4.3	$0.7
DLJ RECP III	2005	$75.0	$4.0								
Net Cash Flow					$0.0	$8.9	$5.1				
NAV				$11.3	$12.3	$4.7	($0.0)				
DLJ RECP IV	2008	$100.0	$1.9								
Net Cash Flow					$3.5	$13.5	$16.3				
NAV				$35.4	$31.0	$16.7	($0.0)				
DLJ RECP V	2013	$75.0	$2.2								
Net Cash Flow					$2.6	($0.6)	($0.3)	$6.0	($2.6)	$0.0	$0.0
NAV				$12.3	$10.3	$11.5	$12.4	$7.0	$10.0	$10.5	$11.0
DLJ RECP VI	2018	$50.0	$10.3								
Net Cash Flow					$6.2	($6.0)	$4.2	$7.5	($3.3)	$0.0	$0.0
NAV				$15.1	$10.1	$16.9	$14.0	$7.7	$11.6	$12.5	$13.5
Oaktree REOF V[1]	2011	$50.0	$0.0								
Net Cash Flow					$0.1	$0.1	$0.1	$0.1			
NAV				$0.4	$0.3	$0.2	$0.1	$0.0			
Oaktree REOF VI[1]	2012	$80.0	$0.0								
Net Cash Flow					$0.0	$6.0	$6.0	$4.8	$2.8		
NAV				$16.8	$17.6	$12.5	$7.1	$2.7	$0.0		
Oaktree REOF VII[1]	2015	$65.0	-$25.4								
Net Cash Flow					$0.0	$13.0	$16.3	$13.0	$4.9		
NAV				$37.7	$40.5	$30.4	$16.4	$4.5	($0.0)		
Paulson Real Estate Fund II	2013	$20.0	$0.7								
Net Cash Flow					$1.0	$6.0	$6.0	$2.4			
NAV				$12.6	$12.6	$7.6	$2.2	($0.0)			
PCCP IX	2022	$75.0									
Net Cash Flow					$15.3	$25.0	$42.9	$24.0	$18.8	$3.9	
NAV				$67.7	$69.1	$61.2	$33.3	$17.6	$3.1	($0.0)	
Siguler Guff DREOF	2010	$75.0	$5.6								
Net Cash Flow					$6.4	$4.3	$0.5				
NAV				$11.2	$4.8	$0.5	$0.0				
Siguler Guff DREOF II	2013	$70.0	$8.0								
Net Cash Flow					$7.8	$10.2	$6.7	$6.0	$0.8	$0.7	$0.5
NAV				$24.7	$19.9	$12.1	$6.8	$1.6	$1.0	$0.4	$0.0
Siguler Guff DREOF II Co-Inv	2015	$25.0	$4.5								
Net Cash Flow					$1.6	$10.5					
NAV				$11.6	$10.3	($0.0)					
Opportunistic Balance		**$1,074.0**	**$161.5**	**$308.02**	**$285.41**	**$240.62**	**$192.21**	**$157.34**	**$121.35**	**$86.86**	**$59.21**
% of Total Assets				**2.7%**	**2.5%**	**2.0%**	**1.5%**	**1.2%**	**0.9%**	**0.6%**	**0.4%**
Total Plan Assets				**$11,299**	**$11,453**	**$11,997**	**$12,527**	**$13,037**	**$13,529**	**$14,000**	**$14,468**

Notes: 4% opportunistic target. Assumptions for this model are detailed in the appendix. (1) Did not provide projections beyond 2023. Projections for Blackstone RE Partners X & Cross Lake IV are based on average estimates for PRE asset class.

Program projections

— Many funds within the CCCERA private real estate program are mature and consequently total market values will continue to decline.

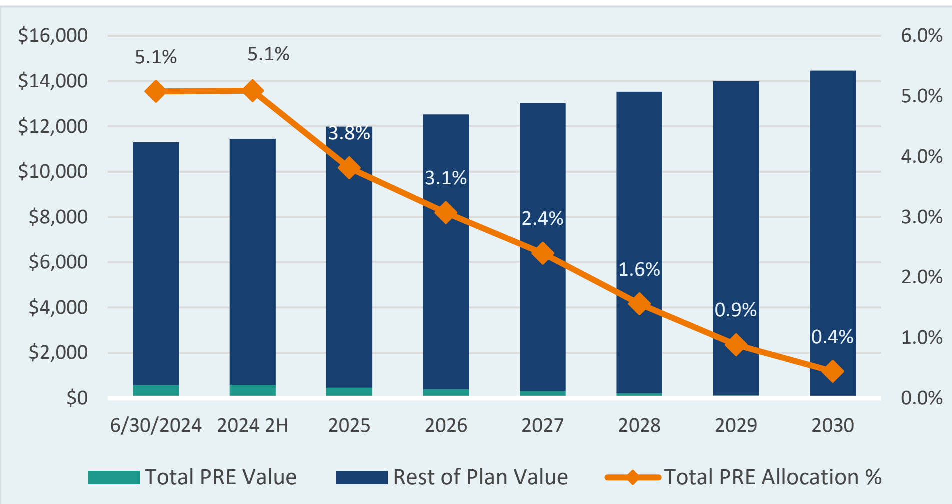
— The new asset allocation introduces a 3% target to real estate debt in addition to the 3% target to value-add and a 4% target to opportunistic

— Ongoing due diligence to increase commitments in 2024 has progressed the program closer to its target allocation of 10%.

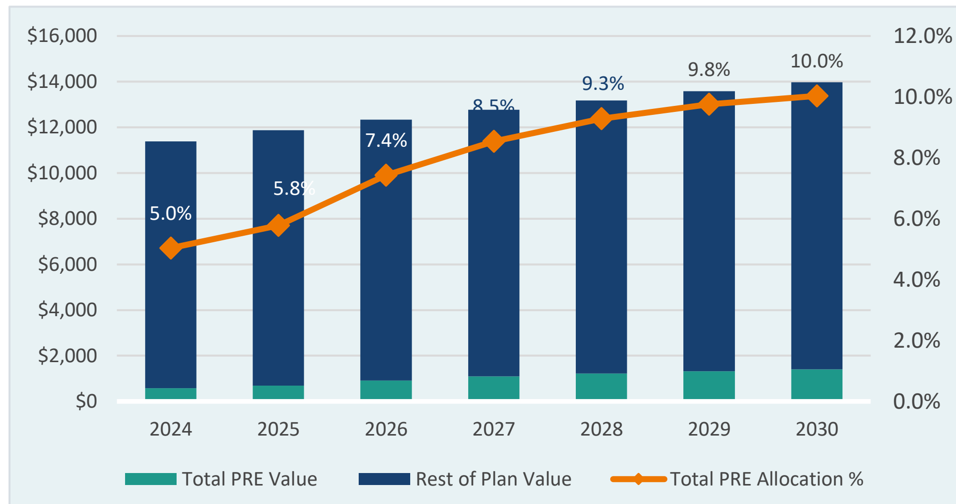
— The following commitment schedule can achieve the 10% target allocation by 2029 (2 years later than projected last year):

	2024	2025	2026	2027	2028	2029	2030
Projected RE Equity commitment	$170	$300	$250	$300	$300	$300	$300
Projected RE Debt commitment	$0	$150	$150	$100	$100	$100	$100
Projected market value (total)	$573.6	$686.2	$915.6	$1,090.4	$1,223.1	$1,325.1	$1,402.5
Total Plan Assets	$11,389.7	$11,872.1	$12,331.1	$12,768.0	$13,179.9	$13,583.9	$13,980.4
As a % of Plan	5.0%	5.8%	7.4%	8.5%	9.3%	9.8%	10.0%

WITH NO ADDITIONAL COMMITMENTS (RUN OFF)



WITH PLANNED COMMITMENT SCHEDULE



Values expressed in millions. While our proprietary pacing model base case shows projected annual commitments between $400 - $450 million to meet the target allocation by 2029, there are several potential mitigating factors due to the uncertainty of the forecasting exercise. Based on these projections, we expect to reach 2.8% RE Debt in 2027.

Recommendations

Recommendations

- Implementation recommendations should be deemed sufficiently flexible to adjust to evolving market conditions and portfolio positioning
- Based on current conditions and positioning, we recommend the following:
  - Continue to build allocation to reach the 10% strategic target with annual commitments of approximately $400-$450 million or 3-5 funds per year, as practical given market conditions.
    - Value-Add / Opportunistic Real Estate Equity ($300-$350 million)
    - Real Estate Debt ($100-150 million)
  - Consider broadly diversified equity funds with emphasis on industrial, multi-family, and non-traditional sectors
  - Consider specialty and distressed equity funds as opportunities present themselves

Appendix

Projection assumptions and notes

- Total Plan assets are assumed to grow at an annual rate of 7.8% based on policy forecasted returns using Verus 2024 capital market assumptions adjusted by net contributions taken from the Governmental Accounting Standard (GAS) 67 Actuarial Valuation as of December 31, 2022, provided by Segal Consulting.
- All market values are based on last known balance and are adjusted for capital calls and distributions. Distributions are solely within the discretion of the general partner of each fund. There can be no assurance that a fund will make any distributions.
- Projected capital activity is estimated and subject to change and based on estimated acquisition and/or disposition activity.
- Contributions to date may include capital distributions that were subject to recall.
- Projected returns are subject to certain inherent limitations including the projection of market and economic risks.
- The actual returns achieved on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the projected performance data contained herein are based.
- Angelo Gordon projections are based on their June 30, 2024 projection model. Remaining commitment for AG Realty Fund VIII includes recallable capital of $7,736,157 and remaining commitment for AG Realty Fund IX includes recallable capital of $2,697,500.
- For managers not providing full future cash flow projections, we assume average private real estate fund cash flows, which assumes 100% of capital is drawn by year 5 and distributions are completed by year 10.
- Capital was committed to EQT Multifamily value II in 2023, but the committed capital is being returned. This fund was excluded from the analysis in this presentation.

Fund descriptions

Angelo Gordon Realty Funds VIII - IX

— An opportunistic real estate fund series managed by Angelo, Gordon & Co. The Funds targeted a 20% gross return to investors using leverage of approximately 55-65%. The Fund's strategy was to acquire sub-performing real estate properties, principally in the United States, across a broad range of geographical markets and product types, including office buildings, hotels, retail properties, industrial properties and apartment buildings.

Blackstone Real Estate Partners X

— This is Blackstone's flagship global opportunistic fund, with target allocation of 70% North America, 20% Europe, and 10% Asia. The fund's thematic sectors are logistics, rental housing, and lodging, taking advantage of the growing penetration of e-commerce and supply chain disruption, the need for affordable housing, and market volatility for hotels. Leverage ratio is typical opportunistic range between 60% and 75%, with average deal size of $100M.

DLJ RECP

— The investment strategy of the Partnership's investees is to acquire, develop, redevelop, manage, operate, and otherwise deal in and with real estate investments. The Partnership may receive distributions during the investment period, upon liquidation of the investee's underlying assets or upon sale of or redemption of its investments, over time.

Invesco Real Estate III

— A real estate investment fund created by Invesco Real Estate ("Invesco" or "IRE"). The fund will invest in value-added real estate opportunities. Investments will be made solely in the United States in four specific product types – multi-family, industrial, retail and office properties. Invesco will draw on its extensive investment history in these property types to attempt to deliver superior returns for the Fund investors.

Invesco Real Estate IV

— A value-added real estate fund sponsored by Invesco Real Estate ("IRE"). Invesco Real Estate is the real estate investment management center of Invesco Advisers, Inc., a subsidiary of Invesco Ltd. (together with its affiliates, "Invesco"). Fund Investments will be made solely in the United States in four specific property types – multi-family, industrial, retail and office. The Fund will rely upon IRE's extensive resources, experience in the real estate investment market and deep knowledge of value-added investing to seek superior returns for Fund investors. The Fund seeks to provide investors with a gross internal rate of return ("IRR") of 12-15%.

Fund descriptions continued

Invesco Real Estate V - VI

— A value-add real estate investment fund sponsored by Invesco Advisers, Inc. (the “Investment Manager”) and is managed by Invesco Real Estate, the real estate investment management center of the Investment Manager (“Invesco Real Estate” or “IRE”), a subsidiary of Invesco Ltd. (collectively, “Invesco”). The Fund is being formed to continue the execution of Invesco Real Estate’s U.S. value-add fund series. Consistent with its predecessor funds, the Fund expects to pursue a similar investment strategy of acquiring fundamentally sound but broken “core” assets that can be repositioned into institutional-quality, income producing properties. The Fund will seek to achieve a gross annual compounded internal rate of return ("IRR") of 11-14% on its investments. Targeted returns are not predicated on significant rental rate growth, excessive use of leverage or macro trends. Rather, the Fund will seek to acquire sub-performing, transitional assets where Invesco Real Estate can utilize its operational and managerial experience to add value at the property level, grow net operating income (“NOI”) and maximize asset value at monetization.

LaSalle Income & Growth VI - VII

— The Fund intends to pursue non-core properties (including office, industrial, retail and multifamily properties) that LaSalle believes exhibit sound fundamentals and have the potential to provide attractive income and the opportunity for value creation through: (1) the strategic lease-up of vacant or roll-over space, (2) creative property repositioning and refurbishment, (3) build to suit expansion or new construction and/or (4) tenancy upgrades. LaSalle believes that once properties have been repositioned, such properties will have the potential to attract buyers seeking “core” returns. From a geographic perspective, the Fund will seek to acquire non-core assets in major markets and high-quality properties in targeted secondary markets that it believes are temporarily out of favor but may come back into favor if more capital flows to real estate.

Long Wharf Fund IV – V

— Funds formed in (2012, 2015, 2019) to make value-added investments in multiple property sectors in markets across the U.S. With ($254, $438, $505) million of capital commitments, the fund seeks to generate an annualized net IRR of 12-15%. LREP (IV, V, VI) employs a value-oriented philosophy that focuses on total cost basis relative to asset quality, and where the potential return is driven by improving and stabilizing a property's operations rather than attempting to predict trends in the broader capital markets. The fund primarily pursues smaller to medium-sized investments, while selectively considering investments in larger properties or portfolios. Long Wharf believes middle market transactions – those with a gross value under $75 million represent a more attractive portion of the overall commercial real estate market based on relative value and liquidity.

Oaktree REOF V - VII

— The primary objective of the Fund is to achieve superior risk-adjusted returns without subjecting principal to undue risk of loss primarily through investments in real estate and real estate-related debt, companies, securities and other assets on a global basis, with an emphasis on investments in the United States.

Fund descriptions continued

Paulson Real Estate Fund II

— A value-added real estate fund sponsored by Invesco Real Estate (“IRE”). Invesco Real Estate is the real estate investment management center of Invesco Advisers, Inc., a subsidiary of Invesco Ltd. (together with its affiliates, "Invesco"). Fund Investments will be made solely in the United States in four specific property types – multi-family, industrial, retail and office. The Fund will rely upon IRE’s extensive resources, experience in the real estate investment market and deep knowledge of value-added investing to seek superior returns for Fund investors. The Fund seeks to provide investors with a gross internal rate of return ("IRR") of 12-15%.

PCCP Equity IX

— The Fund will consist of a portfolio of U.S. middle market real estate assets, diversified by geography, asset class, strategy type and operating partner. The fund will invest primarily in the four main property types (office, industrial, multifamily and retail/mixed use). The fund expects to invest in 40-50 investments with an average deal size of $25-30 million in equity commitments. Leverage will be capped at 65% at the portfolio level and development will be capped at 30%. PCCP expects property type allocations to be approximately 30% each to industrial/multifamily/office and 10% to other (retail and/or hotel), with some potential for distressed opportunities. The development budget will be targeted towards industrial and multifamily.

Siguler Guff DREOF

— The Siguler Guff Distressed Real Estate Opportunities Funds are diversified portfolios that invest in various types of real property interests, including equity interests in commercial property, commercial mortgages and commercial mortgage-backed securities, and the debt and equity securities of real estate operating companies or real estate investment trusts primarily in the U.S. and Europe.

Fund descriptions – recently added

Blackstone Strategic Partners Secondaries VIII

— The fund seeks capital appreciation through the acquisition of secondary interests in real estate funds and assets, focusing on high-quality portfolios in major commercial real estate markets and gateway cities, while capitalizing on the relatively fragmented competitive environment for real estate secondaries.

Cross Lake Real Estate Fund IV

— The fund is expected to invest in built-for-rent residential housing and community developments in the Southwest, Mountain West and Southeast areas in the US. It will also look to place capital into special situations such as lodging and to provide rescue capital for select properties and subdivisions.

EQT Exeter Industrial Value Fund VI

— The Fund pursues a value-add strategy to acquire, develop, renovate, lease, operate, and sell industrial properties serving major markets throughout the US and emphasizing single-tenant, modern supply chain assets, which include big box fulfillment center and last mile assets used by the world's largest corporations to implement their delivery systems.

EQT Exeter Multifamily Value Fund II

— This value-add fund will invest in multifamily properties in the United States with a focus on the educational, technology and medical submarkets.

Long Wharf Fund VII

— This closed-end value-add fund focuses on several property sectors including light industrial, grocery-anchored shopping centers, multifamily and select alternative sectors, such as life science labs and cold storage.

Glossary of terms

Capitalization Rates: The rate of return of a real estate investment, which is calculated by dividing the property's net operating income by the property's purchase price.

Core Real Estate: This category of real estate will include a preponderance of stabilized properties. Core real estate should achieve relatively high income returns and exhibit relatively low volatility. Core real estate funds tend to use less leverage.

Consumer Price Index (CPI): A measure of purchasing power and inflation that takes the average prices of a basket of consumer goods and services, such as food, medical care, and transportation, and compares the same basket of goods in terms of prices to the same period in a previous year. Changes in CPI are used to assess price changes associated with the cost of living.

Double Promote: A joint venture private equity structure is considered to have a "double promote" if the sponsor of a project is in fact comprised of two separate parties who each have a profit waterfall agreement or cash flow disbursements.

Dry Powder: Investment reserves raised by investment funds to cover future obligations or to purchase assets in the future.

GDP: The total value of all services and goods produced within a country's borders, for a given time period. This calculation includes both private and public consumption, government expenditures, investments, along with total exports net of total imports.

Internal Rate of Return (IRR): the IRR is the discount rate that equates the present value of cash outflows (investment) with the present value of cash inflows (return of capital). IRR is often referred to as a dollar-weighted rate of return that accounts for the timing of cash inflows and outflows.

LIBOR: Is a benchmark rate that some of the world's largest banks charge each other for short-term loans. It stands for London Interbank Offered Rate and serves as the first step in calculating interest rates on various loans throughout the world.

Net Operating Income (NOI): A calculation which is used to analyze real estate investments that generate income. NOI is the property's annual income generated by operations after deducting all expenses incurred from those operations. The growth rate in NOI is a common metric used in determining the health of a property.

Opportunistic Real Estate: An opportunistic fund is one that includes preponderantly non-core assets. The fund as a whole is expected to derive most of its return from property appreciation which may result in volatile returns. These funds may employ a variety of tools such as development, significant leasing risk and potentially high leverage.

Real Estate Investment Trusts (REITs): A REIT is a company that owns and operates commercial real estate properties. REITs can be publicly traded or privately held. There are two main type of REITs: Equity REITs which generate income from the operation of properties, and Mortgage REITs, which invest in mortgages or mortgage securities.

Value-Added Real Estate: A value-added real estate fund often holds a combination of core assets and other assets characterized by less dependable cash flows. These strategies are likely to have moderate lease exposure and employ moderate leverage. Consequentially, these strategies seek significant returns from property appreciation and typically exhibit moderate volatility.

Vacancy Rates: The vacancy rate is calculated as the total number of unoccupied units of a property divided by the total units of the property, at a particular point in time.

Vintage Year: Represents the year the first capital call or portfolio company investment was made.

Meeting Date
09/25/2024
Agenda Item
#6

CCCERA
Contra Costa County Employees' Retirement Association

MEMORANDUM

Date: September 25, 2024

To: CCCERA Board of Retirement

From: Karen Levy, General Counsel

Subject: Consider and Take Possible Action to Amend the Retirement Board's Regulations

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Background
The following amendments to the Board of Retirement's Regulations are proposed for the Board's consideration:

Sec. II. Meetings

- Per trustee request, change the regular Board meetings to the first and third Wednesdays of the month.
- Streamline the order of business in meeting agendas.
- Change "trustee comments" to "trustee reports on meetings, seminars and conference," because reports are required by law under Gov't Code sec. 53232.3

Sec. III.1.A. Membership & Exclusion from Membership
Add a provision that allows an adjustment of an officer or employee's membership entry date by no more than twelve weeks after their entrance into service in order to facilitate that member establishing reciprocity with another pension system. This would allow flexibility in overlapping membership/employment situations and would be of benefit to CCCERA's members. (See Gov. Code Section 31527(h).)

Sec. III.4. Certifications
Add provisions regarding the type of information required by every employee enrolling in CCCERA and that the employee certification can be done electronically by the employer.

Sec. VI. Compensation
Update compensation policy titles and statutory reference.

Additional formatting and typographical updates are reflected in the attached copy.

Process For Amending Board Regulations
Amendments to the Board Regulations require at least six affirmative votes of the Board of Retirement, as well as approval by the Board of Supervisors in order to become effective. (Regs. Section IX; Gov't Code Section 31525.)

Recommendation
Consider and take possible action to amend the Board Regulations as set forth above and request the approval of the County Board of Supervisors for the amendment.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT
REGULATIONS

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
REGULATIONS

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CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
REGULATIONS

I. ADMINISTRATION

1. Name

The name of this Association is "The Contra Costa County Employees' Retirement Association" ("CCCERA" or the "Association").

2. Board

Whenever used in these Regulations, unless otherwise stated, "Board" and "Board of Retirement" mean CCCERA's Board of Retirement as defined in California Government ("Gov.") Code beginning at Section 31459.

2.1 Alternate Board Members

A. The alternate safety, alternate appointed and alternate retiree members shall be provided with the same conference, education and manager on-site visit opportunities as all other Board members.

B. The alternate safety, alternate appointed and alternate retiree members may participate in the deliberations of the Board or its committees including those deliberations held in closed session.

C. Neither the alternate safety member, the alternate appointed member nor the alternate retiree member shall be entitled to serve as an officer of the Board or committees of the Board.

D. The alternate retiree member shall be entitled to the same compensation as the retiree member for attending a meeting, pursuant to Gov. Code Section 31521, whether or not the retiree member is in attendance at that meeting.

E. The alternate appointed member shall be entitled to the same compensation as the fourth, fifth, sixth or ninth member, pursuant to Gov. Code Section 31520.12, whether or not the fourth, fifth, sixth or ninth members attend the meeting.

3. Election of Officers

At the first regular meeting in July, as the first order of business**,** the Board shall elect a Chairperson, Vice-Chairperson**,** and Secretary, each to hold office for a term of one year or until a successor is duly elected and qualified. The newly elected officers shall immediately be seated**.** The Chairperson shall establish the agenda as it relates to administrative or investment matters with the assistance of the Chief Executive Officer. Should an officer for any reason fail to complete their term, the Board shall select a successor for the balance of the expired term at its next regular meeting.

4. Delegation to Chief Executive Officer

In addition to the normal duties required to administer the Association on a day-to-day basis, the Chief Executive Officer is authorized to perform the following duties which are otherwise reserved for the Board:

A. Issue subpoenas and subpoenas duces tecum under Gov. Code Section 31535.

B. Release unclaimed funds under Gov. Code Section 31629 provided the claimant has adequately established their identity and makes application for the funds.

C. Determine, under Gov. Code Section 31724, that the effective date of a member's disability retirement is a date earlier than the date the application was filed if the delay in filing was due to administrative oversight or inability to ascertain permanency and where credible documentation exists to support this fact.

D. Accept elections for deferred retirement under Gov. Code Section 31700 and affidavits of membership under Gov. Code Section 31526.

E. Correct prospectively any administrative error in the calculation of retirement benefits, with the issue of retroactive corrections, if any, to be reserved for the Board's exercise of discretion in accordance with the law.

5. Fiscal Year

The fiscal year for budget purposes shall be the calendar year.

II. MEETINGS

1. Regular Meetings

Regular meetings are held each month at 9:00 a.m. on the first and third Wednesdays of the month as determined by the Board in the Board Room of the Contra Costa County Employees' Retirement Association, 1200 Concord Avenue, Suite 350, Concord, California 94520, unless changed by the Board.

2. Quarterly Investment Review

The Board shall review investment manager performance on a quarterly basis, unless changed by the Board.

3. Special Meetings

Special meetings may be called in accordance with the Ralph M. Brown Act.

4. Rules of Order

Unless otherwise provided herein, the general conduct of the Board shall be guided by Robert's Rules of Order, Revised, 1915 edition. All other proceedings, including those of motions and decorum, shall be guided by those provisions pertaining to an "Assembly" as specified in Robert's Rules of Order.

The Chairperson will:

A. Vote on all Questions

B. Recognize a member or non-member entitled to speak

C. Enforce the rules and decorum specified in these Regulations

To end a debate on a pending motion immediately, a voting Board Member may call for the question (by saying "I call the question") which request needs a second from a voting Member. A vote is then held immediately on the called question to end the debate on the main motion first, with no further discussion allowed. A two-thirds (2/3) vote of the voting Members is required for passage. If the motion to call the question is passed, the pending motion on the floor is then voted on immediately, without further debate.

4.a. Board Meeting Agendas and Order of Business

The Board meeting agendas shall comply with the requirements of the Open Meeting Law (Ralph M. Brown Act) and generally provide for a usual order of business, subject to the final setting of agenda matters by the Board Chairperson and the CEO. The usual order of business is as follows:

A. Public Comment

B. Approval of minutes

C. Routine items

D. Business items, including administrative, investment and actuarial items

E. Trustee reports on meetings, seminars and conferences

F. Staff reports

G. Closed session items

The Chairperson may modify the order of business in their discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

5. Quorum

Five voting Members of the Board present at the meeting shall constitute a quorum. No motion may be passed or business transacted without five affirmative votes.

6. Communications and Requests

Communications and requests should be made in writing and any action of the Board thereon shall be noted in the minutes.

7. Minutes

The minutes or a true copy thereof, prepared in accordance with the Ralph M. Brown Act, shall be signed by the Secretary and the Chairperson, and shall form part of the permanent records of the Board. The reason for a Board member's vote on a Board action shall be included in the minutes when requested by the member.

8. Committees of the Board

The Chairperson shall appoint committees as deemed necessary to carry out the business of the Board. A quorum for a Committee meeting shall consist of three Board Members. Committee meeting will be open to the public, except for meetings of ad-hoc advisory committees consisting of less than a quorum of the full Board. A Chairperson and Vice-Chairperson for each Committee will be appointed by the Board Chairperson.

III. MEMBERSHIP

1. Membership & 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. Pursuant to Gov. Code Section 31527(h), an officer or employee's membership entry date shall be adjusted by no more than twelve weeks after their entrance into service in order to facilitate that member establishing reciprocity with another pension system.

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 full-time 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 their active membership in the Association.

3. 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 30 days of the employee’s date of hire; provided, however, that the Chief Executive Officer may, in their sole and reasonable discretion, waive the time limitation if the newly hired employee establishes good cause for such a waiver.

4. **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) showing the member’s name, date of birth, social security number, gender, marital status, employment hours, and the compensation received. The sworn statement shall be received within 30 days of the member’s hire date. The Association may require other information as needed. Additionally, the submission by the member’s employer to the retirement association of the information outlined above may be submitted electronically to the retirement association with a certification statement of accuracy by the employer.

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. A participating employer shall be assessed a penalty in the amount of the monthly member and employer contributions plus interest at the actuarially assumed rate of return per employee for every month or fraction thereof that the required member sworn statement or certification statement is not submitted. The Association shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

5. <u>Electronic Signatures</u>

Pursuant to Government Code Section 31527(i), the Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

IV. CONTRIBUTIONS AND REPORTING

1. <u>Leave of Absence</u>

When a leave of absence without pay is less than a full calendar month, the full monthly contribution, if available from the member's salary, shall be deducted from the member's earnable compensation and service credit shall be given for a full calendar month. If the amount of the member's salary for the applicable period is less than the contributions due, then no deduction shall be made for service credit. (Gov. Code section 31527, subd. (a).)

Members on stipendiary educational leaves shall continue to make contributions.

2. <u>Due Dates</u>

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 in a written agreement between CCCERA and the participating employer, 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.

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.

3. Drops in Payroll

Whenever the employer's reportable payroll drops to a level which is lower than 70% of its payroll during the same period in the preceding year, the Board may investigate the cause. Whenever the employer's reportable payroll drops to a level which is lower than 50% of its payroll during the same period in the preceding year, the Board shall investigate the cause. If the Board determines that the cause is other than temporary it shall determine the amount of contributions due from the employer to continue paying its share of any unfunded liability. This amount shall then be due from the employer in addition to any contributions made on the reduced payroll.

4. Employer Certification

Each report as specified in Section IV.2 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.

V. SERVICE

1. Leave of Absence

When a member returns from a medical leave of absence without pay, the member shall receive credit for up to 12 months of the leave time if the member pays an amount equal to what he or she would have paid, including any amount that would have been paid by the member's employer on the member's behalf (i.e., subvented), had he or she not taken the leave together with the interest that such amount would have earned had it been on deposit. Calculation of the cost of the leave purchase and the method of payment for such leave shall be as provided in Gov. Code Section 31646.

2. Prior Service

In establishing the length of prior service for any member entitled to credit therefor, official payroll records or other official records shall be controlling. In the event that any of such records are unavailable, the Board, in its discretion, may accept affidavits of the employee, affidavits of the employee's employer, affidavits of fellow employees or such other sworn evidence as the Board determines to be pertinent.

For the purpose of these Regulations, credit for prior service for a per diem employee entitling the employee to a full year's credit towards retirement shall mean 200 or more workdays of service rendered in any one calendar year including leave of absence, vacation and sick leave duly granted, but not more than one year of credit shall be allowed for service in any one calendar year. Service of less than 200 workdays in any one calendar year shall be credited on the pro-rata basis of 250 workdays per year.

Prior service shall include all service for the employer and all service while on leave from the employer for military duty, which is prior to the establishment of the retirement system.

3. Sick Leave Credit

The following provisions govern the use of sick leave credit toward service credit at retirement under Government Code Sections 31641.01 as adopted by the County Board of Supervisors.

A. The total hours of sick leave accumulated by the member on the date of retirement, at the rate of one day for each one day earned, shall be certified as to its accuracy in writing under penalty of perjury by the duly authorized representative of the employer.

B. The Association shall convert the total sick leave into years and fractions of a year using the following equivalencies:

(i) For firefighters, accumulated sick leave hours at retirement shall be divided by 2,912 (average number of working hours per year for a firefighter).

(ii) For all other members, the accumulated sick leave hours at retirement shall be divided by 2,000 hours (average number of working hours per year).

C. The formula used to determine the sick leave service credit value shall be the same as used for the member's service category at the time of retirement.

4. Service Purchase

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648, or military service under Government Code Section 31649.5, shall be eligible to make the purchase anytime before applying for retirement.

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648 or military service under Government Code Section 31649.5 shall be permitted to make such purchase in installment payments as provided for in Section V, paragraph 6 of these Regulations.

5. Redeposit of Withdrawn Contributions

On redeposit, a member must pay withdrawn contributions plus any interest as defined in Gov. Code Section 31472.1, subject to Section V, paragraph 8.

The redeposit will exclude contributions subvented by the employer under Gov. Code Secs. 31581.1 31581.2 and 31630, and exclude any Cost of Living (COL) contributions that were not otherwise paid by members as a result of a transfer of excess surplus funds for that year.

6. Installment Payments

Whenever a member elects to purchase prior public service (Gov. Code Sec. 31641.2), prior nonmembership service (Gov. Code Sec. 31641.5), prior military service (Gov. Code Sec. 31649.5), prior service (Gov. Code Sec. 31648), or leave of absence service (Gov. Code Sec. 31646), or elects to redeposit withdrawn service (Gov. Code Sec. 31652), and the member elects to make such purchase or redeposit in installment payments, the following shall govern:

A. The amount of service represented by each installment payment shall be computed by dividing the amount of the installment payment by the total cost of purchase or redeposit, and multiplying the resulting percent by the total service being purchased or redeposited.

B. The member’s service credit record shall be increased to reflect each installment payment as it is received and shall be applied to the most recent service for which credit is available.

C. The member’s account balance shall be increased to reflect each installment payment as it is received. Unless otherwise certified by the employer, the installment payment will be deemed and credited as after-tax member contributions.

D. If the member dies, requests a refund, or retires either for service or disability, no further installments shall be accepted. Any benefit payable thereafter shall recognize or include service purchased or redeposited and account balances to date.

E. If multiple periods of service are eligible for purchase or redeposit, the cost of each period shall be separately computed and any installments shall apply to the most recent service period first.

F. Unless otherwise prohibited by law (leave of absence without pay under Gov. Code Sec. 31646, prior public service under Gov. Code Sec. 31641.2, and prior nonmembership service under Gov. Code Sec. 31641.5), the member shall be eligible to make installment payments so long as he or she continues to be actively employed.

As for service purchased under Government Code Sections 31641.5 and 31646, such payments may be made by lump sum or by installment payments over a period not to excess the length of time for which the member has elected to receive credit, in the manner otherwise provided for in this paragraph 6.

As for service purchased under Government Code Section 31641.2, such payments may be made during active employment as a member by lump sum or by installment payments over a period not to exceed five years.

G. A member may elect installment payments by monthly payroll deductions on a post tax basis.

(i) A Purchase Contract must be signed for payroll deductions.

(ii) All payroll deduction Purchase contracts must be paid in full by the member's retirement date or within 120 days of termination.

(iii) Service credit is posted to member's account at the completion of the contractual payments.

7. <u>Conversion of Tier II Service Credit</u>

Once a member elects or by resolution has been placed into Tier III membership under Gov. Code Sec 31755 he or she is eligible to convert all or any part of Tier II service credit to Tier III service credit.

The member's cost shall be the difference between the total amount he or she and the employer paid into the Association under Tier II and what would have been contributed during the same time if the employee had been under Tier III, together with interest as defined in Section 31472.1, subject to Section V, paragraph 8.

8. <u>Forgiveness of Interest</u>

In cases where a member is redepositing withdrawn contributions, purchasing service credit or converting service credit in accordance with this Section V, interest shall not include the most recently credited interest amount if all of the following conditions are met:

A. The member requested a calculation of the cost of the purchase or conversion more than three months prior to the June 30 or December 31 interest crediting date.
B. The member received the requested calculation after the June 30 or December 31 interest crediting date.
C. Within 30 days of receipt of the requested calculation the member pays all or a part of the cost with a lump sum payment.

VI. COMPENSATION

1. <u>Compensation for Retirement Purposes.</u>

The Board has adopted a Compensation Earnable Policy and a Pensionable Compensation Policy listing items of compensation that are included in "compensation", "compensation earnable", and "final compensation" as defined in Government Code Sections 31460, 31461, 31462.1, and 7522.34. The Retirement Association will provide each employer with a copy of the compensation policies. Each employer is required to transmit promptly to the Retirement Association, contributions on each item of compensation listed in the compensation policies as includible in "compensation".

2. <u>New or changed pay items.</u>

Each employer shall report to the Association in writing within 30 days of any of the following events:

A. A new pay item is created.

B. There has been a change in either an existing pay item or the conditions under which the pay item is computed, accrued or paid.

C. Notification received after the 30 days adoption shall be considered late and shall be assessed a reporting penalty as defined in Section IV.2.

D. Upon notification, the Board shall determine whether the pay item is included in "compensation" as defined in Section 31460.

VII. NORMAL RETIREMENT AGE AND BONA FIDE SEPARATIONS

Normal Retirement Age

For purposes of applying the Pension Protection Act of 2006 (“PPA”) and complying with other applicable tax-related laws (such as restrictions on in-service distributions), effective July 1, 2007, the “Normal Retirement Age” for CCCERA members shall be the age set forth in CERL retirement formula for an unreduced benefit that applies to each CCCERA member immediately preceding the effective date of their retirement from a CCCERA employer. For example, the Normal Retirement Age for a member who earns retirement service immediately before retirement under a “3% at 50” retirement formula (Gov. Code section 31664.1) is 50 years of age. The Normal Retirement Age for a member who earns retirement service immediately before retirement under a “2% at 55” retirement formula (Gov. Code section 31676.16) is 55 years of age.

Notwithstanding the foregoing, Normal Retirement Age for CCCERA members shall in no event be earlier than (i) age 55 for CCCERA members who are not Qualified Public Safety Employees (as defined in Internal Revenue Code section 72(t)(10)(B)) immediately prior to their retirement; and (ii) age 50 for CCCERA members who are Qualified Public Safety Employees.

The Board may change or further refine its determination of Normal Retirement Age as described herein in order to comply with any rules or regulations of the Internal Revenue Service or other applicable law. The Board’s current determinations of Normal Retirement Age are based upon the findings and conclusions set forth in Board of Retirement Resolutions 2007-1 and 2007-2.

Bona Fide Separation from Service

A) In order to comply with tax law restrictions on in-service distributions, a member who retires at an age younger than Normal Retirement Age, as defined herein, may not enter into an agreement, either oral or written, prior to the date the member's retirement commences, to be reemployed while retired by the same CCCERA employer, regardless of the length of the member's break in service after retirement. The member must acknowledge in writing to CCCERA at the time of retirement that the member has been informed of these requirements and limitations on post-retirement employment and that no prearrangement to be reemployed while retired exists.

B) A member who retires at an age younger than Normal Retirement Age, as defined herein, must have at least a continuous 90-day break in service from the date of the member's last day of employment prior to being reemployed while retired by the member’s prior CCCERA employer.

C) If a member is reemployed without compliance with subsections (A) and (B) above, the retired member's retirement benefits from CCCERA must cease as soon as practicable upon discovery by CCCERA and will not resume until the member has a bona fide separation from service or reaches Normal Retirement Age, whichever occurs first.

D) A member may return to work prior to the time specified in section (B) above for emergency situations as defined in Government Code Section 8558 and under the return to work restrictions specified in Government Code Section 7522.56 *et seq.* However, prior to returning to work, the retiree must have incurred a bona fide break in service and cannot have entered into a prearranged agreement to be reemployed by the same employer.

E) The definitions, limitations and requirements contained herein shall be provided to every CCCERA member who inquires about retirement.

VIII. WITHDRAWALS

1. Discontinued Service

The service of a member will be considered "discontinued" under Gov. Code Section 31628 only if the member has actually terminated employment and either the termination is due to lay-off or the member is not reemployed by that employer for a period of 45 days.

The service of a member will not be considered discontinued if the member continues to work for the employer or for another participating employer, even if the member's work schedule is below the minimum number of hours required to qualify for coverage. In these cases interest will continue to be credited to the member's account.

2. Account Withdrawals

All requests to withdraw an account must be in writing.

All payments of an account balance shall be in the form of either or both of the following:

A. A lump sum distribution

B. A rollover to an IRA or a new employer's Qualified Plan per current IRS guidelines.

3. **Interest Crediting**

Interest is credited to the account of a pending refund request on June 30th or December 31st if the funds have been on deposit for six months or more in accordance with Gov. Code Section 31591.

A member who continues employment in a non-covered position will have interest credited to their account.

4. **Account Reinstatement**

A member who has appealed a dismissal and has been reinstated by the employer is allowed to redeposit withdrawn retirement contributions, plus interest, and will be reinstated as of the original date of membership in the Association.

IX. NEW PARTICIPATING EMPLOYERS (Section 31557)

All officers and employees of any newly participating district shall become members of the Association as provided in Section 31557.

A. An actuarial valuation shall be made to determine liability.

B. The district shall pay the cost of the valuation.

X. PARTICIPATING EMPLOYER WITHDRAWAL (SECTIONS 31564 AND 31564.2)

An employer, by resolution, may withdraw its employees from membership in the Association as provided in Government Code sections 31564 and 31564.2.

A. Upon notification by an employer that it is considering withdrawing from the Association, the Association will provide the employer with a copy of the Association's Employer Termination Policy.

B. An employer shall comply with the Association's Employer Termination Policy to ensure the actuarial soundness of the retirement system.

XI. DISPENSING WITH RECALCULATION FOR MINOR DISCREPANCY

1. **<u>Closed Accounts</u>**

   The Board authorizes the Chief Executive Officer to refrain from collecting an under payment or refunding an overpayment of accumulated contributions from a member who has terminated from the association and cannot be located, whenever the amount is fifty dollars ($50) or less.

2. **<u>Active, Deferred and Retiree Accounts</u>**

   The association may dispense with issuing any check whenever the retroactive liability is less than five dollars ($5).

XII. APPLICATIONS FOR DISABILITY RETIREMENT

(Adopted: Retirement Board – June 14, 1977)

(Approved: Board of Supervisors – June 28, 1977)

1. **<u>Application Form</u>**

   An application for service-connected or nonservice-connected disability retirement shall be filed on the Application for Disability Retirement form prescribed by the Board of Retirement, and shall include either a completed Physician's Statement or another form of medical report to support the Application.

2. **<u>Effective Date Of Disability Retirement Allowance</u>**

   (a) The effective date of a disability retirement allowance shall be established pursuant to Gov. Code Section 31724.

   (b) The applicant may apply to have the disability retirement allowance become effective earlier than the date the application is filed upon a showing the application was delayed due to administrative oversight or by the inability to determine the permanency of the disability until after the date following the last day for which the applicant received regular compensation, by completing the applicable section of the Application for Disability Retirement form. The failure of the applicant to apply for an earlier effective date at the time the application is filed shall constitute a waiver of the right to apply for an earlier effective date.

3. Denial Without Prejudice

(a) In the event the medical advisor's recommendation is to deny the disability application (without prejudice), the member may submit additional medical information to support the application and/or request a hearing within six (6) months of notice of the denial.

(b) In the event the medical advisor's recommendation is to grant the disability application, the Board of Retirement will review the recommendation and take action on the application for disability retirement. If the Board denies the application (without prejudice), the member may request a hearing within six (6) months of notice of the denial.

4. Request For Hearing

Any applicant for disability retirement shall, upon request, be entitled to a hearing, at the sole discretion of the Board of Retirement, before the Board, or before a referee appointed by the Board pursuant to Gov. Code section 31533. Any such request for hearing shall be in writing, and shall be made within six (6) months after notice of the Board's action denying the application is mailed by certified or registered mail to the applicant. An application is deemed made on the date mailed if mailed by certified or registered mail, on the date postmarked if mailed by first class mail and received, or on the date received by the Association, whichever is earlier.

5. Judicial Review

In any matter in which the party or applicant is entitled to judicial review of any action taken by the Board of Retirement, the petition to the court must be filed within 90 days from the date the notice of the Board's decision is delivered to the party or applicant, or served by certified or registered mail upon the party or applicant or the party's or applicant's attorney.

The procedure for hearings on disability retirement applications that the Board of Retirement or a Referee holds in connection with determination of disability retirement benefits under CERL shall be set forth in the Board of Retirement's separate policy regarding the same.

XIII. CONTINUED EMPLOYMENT OF PARTIALLY DISABLED EMPLOYEES

(Approved: Board of Supervisors – May 9, 1972)

Section 10.1 – Purpose

This regulation governs the procedures for the continued employment of partially disable members pursuant to Government Code Section 31725.5 and County Ordinance Code Section 38-4.402.

Section 10.2 – Definitions

In this regulation, unless otherwise specifically provided, or required by the context, these terms have these meanings:

A. "Reassignment" means the appointment (pursuant to the Statute, the ordinance and this regulation) of a member to a position, with duties different from, and compensation earnable higher, lower, or the same as, the position for which he is incapacitated.

B. "Board" means the Board of Retirement (Retirement Board).

C. "Chief Executive Officer" means the Retirement Administrator as defined in Government Code Section 31522.

D. "Incapacitated for the performance of their duties" means the permanent inability of the member, due to physical or mental causes, to perform the duties of their specific position.

E. "Committee" means the Rehabilitation Committee.

F. "Governing Body" means the Board of Supervisors or the elected officials governing a district.

G. "District" is defined in Government Code Section 31468.

Section 10.3 – Rehabilitation Committee

A. A Rehabilitation Committee is hereby established for the purpose of recommending whether a member shall be reassigned.

B. Except as provided by Section 10.7, this committee shall consist of the following:

a. The permanent members are a member of the Board designated by it; and the County Administrator, Director of Human Resources and County Health Officer or their designees; and the Chief Executive Officer or their designee, who serves as secretary without a vote.

b. The appointing authority within the department or district to which the reassignment is proposed or their designee.

c. The employee and/or their designee, unless he waives membership.

Section 10.4 – Procedure

A. After an application for disability is filed, the Chief Executive Officer shall consult with the Board's medical advisor, the member employee and others as necessary, to determine whether a reassignment appears feasible (in view of the members employee's condition) if the Board later finds the member employee to be incapacitated for the performance of their duties. If a reassignment appear feasible to the Chief Executive Officer, he shall convene the permanent members of the Committee and the employee or their designee, and they shall explore the practicability of returning the member employee to their previous position or reassigning, rehabilitating and/or retraining them.

B. When a department or district is located to which a reassignment appears feasible, the appointing authority within it shall be added to the Committee (pursuant to Section 10.3B(2) above).

C. The Committee may make its recommendation to the Board at any time before or after Board action on the application for disability retirement.

Section 10.5 – Reassignment

After the Board determines that the member employee is incapacitated for the performance of their duties, he shall be reassigned, in lieu of being retired for disability, if the appointing authority in the department or district in which he is to be employed and the Governing Body agree to their appointment and the appointment is made in accordance with any applicable merit or Civil Service system rules.

Section 10.6 – Later Retirement

If a member who has accepted reassignment is voluntarily or involuntarily separated from the service thereafter, their retirement benefits and rights, including those of their beneficiaries, shall be determined as if he were being retired on the date of this later separation for the same type of disability retirement as he would have received had he been retired originally instead of reassigned, but a new application may be filed for disability retirement based on their job connected injury or disease occurring

after the first application was filed, and their rights and benefits (including Cost-of-Living retirement adjustments) shall not be less than those to which he would be entitled if he retires for service on the date of their later separation.
Section 10.7

In a district for which the Board of Supervisors is not the governing body, the Chief Executive Officer shall request the district to appoint to the Committee those personnel with functions similar to those of the County Administrator and Director of Human Resources; and such other personnel shall then service on the Committee in lieu of the County Administrator and Director of Human Resources.

XIV. AMENDMENT OF REGULATIONS

Amendments to these regulations require 6 affirmative votes of the Board.

XV. HISTORY

Adopted: 9/14/1999

Amended: 9/18/2001, 12/11/2002, 2/19/2003, 7/9/2003, 8/11/2004, 2/8/2006, 7/11/2007, 9/8/2010, 1/14/2015, 10/23/2019, 4/8/2020, 7/14/2021, XX/XX/XXXX

Meeting Date
09/25/2024
Agenda Item
#6

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT
REGULATIONS

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
REGULATIONS

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CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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I. ADMINISTRATION

1. Name

The name of this Association is "The Contra Costa County Employees' Retirement Association" ("CCCERA" or the "Association").

2. Board

Whenever used in these Regulations, unless otherwise stated, "Board" and "Board of Retirement" mean CCCERA's Board of Retirement as defined in California Government ("Gov.") Code beginning at Section 31459.

2.1 Alternate Board Members

A. The alternate safety, alternate appointed and alternate retiree members shall be provided with the same conference, education and manager on-site visit opportunities as all other Board members.

B. The alternate safety, alternate appointed and alternate retiree members may participate in the deliberations of the Board or its committees including those deliberations held in closed session.

C. Neither the alternate safety member, the alternate appointed member nor the alternate retiree member shall be entitled to serve as an officer of the Board or committees of the Board.

D. The alternate retiree member shall be entitled to the same compensation as the retiree member for attending a meeting, pursuant to Gov. Code Section 31521, whether or not the retiree member is in attendance at that meeting.

E. The alternate appointed member shall be entitled to the same compensation as the fourth, fifth, sixth or ninth member, pursuant to Gov. Code Section 31520.12, whether or not the fourth, fifth, sixth or ninth members attend the meeting.

3. Election of Officers

At the first regular meeting in July, as the first order of business, the Board shall elect a Chairperson, Vice-Chairperson, and Secretary, each to hold office for a term of one year or until a successor is duly elected and qualified. The newly elected officers shall immediately be seated. The Chairperson shall establish the agenda as it relates to administrative or investment matters with the assistance of the Chief Executive Officer. Should an officer for any reason fail to complete ~~his/her~~their term, the Board shall select a successor for the balance of the expired term at its next regular meeting.

4. Delegation to Chief Executive Officer

In addition to the normal duties required to administer the Association on a day-to-day basis, the Chief Executive Officer is authorized to perform the following duties which are otherwise reserved for the Board:

A. Issue subpoenas and subpoenas duces tecum under Gov. Code Section 31535.

B. Release unclaimed funds under Gov. Code Section 31629 provided the claimant has adequately established ~~his/her~~their identity and makes application for the funds.

C. Determine, under Gov. Code Section 31724, that the effective date of a member's disability retirement is a date earlier than the date the application was filed if the delay in filing was due to administrative oversight or inability to ascertain permanency and where credible documentation exists to support this fact.

D. Accept elections for deferred retirement under Gov. Code Section 31700 and affidavits of membership under Gov. Code Section 31526.

E. Correct prospectively any administrative error in the calculation of retirement benefits, with the issue of retroactive corrections, if any, to be reserved for the Board's exercise of discretion in accordance with the law.

5. Fiscal Year

The fiscal year for budget purposes shall be the calendar year.

II. MEETINGS

1. Regular Meetings

Regular meetings ~~shall be~~are held ~~on the second and fourth Wednesday of~~ each month at 9:00 a.m.~~-~~ on the first and third Wednesdays of the month as determined by the Board in the Board Room of the Contra Costa County Employees' Retirement Association, 1200 Concord Avenue, Suite 350, Concord, California 94520, unless changed by the Board.

2. Quarterly Investment Review

The Board shall review investment manager performance on a quarterly basis, unless changed by the Board.

3. Special Meetings

Special meetings may be called in accordance with the Ralph M. Brown Act.

4. Rules of Order

Unless otherwise provided herein, the general conduct of the Board shall be guided by Robert's Rules of Order, Revised, 1915 edition. All other proceedings, including those of motions and decorum, shall be guided by those provisions pertaining to an "Assembly" as specified in Robert's Rules of Order.

The Chairperson will:

A. Vote on all Questions

B. Recognize a member or non-member entitled to speak

C. Enforce the rules and decorum specified in these Regulations

~~A motion for the "Previous Question" (to "call" or cut off debate of the immediate pending question) may be made by any member without a second. If no objections are made by the members, the Chairperson will immediately "put", without debate, the question. If an objection is made, a vote is immediately required, without debate, regarding the "previous question". A vote of 2/3 of the votes cast is necessary for adoption. If adopted, the Chairperson immediately "puts", without debate, the pending question.~~To end a debate on a pending motion immediately, a voting Board Member may call for the question (by saying "I call the question") which request needs a second from a voting Member. A vote is then held immediately on the called question to end the debate on the main motion first, with no further discussion allowed. A two-thirds (2/3) vote of the voting Members is required for passage. If the motion to call the question is passed, the pending motion on the floor is then voted on immediately, without further debate.

4.a. Board Meeting Agendas and Order of Business~~, First Meeting of the Month~~

The Board meeting agendas shall comply with the requirements of the Open Meeting Law (Ralph M. Brown Act) and generally provide for a usual order of business ~~at the first meeting of the month~~, subject to the final setting of agenda matters by the Board Chairperson and the CEO. The usual order of business is as follows:

A. Public Comment

B. Approval of minutes

C. Routine items ~~approval~~

D. Business items, including administrative, investment and actuarial items~~.~~

E. Trustee reports on meetings, seminars and conferences

F. Staff reports

G. Closed session items

~~Closed Session for disabilities, litigation, and personnel matters.~~
~~D.~~

~~E. Report out of Closed Session~~

~~F. Unfinished administrative business~~

~~G. New administrative business~~

~~H. Fiduciary/Staff education~~

~~I. Miscellaneous~~
~~(i) Staff Report~~
~~(ii) Outside Professionals' Reports~~
~~(iii)Trustees' comments~~

The Chairperson may modify the order of business in ~~his or her~~their discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the ~~Board~~ Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

~~**4.b. Order of Business, Second Meeting of the Month**~~

~~The usual order of business at the second meeting of the month, subject to the final setting of agenda matters by the Board Chairperson and the CEO is as follows:~~

~~A. **Public Comment**~~

~~B. Approval of minutes~~

~~C. Investment performance review~~

~~D. Investment matters~~

~~E. **Actuarial matters**~~

~~F. Unfinished administrative business~~

~~G. New administrative business~~

~~H. Miscellaneous~~
~~(i) Staff Report~~
~~(ii) Outside Professionals' Report~~
~~(iii) Trustees' comments~~

~~The Chairperson may modify the order of business in his or her discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the Board Chairperson may establish reasonable time limits on discussion items during the course of the meeting.~~

5. <u>Quorum</u>

Five voting Members of the Board present at the meeting shall constitute a quorum. No motion may be passed or business transacted without five affirmative votes.

6. <u>Communications and Requests</u>

Communications and requests should be made in writing and any action of the Board thereon shall be noted in the minutes.

7. <u>Minutes</u>

The minutes or a true copy thereof, prepared in accordance with the Ralph M**.** Brown Act, shall be signed by the Secretary and the Chairperson, and shall form part of the permanent records of the Board. The reason for a Board member's vote on a Board action shall be included in the minutes when requested by the member.

8. Committees of the Board

The Chairperson shall appoint committees as deemed necessary to carry out the business of the Board. A quorum for a Committee meeting shall consist of three Board Members. Committee meeting will be open to the public, except for meetings of ad-hoc advisory committees consisting of less than a quorum of the full Board. A Chairperson and Vice-Chairperson for each Committee will be appointed by the Board ~~of Retirement~~ Chairperson.

III. MEMBERSHIP

1. ~~Exclusion from~~ Membership & 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. Pursuant to Gov. Code Section 31527(h), an officer or employee's membership entry date shall be adjusted by no more than twelve weeks after their entrance into service in order to facilitate that member establishing reciprocity with another pension system.

~~A.~~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 full-time 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~~their active membership in the Association.

3. 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 3~~9~~0 days of the employee's date of hire; provided, however, that the Chief Executive Officer may, in ~~his/her~~their sole and reasonable discretion, waive the time limitation if the newly hired employee establishes good cause for such a waiver.

4. 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) showing the member's name, date of birth, social security number, gender, marital status, employment hours, and the compensation received. The sworn statement shall be received within 30 days of the member's hire date. The Association may require other information as needed. Additionally, the submission by the member's employer to the retirement association of the information outlined above may be submitted electronically to the retirement association with a certification statement of accuracy by the employer.

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. A~~The Board shall assess the employer~~ participating employer shall be assessed a penalty in the amount of the monthly member and employer contributions plus interest at the actuarially assumed rate of return ~~five hundred ($500) dollarsthe full monthly member and employer contributions plus interest at the actuarially assumed rate of return~~ per employee for every month or fraction thereof that the required member sworn statement or certification statement is not submitted.

The ~~Board~~ Association shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

5. Electronic Signatures

Pursuant to Government Code Section 31527(i), the Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

IV. CONTRIBUTIONS AND REPORTING

1. Leave of Absence

When a leave of absence without pay is less than a full calendar month, the full monthly contribution, if available from the member's salary, shall be deducted from the member's earnable compensation and service credit shall be given for a full calendar month. If the amount of the member's salary for the applicable period is less than the contributions due, then no deduction shall be made for service credit. (Gov. Code section 31527, subd. (a).)

Members on stipendiary educational leaves shall continue to make contributions.

2. 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 in a written agreement between CCCERA and the participating employer, 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.

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.

3. Drops in Payroll

Whenever the employer's reportable payroll drops to a level which is lower than 70% of its payroll during the same period in the preceding year, the Board may investigate the cause. Whenever the employer's reportable payroll drops to a level which is lower than 50% of its payroll during the same period in the preceding year, the Board <u>shall</u> investigate the cause. If the Board determines that the cause is other than temporary it shall determine the amount of contributions due from the employer to continue paying its share of any unfunded liability. This amount shall then be due from the employer in addition to any contributions made on the reduced payroll.

4. Employer Certification

Each report as specified in Section IV.2 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.

V. SERVICE

1. Leave of Absence

When a member returns from a medical leave of absence without pay, the member shall receive credit for up to 12 months of the leave time if the member pays an amount equal to what he or she would have paid, including any amount that would have been paid by the member's employer on the member's behalf (i.e., subvented), had he or she not taken the leave together with the interest that such amount would have earned had it been on deposit. Calculation of the cost of the leave purchase and the method of payment for such leave shall be as provided in Gov. Code Section 31646.

2. Prior Service

In establishing the length of prior service for any member entitled to credit therefor, official payroll records or other official records shall be controlling. In the event that any of such records are unavailable, the Board, in its discretion, may accept affidavits of the employee, affidavits of the employee's employer, affidavits of fellow employees or such other sworn evidence as the Board determines to be pertinent.

For the purpose of these Regulations, credit for prior service for a per diem employee entitling the employee to a full year's credit towards retirement shall mean 200 or more workdays of service rendered in any one calendar year including leave of absence, vacation and sick leave duly granted, but not more than one year of credit shall be allowed for service in any one calendar year. Service of less than 200 workdays in any one calendar year shall be credited on the pro-rata basis of 250 workdays per year.

Prior service shall include all service for the employer and all service while on leave from the employer for military duty, which is prior to the establishment of the retirement system.

3. **Sick Leave Credit**

The following provisions govern the use of sick leave credit toward service credit at retirement under Government Code Sections 31641.01 as adopted by the County Board of Supervisors.

A. The total hours of sick leave accumulated by the member on the date of retirement, at the rate of one day for each one day earned, shall be certified as to its accuracy in writing under penalty of perjury by the duly authorized representative of the employer.

B. The Association shall convert the total sick leave into years and fractions of a year using the following equivalencies:

(i) For firefighters, accumulated sick leave hours at retirement shall be divided by 2,912 (average number of working hours per year for a firefighter).

(ii) For all other members, the accumulated sick leave hours at retirement shall be divided by 2,000 hours (average number of working hours per year).

C. The formula used to determine the sick leave service credit value shall be the same as used for the member's service category at the time of retirement.

4. **Service Purchase**

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648, or military service under Government Code Section 31649.5, shall be eligible to make the purchase anytime before applying for retirement.

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648 or military service under Government Code Section 31649.5 shall be permitted to make such purchase in installment payments as provided for in Section V, paragraph 6 of these Regulations.

5. **Redeposit of Withdrawn Contributions**

On redeposit, a member must pay withdrawn contributions plus any interest as defined in Gov. Code Section 31472.1, subject to Section V, paragraph 8.

The redeposit will exclude contributions subvented by the employer under Gov. Code Secs. 31581.1 31581.2 and 31630, and exclude any Cost of Living (COL) contributions that were not otherwise paid by members as a result of a transfer of excess surplus funds for that year.

6. **Installment Payments**

Whenever a member elects to purchase prior public service (Gov. Code Sec. 31641.2), prior nonmembership service (Gov. Code Sec. 31641.5), prior military service (Gov. Code Sec. 31649.5), prior service (Gov. Code Sec. 31648), or leave of absence service (Gov. Code Sec. 31646), or elects to redeposit withdrawn service (Gov. Code Sec. 31652), and the member elects to make such purchase or redeposit in installment payments, the following shall govern:

A. The amount of service represented by each installment payment shall be computed by dividing the amount of the installment payment by the total cost of purchase or redeposit, and multiplying the resulting percent by the total service being purchased or redeposited.

B. The member's service credit record shall be increased to reflect each installment payment as it is received and shall be applied to the most recent service for which credit is available.

C. The member's account balance shall be increased to reflect each installment payment as it is received. Unless otherwise certified by the employer, the installment payment will be deemed and credited as after-tax member contributions.

D. If the member dies, requests a refund, or retires either for service or disability, no further installments shall be accepted. Any benefit payable thereafter shall recognize or include service purchased or redeposited and account balances to date.

E. If multiple periods of service are eligible for purchase or redeposit, the cost of each period shall be separately computed and any installments shall apply to the most recent service period first.

F. Unless otherwise prohibited by law (leave of absence without pay under Gov. Code Sec. 31646, prior public service under Gov. Code Sec. 31641.2, and prior nonmembership service under Gov. Code Sec. 31641.5), the member shall be eligible to make installment payments so long as he or she continues to be actively employed.

   As for service purchased under Government Code Sections 31641.5 and 31646, such payments may be made by lump sum or by installment payments over a period not to excess the length of time for which the member has elected to receive credit, in the manner otherwise provided for in this paragraph 6.

   As for service purchased under Government Code Section 31641.2, such payments may be made during active employment as a member by lump sum or by installment payments over a period not to exceed five years.

G. A member may elect installment payments by monthly payroll deductions on a post tax basis.

   (i) A Purchase Contract must be signed for payroll deductions.

   (ii) All payroll deduction Purchase contracts must be paid in full by the member's retirement date or within 120 days of termination.

   (iii) Service credit is posted to member's account at the completion of the contractual payments.

7. <u>Conversion of Tier II Service Credit</u>

Once a member elects or by resolution has been placed into Tier III membership under Gov. Code Sec 31755 he or she is eligible to convert all or any part of Tier II service credit to Tier III service credit.

The member's cost shall be the difference between the total amount he or she and the employer paid into the Association under Tier II and what would have been contributed during the same time if the employee had been under Tier III, together with interest as defined in Section 31472.1, subject to Section V, paragraph 8.

8. <u>Forgiveness of Interest</u>

In cases where a member is redepositing withdrawn contributions, purchasing service credit or converting service credit in accordance with this Section V, interest shall not include the most recently credited interest amount if all of the following conditions are met:

A. The member requested a calculation of the cost of the purchase or conversion more than three months prior to the June 30 or December 31 interest crediting date.
B. The member received the requested calculation after the June 30 or December 31 interest crediting date.
C. Within 30 days of receipt of the requested calculation the member pays all or a part of the cost with a lump sum payment.

VI. COMPENSATION

1. Compensation for Retirement Purposes.

The Board has adopted a ~~Board~~ Compensation Earnable Policy and a Pensionable Compensation Policy listing items of compensation that are included in “compensation”, “compensation earnable”, and “final compensation” as defined in Government Code Sections 31460, 31461, ~~and~~ 31462.1, and 7522.34. The Retirement Association will provide each employer with a copy of the ~~Board C~~compensation p~~P~~olicies~~y~~. Each employer is required to transmit promptly to the Retirement Association, contributions on each item of compensation listed in the ~~C~~compensation ~~P~~policies~~y~~ as includible in “compensation”.

2. New or changed pay items.

Each employer shall report to the Association in writing within 30 days of any of the following events:

A. A new pay item is created.

B. There has been a change in either an existing pay item or the conditions under which the pay item is computed, accrued or paid.

C. Notification received after the 30 days adoption shall be considered late and shall be assessed a reporting penalty as defined in Section IV.2.

D. Upon notification, the Board shall determine whether the pay item is included in “compensation” as defined in Section 31460.

VII. NORMAL RETIREMENT AGE AND BONA FIDE SEPARATIONS

Normal Retirement Age

For purposes of applying the Pension Protection Act of 2006 ("PPA") and complying with other applicable tax-related laws (such as restrictions on in-service distributions), effective July 1, 2007, the "Normal Retirement Age" for CCCERA members shall be the age set forth in CERL retirement formula for an unreduced benefit that applies to each CCCERA member immediately preceding the effective date of ~~his or her~~their retirement from a CCCERA employer. For example, the Normal Retirement Age for a member who earns retirement service immediately before retirement under a "3% at 50" retirement formula (Gov. Code section 31664.1) is 50 years of age. The Normal Retirement Age for a member who earns retirement service immediately before retirement under a "2% at 55" retirement formula (Gov. Code section 31676.16) is 55 years of age.

Notwithstanding the foregoing, Normal Retirement Age for CCCERA members shall in no event be earlier than (i) age 55 for CCCERA members who are not Qualified Public Safety Employees (as defined in Internal Revenue Code section 72(t)(10)(B)) immediately prior to their retirement; and (ii) age 50 for CCCERA members who are Qualified Public Safety Employees.

The Board may change or further refine its determination of Normal Retirement Age as described herein in order to comply with any rules or regulations of the Internal Revenue Service or other applicable law. The Board's current determinations of Normal Retirement Age are based upon the findings and conclusions set forth in Board of Retirement Resolutions 2007-1 and 2007-2.

Bona Fide Separation from Service

A) In order to comply with tax law restrictions on in-service distributions, a member who retires at an age younger than Normal Retirement Age, as defined herein, may not enter into an agreement, either oral or written, prior to the date the member's retirement commences, to be reemployed while retired by the same CCCERA employer, regardless of the length of the member's break in service after retirement. The member must acknowledge in writing to CCCERA at the time of retirement that the member has been informed of these requirements and limitations on post-retirement employment and that no prearrangement to be reemployed while retired exists.

B) A member who retires at an age younger than Normal Retirement Age, as defined herein, must have at least a continuous 90-day break in service from the date of the member's last day of employment prior to being reemployed while retired by the member's prior CCCERA employer.

C) If a member is reemployed without compliance with subsections (A) and (B) above, the retired member's retirement benefits from CCCERA must cease as soon as practicable upon discovery by CCCERA and will not resume until the member has a bona fide separation from service or reaches Normal Retirement Age, whichever occurs first.

D) A member may return to work prior to the time specified in section (B) above for emergency situations as defined in Government Code Section 8558 and under the return to work restrictions specified in Government Code Section 7522.56 *et seq.* However, prior to returning to work, the retiree must have incurred a bona fide break in service and cannot have entered into a prearranged agreement to be reemployed by the same employer.

E) The definitions, limitations and requirements contained herein shall be provided to every CCCERA member who inquires about retirement.

VIII. WITHDRAWALS

1. Discontinued Service

The service of a member will be considered "discontinued" under Gov. Code Section 31628 only if the member has actually terminated employment and either the termination is due to lay-off or the member is not reemployed by that employer for a period of 45 days.

The service of a member will not be considered discontinued if the member continues to work for the employer or for another participating employer, even if the member's work schedule is below the minimum number of hours required to qualify for coverage. In these cases interest will continue to be credited to the member's account.

2. Account Withdrawals

All requests to withdraw an account must be in writing.

All payments of an account balance shall be in the form of either or both of the following:

A. A lump sum distribution

B. A rollover to an IRA or a new employer's Qualified Plan per current IRS guidelines.

3. Interest Crediting

Interest is credited to the account of a pending refund request on June 30th or December 31st if the funds have been on deposit for six months or more in accordance with Gov. Code Section 31591.

A member who continues employment in a non-covered position will have interest credited to ~~his/her~~their account.

4. Account Reinstatement

A member who has appealed a dismissal and has been reinstated by the employer is allowed to redeposit withdrawn retirement contributions, plus interest, and will be reinstated as of the original date of membership in the Association.

IX. NEW PARTICIPATING EMPLOYERS (Section 31557)

All officers and employees of any newly participating district shall become members of the Association as provided in Section 31557.

A. An actuarial valuation shall be made to determine liability.

B. The district shall pay the cost of the valuation.

X. PARTICIPATING EMPLOYER WITHDRAWAL (SECTIONS 31564 AND 31564.2)

An employer, by resolution, may withdraw its employees from membership in the Association as provided in Government Code sections 31564 and 31564.2.

A. Upon notification by an employer that it is considering withdrawing from the Association, the Association will provide the employer with a copy of the Association's Employer Termination Policy.

B. An employer shall comply with the Association's Employer Termination Policy to ensure the actuarial soundness of the retirement system.

XI. DISPENSING WITH RECALCULATION FOR MINOR DISCREPANCY

1. Closed Accounts

The Board authorizes the Chief Executive Officer to refrain from collecting an under payment or refunding an overpayment of accumulated contributions from a member who has terminated from the association and cannot be located, whenever the amount is fifty dollars ($50) or less.

2. Active, Deferred and Retiree Accounts

The association may dispense with issuing any check whenever the retroactive liability is less than five dollars ($5).

XII. APPLICATIONS FOR DISABILITY RETIREMENT

(Adopted: Retirement Board – June 14, 1977)

(Approved: Board of Supervisors – June 28, 1977)

1. Application Form

An application for service-connected or nonservice-connected disability retirement shall be filed on the Application for Disability Retirement form prescribed by the Board of Retirement, and shall include either a completed Physician's Statement or another form of medical report to support the Application.

2. Effective Date Of Disability Retirement Allowance

(a) The effective date of a disability retirement allowance shall be established pursuant to Gov. Code Section 31724.

(b) The applicant may apply to have the disability retirement allowance become effective earlier than the date the application is filed upon a showing the application was delayed due to administrative oversight or by the inability to determine the permanency of the disability until after the date following the last day for which the applicant received regular compensation, by completing the applicable section of the Application for Disability Retirement form. The failure of the applicant to apply for an earlier effective date at the time the application is filed shall constitute a waiver of the right to apply for an earlier effective date.

3. Denial Without Prejudice

(a) In the event the medical advisor's recommendation is to deny the disability application (without prejudice), the member may submit additional medical information to support the application and/or request a hearing within six (6) months of notice of the denial.

(b) In the event the medical advisor's recommendation is to grant the disability application, the Board of Retirement will review the recommendation and take action on the application for disability retirement. If the Board denies the application (without prejudice), the member may request a hearing within six (6) months of notice of the denial.

4. Request For Hearing

Any applicant for disability retirement shall, upon request, be entitled to a hearing, at the sole discretion of the Board of Retirement, before the Board, or before a referee appointed by the Board pursuant to Gov. Code section 31533. Any such request for hearing shall be in writing, and shall be made within ~~30 days~~six (6) months after notice of the Board's action denying the application is mailed by certified or registered mail to the applicant. An application is deemed made on the date mailed if mailed by certified or registered mail, on the date postmarked if mailed by first class mail and received, or on the date received by the Association, whichever is earlier.

5. Judicial Review

In any matter in which the party or applicant is entitled to judicial review of any action taken by the Board of Retirement, the petition to the court must be filed within 90 days from the date the notice of the Board's decision is delivered to the party or applicant, or served by certified or registered mail upon the party or applicant or the party's or applicant's attorney.

The procedure for hearings on disability retirement applications that the Board of Retirement or a Referee holds in connection with determination of disability retirement benefits under CERL shall be set forth in the Board of Retirement's separate policy regarding the same.

XIII. CONTINUED EMPLOYMENT OF PARTIALLY DISABLED EMPLOYEES

(Approved: Board of Supervisors – May 9, 1972)

Section 10.1 – Purpose

This regulation governs the procedures for the continued employment of partially disable members pursuant to Government Code Section 31725.5 and County Ordinance Code Section 38-4.402.

Section 10.2 – Definitions

In this regulation, unless otherwise specifically provided, or required by the context, these terms have these meanings:

A. "Reassignment" means the appointment (pursuant to the Statute, the ordinance and this regulation) of a member to a position, with duties different from, and compensation earnable higher, lower, or the same as, the position for which he is incapacitated.

B. "Board" means the Board of Retirement (Retirement Board).

C. "Chief Executive Officer" means the Retirement Administrator as defined in Government Code Section 31522.

D. "Incapacitated for the performance of ~~his/her~~their duties" means the permanent inability of the member, due to physical or mental causes, to perform the duties of ~~his/her~~their specific position.

E. "Committee" means the Rehabilitation Committee.

F. "Governing Body" means the Board of Supervisors or the elected officials governing a district.

G. "District" is defined in Government Code Section 31468.

Section 10.3 – Rehabilitation Committee

A. A Rehabilitation Committee is hereby established for the purpose of recommending whether a member shall be reassigned.

B. Except as provided by Section 10.7, this committee shall consist of the following:

a. The permanent members are a member of the Board designated by it; and the County Administrator, Director of ~~Personnel~~ Human Resources and County Health Officer or their designees; and the Chief Executive Officer or ~~his/her~~their designee, who serves as secretary without a vote.

b. The appointing authority within the department or district to which the reassignment is proposed or ~~his/her~~their ~~(its)~~ designee.

c. The employee and/or ~~his/her~~their designee, unless he waives membership.

Section 10.4 – Procedure

A. After an application for disability is filed, the Chief Executive Officer shall consult with the Board's medical advisor, the member employee and others as necessary, to determine whether a reassignment appears feasible (in view of the members employee's condition) if the Board later finds the member employee to be incapacitated for the performance of ~~his/her~~their duties. If a reassignment appear feasible to the Chief Executive Officer, he shall convene the permanent members of the Committee and the employee or ~~his/her~~their designee, and they shall explore the ~~practicabilities~~practicability of returning the member employee to ~~his/her~~their previous position or reassigning, rehabilitating and/or retraining ~~him/her~~them.

B. When a department or district is located to which a reassignment appears feasible, the appointing authority within it shall be added to the Committee (pursuant to Section 10.3B(2) above).

C. The Committee may make its recommendation to the Board at any time before or after Board action on the application for disability retirement.

Section 10.5 – Reassignment

After the Board determines that the member employee is incapacitated for the performance of ~~his/her~~their duties, he shall be reassigned, in lieu of being retired for disability, if the appointing authority in the department or district in which he is to be employed and the Governing Body agree to ~~his/her~~their appointment and the appointment is made in accordance with any applicable merit or Civil Service system rules.

Section 10.6 – Later Retirement

If a member who has accepted reassignment is voluntarily or involuntarily separated from the service thereafter, ~~his/her~~their retirement benefits and rights, including those of ~~his/her~~their beneficiaries, shall be determined as if he were being retired on the date of this later separation for the same type of disability retirement as he would have received had he been retired originally instead of reassigned, but a new

application may be filed for disability retirement based on ~~his/her~~their job connected injury or disease occurring after the first application was filed, and ~~his/her~~their rights and benefits (including Cost-of-Living retirement adjustments) shall not be less than those to which he would be entitled if he retires for service on the date of ~~his/her~~their later separation.
Section 10.7

In a district for which the Board of Supervisors is not the governing body, the Chief Executive Officer shall request the district to appoint to the Committee those personnel with functions similar to those of the County Administrator and Director of ~~Personnel~~Human Resources; and such other personnel shall then service on the Committee in lieu of the County Administrator and Director of ~~Personnel~~Human Resources.

XIV. AMENDMENT OF REGULATIONS

Amendments to these regulations require 6 affirmative votes of the Board.

XV. HISTORY

Adopted: 9/14/1999

Amended: 9/18/2001, 12/11/2002, 2/19/2003, 7/9/2003, 8/11/2004, 2/8/2006, 7/11/2007, 9/8/2010, 1/14/2015, 10/23/2019, 4/8/2020, 7/14/2021, XX/XX/XXXX

Meeting Date
09/25/2024
Agenda Item
#7

Contra Costa County Employees'
Retirement Association

MEMORANDUM

Date: September 25, 2024

To: CCCERA Board of Retirement

From: Christina Dunn, Chief Executive Officer
Erica Grant, Human Resources Manager

Subject: Consider and take possible action to issue a request for proposal for labor relations consultant services and a request for proposal to provide labor and employment law consultant services.

Background

CCCERA retained Wiley Price and Radulovich, LLP in 2015 to provide employment law and labor relations consulting. The firm later became Aleshire & Wynder. .

As CCCERA approaches the ten year mark since the issuance of the last Request for Proposals (RFP) for these services, it seems prudent to review the market to assure the most effective services. Staff therefore requests approval to issue two RFPs. The RFPs will review the market for vendors that specialize in the following services:

1. Labor relations consultant services. This third party consultant will be an experienced third party labor negotiator on behalf of local government employers. The consultant will be expected to meet with the Board and negotiate on behalf of the Board.
2. Labor and employment law consultant services. The law firm(s) will have experience with Meyers-Milias-Brown Act, the Public Employment Relations Board, and/or public agency executive level employment law. In addition, the attorneys will be experienced in providing legal counsel to public sector Boards and management regarding general labor and employment law matters to ensure compliance with federal and state rules and regulations for employers.

Recommendation

Consider and take possible action to issue a request for proposal for labor relations consultant Services and a Request for Proposal to provide labor and employment law consultant services.

Meeting Date
09/25/2024
Agenda Item
#8a.

Pension Bridge Real Assets

December 9 & 10, Austin, Texas

Agenda

with. Intelligence

Day One

12:00 Lunch & Registration

1:00 Opening Remarks

1:05 Keynote Allocator Interview

1:25 Moving Through the Macro: Real Assets in Times of Strife

Persistent inflation. Geopolitical tensions. Higher-for-longer rates. Consumer savings running low. Deglobalization and "reshoring". Decarbonization. High energy prices. All these have led to a piqued interest by LPs in real assets. Global macroeconomic and megatrend indicators suggest that real assets are set for healthy growth in the years to come. Yet hurdles remain. LPs see a disconnect in valuations in infrastructure with wide bid-ask spreads and real estate is undergoing seismic structural and economic changes.

- What landing? How will America's surging economy fare in 2025?
- To what degree will real assets grow in terms of strategic allocation over the coming years?
- To what extent are geopolitical tensions around the world more noise when looking at LP portfolios?
- How should LPs tweak their real assets portfolios in terms of mix, given macro forces?
- How will energy markets develop given a move to a more multi-polar world?

2:05 Headline Presentation

2:25 Coffee & Refreshments

2:55 Traditional Infrastructure: Are the Contrarians Right?

America's infrastructure is the oldest it has ever been. This presents significant opportunity for private investors who aren't afraid to lock in liquidity for long-term, stable returns. While fundraising has been in the doldrums, performance remains strong. Why? Investors are cautious on valuations, creating wide bid-ask spreads. Plus, contrarians argue that the tailwinds affecting the industry aren't as rosy as they seem.

- How will allocation to traditional infrastructure change during the wind down of the inflation-interest rate shock of 2022-23? Will dealflow rise or fall?
- To what degree are capital flows to decarbonization slowing dealflow in traditional infrastructure?
- Crypto was supposed to revolutionize data centers. As was blockchain. Is AI a passing fad for digital infrastructure?
- To what extent will there be a market correction on valuations over the next 12 months?
- Once inflation normalizes, and infrastructure no longer is seen as a hedge against inflation, how will the asset class perform?

Moderator
Speaker to be Announced

Panellist
Speaker to be Announced, **Arjun Infrastructure**

3:35 Fund Structures: Redemption Song

LPs want evergreen (or open-ended) fund structures. They allow them access to liquidity. In theory, at least. They like the flexibility, open-ended structure and that there is no termination date. Yet many GPs, in reality, offer evergreen options with strict withdrawal stipulations. How “evergreen” is evergreen in reality, and what conditions are driving their growth in the industry?

- Does the growth of evergreen funds in real assets offer genuine liquidity options for LPs?
- To what extent do evergreen funds fulfil their promoted terms?
- How do evergreen fund structures align with exit timing?
- Do early redemptions run the risk of losing out on future gains?
- How can LPs conduct proper due diligence that determines the right terms for them?

4:15 Cocktail Reception

Day Two

8:10

Breakfast for All Attendees | LP-Only Breakfast

9:10 Opening Remarks

9:15 Keynote Adress

9:45 Commercial Real Estate: Is There Hope on the Horizon?

Commercial real estate has had a difficult few years, to put it mildly. Higher rates and structural trends such as falling occupancy rates and softening economic conditions are to blame. Yet there is hope, mostly in the form of rate cuts from the world's central banks. How should investors proceed? By finding managers who are proven in building resilient portfolios.

- To what extent will rate cuts affect allocator investment into the US' real estate sector?
- How can allocators identify which managers can build resilient portfolios?
- Even with rate cuts, to what degree can commercial real estate rebound?
- Developed vs emerging: Where should allocators to achieve their risk-adjusted return objectives in real estate?
- Opportunistic and value-add: How should LPs approach?
- Which conversion strategies can LPs take when it comes to office within their portfolios?
- Which pockets of office are left to grow, such as life sciences?

Moderator
To be Announced

Panellist
Gilia Cohen, Chief Investment Officer, **Vanbarton Group**
Onay Payne, Senior Manging Director, **Manulife Investment Management**

10:25 Headline Presentation

10:45 Coffee & Refreshments

11:15 Infrastructure Equity and Debt: Is Decarbonization Really the Golden Goose?

Ambitious legislation such as the Inflation Reduction Act (ironically named, given the splurge of capital it entices) is creating significant dealflow in decarbonization-related infrastructure. Projects are becoming larger and more bankable, thus creating bigger ticket sizes for pension funds and other institutional investors. What's the catch?

- Are nascent technologies such as hydrogen, those related to grid transition, offshore wind, carbon capture, nuclear developed enough to allocate capital to?
- Would an administration change affect momentum behind decarbonization or is politics just more noise?
- Will local and national regulations threaten growth in the sector?
- How has the IRA undermined growth and capital flows in European decarbonization?
- Are renewable energy assets performing to desired standard?
- From a portfolio construction perspective, to what degree should allocators increase their exposure to decarbonization-related assets and where should they sit in the investment function?
- Which subsectors offer the best risk-adjusted returns?
- How can investors identify the 'next big thing', such that battery storage was a few years ago?

Moderator
Hari Gnanaharan, Investment Due Diligence Analyst – Infrastructure, **Albourne Partners**

Panellist
Darpan Kapadia, Chief Operations Officer, **LS Power**
Speaker to be Announced, **Transition Equity Partners**

11:55 One Warehouse Too Many: Has Logistics Peaked?

Logistics has long been touted as the diamond in the rough in real estate. Yet an unprecedented freight market collapse, rising rates and weak investor sentiment on the back of these factors, especially in venture, has threatened growth. This panel will answer the crucial question: Has the darling child of real estate peaked?

- Where specifically is the flight to quality taking allocators?
- To what degree will falls in bond yields, on the back of rate normalization, affect the logistics and supply chain sector in 2025?
- In lieu of poor performing geographies, to what extent should investors pivot to attractive markets like Dubai, Singapore, India and Japan?
- Deglobalization: Head or tailwind?
- How much have LPs tilted towards logistics and supply chain-related investments within their real estate portfolios?

12:35 Lunch

1:40 Real Estate Debt: Long Live Distressed

The withdrawal of real estate debt markets and a huge number of loans maturing over the years presents opportunities for LPs looking to tap real estate debt investments. Credit demand is high as firms look to restructure their obligations and refinance. Yet the fundamentals of the real estate sector remain in flux, and the question of defaults are again coming into the fore.

- How is the demand outlook for credit going to evolve in 2025?
- Do LPs want a situation where they 'take back keys' in the face of borrowers being unable to meet their obligations?
- How exposed are LPs to core debt, such as office and mall space, and to what extent does this worry them?
- Which subsectors, such as multifamily, are offering the best lending opportunities for LPs?
- To what extent is there limitations within the capital stack with senior loan supply in the industry?

2:20 Timber, Agriculture and Natural Resources: The Case for and Against

Proponents of timber and agriculture argue that the asset classes offer a strong and stable yield, can tap into the decarbonization megatrend, fulfil underserved housing needs (in the case of timber), sustain urbanization and population growth, and can be an effective entry point to carbon markets. Yet critics remain. A lack of diversification and currency risks and costs for international allocations abound. In the case of natural resources, exploration often fails. Speculation abounds. And lucrative critical minerals are often found in less-than-ideal jurisdictions.

- How would timber fare in a downturn?
- How will rate cuts affect repairs and renovations, a driving force of timber use?
- To what extent will massive property crises in China impact timber prices over the next decade?
- What is the outlook for American agriculture?
- To what degree is deglobalization real, and how might if affect global mining and metals?
- Exploration often fails but offers the most lucrative returns when it succeeds. Is the asset class too risky for institutional allocators?
- Will supply chains ever rid themselves of China's dominance over rare earth materials?

3:00 Great Game Bonanza Energizer

You and your peers are in for a competitive and entertaining treat with the Great Game Bonanza! Working in teams, you'll be put to the test a battle of wits in Bocce Ball, Cornhole, Giant Jenga, and Ping Pong. Let the best team win!

4:00 Energy: Geopolitics, Renewables and Oil's Last Producer Standing

The world of energy has undergone dramatic change in the last few decades. The US, from a dependency on Middle East oil to the world's largest producer. Europe, from insatiable hunger for Russian gas to weening off it almost entirely. China, the world's largest guzzler of coal is now a global renewable powerhouse. Saudi Arabia and the UAE, the best producers of cheap and clean crude in the world. How will the world's energy mix change over the coming decade? And what are the implications for American investors?

- Exxon vs the Gulf: Who will be the last producer standing?
- To what extent are coal, oil and gas legitimate long-term investments from a strategic asset allocation perspective?
- Critics argue that oi is a structurally declining industry. To what degree is this true?
- The growth in Texan and US renewable energy has been staggering. But how does performance hold?

Moderator:
To Be Announced

Panellist:
Carolyn Hansard, Senior Director of Energy, Natural resources & Infrastructure, **Teacher Retirement System of Texas**

4:40 Allocator Interview: Commodities

5:00 Real Assets: The Battle for Allocation

Allocators will have spent the day and a half of Pension Bridge Real Assets determining their asset-class-specific strategies. At end the event, three major LPs will determine, from a whole-portfolio perspective, how they plan on changing their strategic asset allocations in wake of major and long-term market and geopolitical changes.

Moderator:
To Be Announced

Panellist:
Tom Masthay, Deputy Chief Investment Officer, **Texas Municipal Retirement System**

5:45 Cocktail Reception & Conclusion of Conference

National Conference on Public Employee Retirement Systems

The Voice for Public Pensions

Communications Summit Agenda

2025 PRELIMINARY AGENDA

As of 9/5/24

SUNDAY, JANUARY 26

2:00 PM – 6:00 PM Registration

3:00 PM – 4:00 PM Introductions & Networking

- Get to know your fellow pension communications professionals during this informal kickoff session

4:00 PM – 5:00 PM — Why Communications Matters for Pensions: The CEO Perspective

- Get the CEO perspective on the transformative impact of investing in their fund's communications efforts
- How to elevate the role of communications within your organization by demonstrating value, impact
- Understanding communications as an operational tool
- Should communications staff be at the exec table?

5:00 PM – 6:30 PM — Networking Reception

MONDAY, JANUARY 27

6:30 AM – 6:00 PM — Registration

7:00 AM – 8:00 AM — Breakfast

8:00 AM – 8:30 AM — Facilitated Discussion: AI & Technology

- How is your organization using AI?
- What policies do you have in place?
- Which tools or technologies are you using to help drive efficiencies?

8:30 AM – 9:00 AM — AI: How to Use AI, Automation, to Drive Efficiencies

- Tips for creating effective prompts
- Automation strategies to drive efficiencies
- How has AI impacted my work?

9:00 AM – 9:30 AM — AI Ethics: When to Disclose

- How to develop an AI policy
- When to disclose AI usage in your communications

9:30 AM – 10:15 AM — Why Every Pension Fund Needs a Crisis Communications Plan

- What types of crises could impact your fund?
- Overview of crisis communications best practices
- Preparing staff and board members to respond effectively and efficiently
- How does a crisis communications plan evolve over time?
- Case studies from peers' experiences (*i.e.* data breaches, etc.)

10:15 AM –10:30 AM — Networking Break

10:30 AM – 11:00 AM	Facilitated Discussion: Digital Media Practices • What are plans using social media for? • Where are you seeing the most engagement? • What challenges are you having in the digital media space? • Best equipment for multimedia production?
11:00 AM – 11:45 AM	Social Media Best Practices • Navigating social media platforms • Platform demographics, how to reach your target audience • Social listening and monitoring tools
11:45 AM – 12:30 PM	Inbox Impact: How to Improve Your Email Engagement • How to improve your deliverability rates • Tools for benchmarking your email communications • Email trends and best practices to break through the clutter • Compliance issues to watch • List management tips and tricks
12:30 PM – 1:30 PM	Networking Lunch
1:30 PM – 2:00 PM	Dealing with Jargon • Communicating to members and the public effectively in a high-jargon industry • Tips for simplifying language • How do you measure success?
2:00 PM – 2:45 PM	Financial Literacy & Member Engagement • How to build an effective ongoing education campaign • Strategies for making an impact with the 18-25 demographic • How to build financial literacy within your membership
2:45 PM – 3:00 PM	Networking Break
3:00 PM – 3:30 PM	Facilitated Discussion: Member Engagement • What strategies have been most effective to engage members? • What types of communications are you sending? • What challenges are you having?
3:30 PM – 4:30 PM	The Good. The Bad. And the Ugly. • A discussion around communication success stories, failures and challenges • Strategies for communicating about tough topics (i.e. employee contributions, COLA freezes, policy developments, etc.)

4:30 PM – 5:15 PM	Are You Getting the Best ROI for Your Communications Efforts? • How to adapt and allocate resources effectively (especially for small teams) • Understanding your metrics – how to measure and track performance (and know when to pivot)
5:15 PM – 5:30 PM	Honoring the 2024 Public Pension Communicators of the Year
5:30 PM – 6:30 PM	Joint Communications Summit and Legislative Conference Networking Reception

Meeting Date
09/25/2024
Agenda Item
#8c.

National Conference on Public Employee Retirement Systems
The Voice for Public Pensions

Legislative Conference Agenda

2025 SCHEDULE OF EVENTS

MONDAY, JANUARY 27

7:00 AM – 6:00 PM Registration

5:30 PM – 6:30 PM Joint Communications Summit and Legislative Conference Networking Reception

TUESDAY, JANUARY 28

7:00 AM – 6:00 PM Registration

7:00 AM – 8:00 AM Breakfast

8:00 AM – 12:00 PM General Session I

12:30 PM – 1:30 PM Networking Lunch

1:45 PM – 5:00 PM General Session II

5:15 PM – 6:30 PM Networking Reception

WEDNESDAY, JANUARY 29

8:30 AM – 9:30 AM Policy Day Breakfast & Pre-Meeting

10:00 AM – 4:00 PM Policy Day Lounge & Debriefing Room

9:30 AM – 4:00 PM Meetings with Congress

NCPERS will arrange several congressional meetings in which attendees can choose to participate.

12:00 PM – 1:00 PM Policy Day Lunch

4:00 PM – 6:00 PM Policy Day Happy Hour

National Conference on Public Employee Retirement Systems
1201 New York Avenue, NW, Suite 850, Washington, DC 20005
202-601-2445 202-688-2387
info@ncpers.org

Meeting Date
09/25/2024
Agenda Item
#9a.

CCCERA
Contra Costa County Employees' Retirement Association

Memorandum

Date: September 25, 2024

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer

Subject: Update on Private Real Estate Allocation

Overview

CCCERA recently made a commitment to Jadian Capital Real Estate Fund II, a private real estate fund using the delegated authority granted in the Investment Policy Statement. A brief description of the fund/strategy is included below. This memo is for informational purposes only and no action is required from the Board at this time.

Investment Policy Statement

The CCCERA Investment Policy Statement adopted by the Board on September 28, 2016 (amended on April 24, 2019 and May 26, 2021) outlines the hiring process for new investment mandates. Commitments up to a $150 million per strategy may be approved via a staff review process, while mandates above this threshold require approval by the Board.

Jadian Real Estate Fund II

Jadian II is a closed-end value-add real estate fund that targets the growing alternative real estate sectors. Fund II's sectors include industrial outdoor storage, self-storage for business, manufactured housing, model homes sale-leaseback, and airplane hangars. Jadian's strategies are to build operating platforms and aggregate real estate in its target sectors. Fund II is targeting a total fundraise of $800 mm. CCCERA committed $60mm to the fund.