



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
November 2, 2016
9:00 a.m.

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

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

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the September 28 and October 12, 2016 meetings.
4. Routine items for November 2, 2016.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept Asset Allocation Report
5. Educational presentation on Ralph M. Brown Act open meetings laws.
6. Educational session on fiduciary duties presented by fiduciary counsel.
7. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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



Meeting Date
11/02/16
Agenda Item
#3

MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING
September 28, 2016
9:00 a.m.

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

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

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Christina Dunn, Administrative/HR Manager; Henry Gudino, Accounting Manager; Tim Hoppe, Retirement Services Manager; and Alexis Cox, Member Services Manager

Outside Professional Support: Representing:
Ed Hoffman Verus
Harvey Leiderman Reed Smith

1. Pledge of Allegiance

Holcombe led all in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Approval of Minutes

It was M/S/C to approve the minutes of the August 24, 2016 meeting including a correction to Item 5 a. removing Maytak Chin as a presenter. (Yes: Allen, Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54956.9(d)(1). 2 cases

The Board moved into open session.

Pigeon was present for subsequent discussion and voting.

4. a. It was M/S/C to appoint Reed Smith for CCCERA and the Board of Retirement's defense on this matter. (Yes: Allen, Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

MacDonald recused himself on the next Item.

b. No reportable action.

5. Presentation of updated Investment Policy Statement

Price and Hoffman reviewed the updated Investment Policy Statement noting it is more concise document, policy focused and anything implementation related was moved to internal procedures. The Board will be asked to adopt Board resolutions for appropriate items. The Board resolutions and internal procedures would be supporting documents to the Investment Policy Statement.

Price noted that staff and outside consultants have incorporated the changes requested from the Board during the first draft into this updated Investment Policy Statement. Hoffman thought the process was very good and collaborative between staff and the consultants.

Hoffman reviewed the changes that were incorporated into the updated Investment Policy noting the changes were clean up language and not substantial changes.

There was a discussion on the internal procedures and Board resolutions. The Board noted that annually the policy should be reviewed.

Andersen was not present for subsequent discussion and voting.

6. Consider and take possible action to adopt updated Investment Policy Statement

It was M/S/C to adopt the updated Investment Policy Statement with a change on page 7 from the word “vis-à-vis” to “as compared to” and a change on page 9 from the term “Investment Directive 610: Asset Allocation” to “Investment Resolution: Asset Allocation”. (Yes: Allen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

7. Consider and take possible action to rescind the Investment Manager On Site Policy

Strohl reported the information included in the current Investment Manager On Site Policy is included in the updated Investment Policy Statement so the Investment Manager On Site Policy is no longer needed. It was M/S/C to rescind the Investment Manager On Site Policy. (Yes: Allen, Gordon, Holcombe, Macdonald, Phillips, Rodrigues, Smithey, Telles and Watts)

8. Review of Implementation Plan for new asset allocation

Hoffman reviewed the steps that the Board has taken and the steps that need to be taken in the future to implement the new asset allocation.

He reviewed in detail the following phases:

Phase 1: The Liquidity sub-portfolio implementation;

Phase 2: Growth and Risk Diversifying sub-portfolios realignment;

Phase 3: Risk Diversifying sub-portfolio completion and Annual Funding Plan

Hoffman noted that the final phase should be completed by summer 2017. The Board discussed how liquidity requirements would be determined.

9. Presentation from staff and Long Wharf Investment managers regarding a potential commitment to Long Wharf Real Estate Partners Fund V – Michael Elizondo, Sarah Biggs and Jeff Gandel

Chu reviewed the market analysis and the staff recommendation noting CCCERA has a 4% target allocation in value-add real estate. He noted Long Wharf's performance has been strong and Fund IV has been very successful. He provided a definition of value-add real estate noted that it has a median level of risk.

Gandel thanked the board and staff for allowing them the opportunity to present. Long Wharf waived the confidentiality statement on the presentation materials.

Gandel reviewed the highlights of their Fund V noting there has been \$350 million of commitments that have closed to date and 45% of the fund's capital is already invested in assets. Biggs reviewed the prior funds noting Fund IV has exhibited strong performance with 13.8% annualized net internal rate of return since inception. Elizondo reviewed Long Wharf's investment philosophy and the opportunities that they have been able to find in the value add real estate market.

10. Consider and take possible action regarding a commitment to Long Wharf Real Estate Partners Fund V

After discussion, it was M/S/C to make a capital commitment of \$50 million to Long Wharf Real Estate Partners V, subject to satisfactory due diligence and legal review. (Yes: Allen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

Gordon and Pigeon were not present for subsequent discussion and voting.

11. Presentation from staff and LaSalle regarding a commitment to LaSalle Income & Growth Fund VII – Matthey Walley, Jim Hutchinson and Joe Munoz

Chu reviewed the staff recommendation noting the recommendation is for a larger commitment than Long Wharf since it is a larger fund with larger properties. There was discussion on the \$4 million that LaSalle did not call for Fund VI and if they would be calling all of the commitment to Fund VII. It was noted that with Fund VII the fee structure has been changed from Fund VI so that fees are paid on called capital instead of committed capital.

Walley provided an overview of Fund VII noting that 40% of the first closing commitments has been deployed and they have a robust acquisition pipeline. Hutchinson reviewed the investment strategy noting they rarely use partners so they can save on costs. Munoz reviewed some of the assets currently held in Fund VII.

12. Consider and take possible action regarding a commitment to LaSalle Income & Growth Fund VII

After discussion on property types and fee structure it was M/S/C to commit \$75 million to LaSalle Income & Growth Fund VII, subject to satisfactory due diligence and legal review. (Yes: Allen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

It was the consensus of the Board to move to Item 15.

15. Consider and take possible action on SACRS Voting Proxy Form

It was M/S/C to appoint Allen as the voting delegate and Rodrigues as the alternate voting delegate at the upcoming SACRS Conference. (Yes: Allen, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)

Rodrigues was not present for subsequent discussion and voting.

13. Consider and take possible action to update CCCERA's Conflict of Interest Code

Levy reported the Conflict of Interest Code is reviewed every two years and this year there are changes recommended. Levy reviewed the recommended changes noting that the Investment Officer position has been added and a copy of Fair Political Practices Commission Regulation 18730 has been included as appendix C. She reviewed the process noting once the Board adopts the revised Conflict of Interest Code it is then sent to the County's Board of Supervisors for review and approval.

It was M/S/C to adopt the recommended updates to CCCERA's Conflict of Interest Code. (Yes: Allen, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)

14. Consider and take possible action to update CCCERA's Procurement of Products and Services Policy

Strohl reported her memo noting that the Procurement of Products and Services Policy states that a review shall occur within one year following the initial adoption and it has been almost one year since the Board adopted the policy. She noted she is requesting some edits based on the experience they have had over the last year.

It was M/S/C to adopt the updated Procurement of Products and Services Policy with the following edits: Page 1, Section A.1. use the word "is" instead of the word "are"; add employee benefit insurance to core providers; and under Section K clarify that exceptions are for non-core providers. (Yes: Allen, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)

16. Miscellaneous

(a) Staff Report –

Strohl noted the actuarial valuation report and the GASB 68 report will be presented at the October 20th meeting and current recruitments are: Executive Assistant, Deputy CEO, Deputy General Counsel and Accounting Supervisor.

Levy reported AB2833 was approved by the Governor with the objective to increase transparency on alternative investment fees. The SACRS sponsored bill, AB 1853 which would have allowed 1937 Act retirement boards to become independent from their County, was vetoed by the Governor.

Price provided an update on the private market advisory search; Angelo Gordon announced the creation of a management committee to run the firm; Torchlight announced a key man provision was triggered and Bill Stasiulatis is taking a one year sabbatical.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Telles reported there will be some CCCERA staff and consultants speaking at the California Retired County Employees Association (CRCEA) conference and all Trustees are invited to attend.

It was M/S/C to adjourn the meeting. (Yes: Allen, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)

John Phillips, Chairman

Scott Gordon, Secretary



Meeting Date
11/02/16
Agenda Item
#3

MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
October 12, 2016
9:00 a.m.

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

Present: Debora Allen, Candace Andersen, Scott Gordon, Jerry Holcombe, Louie Kroll, David MacDonald, John Phillips, Gabe Rodrigues, Todd Smithey and Jerry Telles

Absent: William Pigeon, Russell Watts

Staff: Gail Strohl, Chief Executive Officer; Timothy Price, Chief Investment Officer; Wrally Dutkiewicz, Compliance Officer; Christina Dunn, Administrative/HR Manager; Henry Gudino, Accounting Manager; Tim Hoppe, Retirement Services Manager; and Alexis Cox, Member Services Manager

Outside Professional Support:
Jeff Rieger
Susan Hastings

Representing:
Reed Smith LLP
Laughlin, Falbo, Levy & Moresi LLP

1. **Pledge of Allegiance**

Telles led all in the *Pledge of Allegiance*.

2. **Recognition of Jessica Irby for 10 years of service and David Recorder for 10 years of service**

Phillips recognized and congratulated Jessica Irby and David Recorder for their years of service.

3. **Accept comments from the public**

No member of the public offered comment.

Kroll was present for subsequent discussion and voting.

4. **Routine Items**

It was M/S/C to approve the routine items of the October 12, 2016 meeting. (Yes: Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey and Telles)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957 and 54956.9(d)(2).

The Board moved into open session.

5. It was M/S/C to accept the Medical Advisor's recommendation and grant the following disability benefits:
 - a. Shawn Bittle – Service Connected - (Yes: Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey and Telles)

Allen was present for subsequent discussion and voting.

6. It was M/S/C to defer the request for consideration at the request of the applicant. (Yes: Allen, Andersen, Gordon, MacDonald, Phillips, Rodrigues, Smithey and Telles)
7. There was no reportable action related to Govt. Code Section 54956.9(d)(2).

Allen was absent for subsequent discussion and voting.

8. **Consider and take possible action on the correction of COLA adjustment errors for 25 benefit recipients**

Hoppe reviewed the background of the Cost of Living Adjustment (COLA) error for the twenty-five benefit recipients and the process CCCERA took once the discovery occurred. He noted the average age of the retirees that received an overpayment was 85 years old and 82 years old for retirees that received underpayments. Hoppe also reviewed the error noting that it was a data error that the retirees had no knowledge or control over.

Rieger discussed the legal requirements and noted the Board needs to take into consideration the precedent this decision could establish. He also discussed the different sources of CCCERA's revenue and the requirement to make the fund whole.

In public comment, Mike Sloan, president of Contra Costa County Retired Employees Association, noted that this error was created by no fault of the retirees and there should be consideration in finding what company made the error and ask them to pay for the error. He also wondered how this money would be treated with taxes.

William Gregory, retiree, noted he was one of the retirees that was overpaid benefits. It was unknown to him and he has used that money to live. He does not feel that the taxes would ever even out over the years.

Karen Bennett, retiree, submitted a letter which was included in the Board packet but she also wanted to reiterate some elements provided in the letter. She asks the Board to consider collecting overpayments for the past three years and not the entire period and that interest not be included in repayment. She feels that retirees would be happy if there was a compromise that could be reached.

Kenneth Sandy, retiree, he has a couple of comments to add to the letter that he sent to the Board. He feels that an audit should have been completed when the system conversion was complete. He would like to know when the audit was completed and if the error was found. He asks for relief of some kind.

Linda Waddington, retiree, noted she was not notified of the error until September 12, 2016 and would like to know if interest is accumulating during the time it takes for the Board to determine a payback process. She would like to know when she will receive the bill for the overpayment. She stated she feels charging interest is not reasonable.

The Board discussed the options for repayment.

It was **M/S** to not collect the overpayments made to members and to seek repayment from the employer and to provide payment to the members that were underpaid.

There was a **substitute motion** to go back three years without interest and the remaining amount be paid back through an administrative fund.

There was a **second substitute motion** to make the determination to exercise discretion and not collect the overpayments from the retirees.

The second substitute motion was voted on.

It was **M/S/C** to make the determination to exercise discretion and not collect the overpayments from the retirees. (Yes: Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey and Telles No: Andersen)

It was **M/S/C** to provide payment to the members that were underpaid including interest. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey and Telles)

It was **M/S/C** to have a future discussion on options for receiving the overpayments back to make the fund whole including the current circumstance and any future circumstances. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey and Telles)

9. Consider authorizing the attendance of Board and/or staff:

- a. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the 2016 Invesco Real Estate Client Conference, Invesco, November 8-10, 2016, La Jolla, CA. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey and Telles)
- b. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff at the California Institutional Investor Forum, Markets Group, December 8-11, 2016, Napa, CA. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey and Telles)

10. Miscellaneous

(a) Staff Report –

Strohl reported there have been cross training activities at CCCERA and written procedures are being created and should be complete next year.

Hoppe recognized the work that staff put into reviewing the retirees.

Gudino reported an Accounting Supervisor was hired and it was an internal candidate.

Dutkiewicz mentioned that the RFP for auditing the pension administration software is on the website.

Price reported they are working on completing onsite visits for the private market respondents and a recommendation should be brought to the Board in December.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Telles thanked Andersen for agreeing to speak at the CRCEA conference.

Kroll attended the CALAPRS roundtable with MacDonald and thought it was good.

Rodrigues provided an update on the upcoming SACRS conference. He attended the onsite visits for DFA and Insight and felt they were very educational.

It was **M/S/C** to adjourn the meeting in memory of John T. Nejedly. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey and Telles)

John Phillips, Chairman

Scott Gordon, Secretary

Items requiring Board Action

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

B. Service and Disability Retirement Allowances:

| <u>Name</u> | <u>Number</u> | <u>Effective Date</u> | <u>Option Type</u> | <u>Group</u> | <u>Selected</u> |
|--------------------|---------------|-----------------------|--------------------|-----------------|-----------------|
| Alexander, Diane | 30281 | 07/01/16 | SR | Tier I | Unmod |
| Benson, Blake | 61300 | 09/01/16 | SR | Tier I | Unmod |
| Duffy, Francesca | 66674 | 07/29/16 | SR | Tier III | Unmod |
| LaPlante, Kathleen | 64629 | 07/30/16 | SR | Tier I | Unmod |
| Learn, Jay | 71001 | 07/01/16 | SR | Safety | Unmod |
| Liang, Cynthia | 65163 | 07/31/16 | SR | Tier II and III | Unmod |
| Nackerman, Daniel | D9990 | 06/29/16 | SR | Tier I | Unmod |
| Olson, Rick | 66724 | 08/02/16 | SR | Safety | Unmod |
| Rhodes, Daniel | D7830 | 03/31/16 | SR | Tier I | Unmod |
| Silveira, Stephen | 50250 | 07/15/16 | SR | Tier III | Unmod |

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

| <u>Name</u> | <u>Number</u> | <u>Filed</u> | <u>Type</u> |
|--------------|---------------|--------------|-------------|
| Gomez, Frank | 64026 | 10/04/16 | SCD |
| Danner, Mark | 43341 | 10/04/16 | SCD |
| Fenyas, Ryan | 73444 | 10/10/16 | SCD |

D.

Deaths:

| <u>Name</u> | <u>Date of Death</u> | <u>Employer as of Date of Death</u> |
|----------------------|----------------------|-------------------------------------|
| Carlson, Jeanann | 10/16/16 | Contra Costa County |
| Cooper, Leola | 10/15/16 | Contra Costa County |
| Dodd, Wesley | 10/10/16 | Contra Costa County |
| Gray, Ardelle | 09/01/16 | Contra Costa County |
| Huff, Avonna | 05/12/16 | Contra Costa Housing Authority |
| Martindale, William | 08/20/16 | Contra Costa County |
| Rapp, Erma | 09/14/16 | Contra Costa County |
| Rapp, Erma | 09/14/16 | Beneficiary |
| Villasenor, Beatrice | 09/13/16 | Beneficiary |

KEY:

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

Option
 * = County Advance
 Selected w/option

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

Meeting Date
11/02/16
Agenda Item
#4a.

CERTIFICATION OF MEMBERSHIPS

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|---------------------------|------------------------|-------------|------------------------|--|
| Ajaelo,Nkiruka E | 83759 | P5.2 | 09/01/16 | Contra Costa County |
| On-At,Ratchada | 78899 | P5.2 | 09/01/16 | Contra Costa County |
| Adimora, Christina C. | 81930 | P5.2 | 09/01/16 | Contra Costa County |
| Aguilar, Hortencia | 53172 | III | 09/01/16 | Contra Costa County |
| Alfaro, Jaclyn J. | 83797 | P5.2 | 09/01/16 | Contra Costa County |
| Allison, Amber M. | 82316 | P5.2 | 09/01/16 | Contra Costa County |
| Areas, Francina | 83743 | P5.2 | 09/01/16 | Contra Costa County |
| Arevalo, Susanna | 82317 | P5.2 | 09/01/16 | Contra Costa County |
| Augustine, Freda | 51041 | III | 09/01/16 | Contra Costa County |
| Babalola,Olayinka | 82817 | P5.2 | 09/01/16 | Contra Costa County |
| Bailey, Jeffrey M. | 83706 | P5.2 | 09/01/16 | Contra Costa County |
| Baltodano,Karla E | 82348 | P5.2 | 09/01/16 | Contra Costa County |
| Barruel, Cecelia L. | 83859 | P5.2 | 09/01/16 | Contra Costa County |
| Bean, Tamika R. | 83573 | P5.2 | 09/01/16 | Contra Costa County |
| Bondad, Alexander D. | D3406 | P4.3 | 09/01/16 | Central Contra Costa Sanitary District |
| Briggs-Brice, Beverly A. | 83627 | P5.2 | 09/01/16 | Contra Costa County |
| Buban Maria C.T. | 70466 | III | 09/01/16 | Contra Costa County |
| Burnthorne,Christopher A | 83828 | P5.2 | 09/01/16 | Contra Costa County |
| Butler, Beverly J. | 51132 | III | 09/01/16 | Contra Costa County |
| Carey, Terence P. | 83747 | S/D | 09/01/16 | CCC Fire Protection District |
| Carranza, Natalie Y. | 77391 | P5.2 | 09/01/16 | Contra Costa County |
| Carrillo, Miriam C. | 79799 | P5.3 | 09/01/16 | Contra Costa County |
| Castaneda,Jasuara Sarai P | 83766 | P5.2 | 09/01/16 | Contra Costa County |
| Castro, Dainty A. | 83735 | P5.2 | 09/01/16 | Contra Costa County |
| Chavarria-Fryar,Elaine D | 53040 | III | 09/01/16 | Contra Costa County |
| Chin, Stephanie A.Y. | 83817 | P5.2 | 09/01/16 | Contra Costa County |
| Christenberry,Stefan J | 83716 | P5.2 | 09/01/16 | Contra Costa County |
| Colin, Maria P. | 83609 | P5.2 | 09/01/16 | Contra Costa County |
| Collier, Candace C. | 83655 | P5.2 | 09/01/16 | Contra Costa County |
| Collins, Darnette S. | 78634 | P5.2 | 09/01/16 | Contra Costa County |
| Cortez, Sharyn L.V. | 83755 | P5.2 | 09/01/16 | Contra Costa County |
| Cosajay Jr., Ronny | 83845 | P5.2 | 09/01/16 | Contra Costa County |
| Cuenca, Katherine G.C. | 83731 | P5.2 | 09/01/16 | Contra Costa County |
| Cunningham, Michael A. | D3406 | P4.3 | 09/01/16 | Central Contra Costa Sanitary District |
| Dahle, Justice L. | 83778 | P5.2 | 09/01/16 | Contra Costa County |
| Dalby, Elizabeth A. | 83765 | P5.2 | 09/01/16 | Contra Costa County |
| Davis, Jeffrey H. | 74626 | P5.2 | 09/01/16 | Contra Costa County |
| DeAlmeida,Ramani S | 53229 | III | 09/01/16 | Contra Costa County |
| Delgado, Beatriz F.M. | 83736 | P5.2 | 09/01/16 | Contra Costa County |

Key:

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

CERTIFICATION OF MEMBERSHIPS

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|-------------------------|------------------------|-------------|------------------------|--|
| Delise-Young, Cheryl L | 83637 | P5.2 | 09/01/16 | Contra Costa County |
| Derdenger, Scott T | 83820 | P5.2 | 09/01/16 | Contra Costa County |
| Devera, Gil J. | 83846 | P5.2 | 09/01/16 | Contra Costa County |
| Diaz, Adriana I. | 66048 | III | 09/01/16 | Contra Costa County |
| Dickens, Moinette R | 83761 | P5.2 | 09/01/16 | Contra Costa County |
| Doakes, Latrice S. | 83717 | P5.2 | 09/01/16 | Contra Costa County |
| Dohrn, Kristina | D4980 | P4.3 | 09/01/16 | CCCERA |
| Duke, Kevin K. | 83850 | P5.2 | 09/01/16 | Contra Costa County |
| Dun, Damon | D3406 | I | 09/01/16 | Central Contra Costa Sanitary District |
| Edwards, Robert | D9990 | P4.3 | 09/01/16 | Housing Authority of CCC |
| English, Desirea D. | 83758 | P5.2 | 09/01/16 | Contra Costa County |
| Evangelista, Gwyneth D | 83697 | P5.2 | 09/01/16 | Contra Costa County |
| Farmer, Michelle C. | 83757 | P5.2 | 09/01/16 | Contra Costa County |
| Fuentes, Evangelina | 83733 | P5.2 | 09/01/16 | Contra Costa County |
| Garland, Ciara J.C. | 83756 | P5.2 | 09/01/16 | Contra Costa County |
| Gonzalez, Sarah K. | 67087 | III | 09/01/16 | Contra Costa County |
| Goode, Rima A. | 82692 | P5.2 | 09/01/16 | Contra Costa County |
| Gyurme, Tsewang | 82601 | P5.2 | 09/01/16 | Contra Costa County |
| Hanson, Consuelo M. | 68274 | III | 09/01/16 | Contra Costa County |
| Harmer, Michael S. | 83833 | S/E | 09/01/16 | Contra Costa County |
| Hogan, Colleen C. | 83718 | P5.2 | 09/01/16 | Contra Costa County |
| Holmes, Alisha S. | 83834 | P5.2 | 09/01/16 | Contra Costa County |
| Huang, Zhimin | 82748 | P5.2 | 09/01/16 | Contra Costa County |
| Hunter, Ursula L. | 71036 | III | 09/01/16 | Contra Costa County |
| Johnson, Ellen S. | 83732 | P5.2 | 09/01/16 | Contra Costa County |
| Jones, Samuel D. | 83844 | P5.2 | 09/01/16 | Contra Costa County |
| Kaur, Ritika | 83749 | P5.2 | 09/01/16 | Contra Costa County |
| Kerbawy, Sofia | 83610 | P5.2 | 09/01/16 | Contra Costa County |
| Kruzona, Vincent S.W. | 83843 | P5.2 | 09/01/16 | Contra Costa County |
| Laird, Tiffany R. | 69285 | III | 09/01/16 | Contra Costa County |
| Larangeira, Wanda G | 83764 | P5.2 | 09/01/16 | Contra Costa County |
| Larry, Rochelle | 83621 | P5.2 | 09/01/16 | Contra Costa County |
| Lashore, Adeola T. | 65931 | III | 09/01/16 | Contra Costa County |
| Lee, Pamela L. | 83618 | P5.2 | 09/01/16 | Contra Costa County |
| Leoncio, Angelica G.A. | 83882 | P5.2 | 09/01/16 | Contra Costa County |
| Lind-Winters, Christina | 82362 | P5.2 | 09/01/16 | Contra Costa County |
| Love, Jennifer L. | D4980 | I | 09/01/16 | CCCERA |
| Lujan IV, Salvador | 80873 | P5.2 | 09/01/16 | Contra Costa County |
| Ly, Rosanna | 83631 | P5.2 | 09/01/16 | Contra Costa County |

Key:

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

CERTIFICATION OF MEMBERSHIPS

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|-------------------------|------------------------|-------------|------------------------|------------------------------|
| Maddox, Tressa A. | 83605 | P5.2 | 09/01/16 | Contra Costa County |
| Malmgren, Morgan K. | 83539 | P5.2 | 09/01/16 | Contra Costa County |
| Manderscheid, Misti S W | 83737 | P5.2 | 09/01/16 | Contra Costa County |
| Marzilli III, Daniel W. | 83849 | P5.2 | 09/01/16 | Contra Costa County |
| Mazza, Nicholas W. | 83858 | P5.2 | 09/01/16 | Contra Costa County |
| McAlister, Aaron J. | 83746 | S/D | 09/01/16 | CCC Fire Protection District |
| McClay, Jarek A. | 83831 | P5.2 | 09/01/16 | Contra Costa County |
| McGuire, Eleanor C. | 60905 | III | 09/01/16 | Contra Costa County |
| Moglie, Melissa R. | 83707 | P5.2 | 09/01/16 | Contra Costa County |
| Morales Jr., Raul | 83835 | P5.2 | 09/01/16 | Contra Costa County |
| Morales, Austin G. | 83848 | P5.2 | 09/01/16 | Contra Costa County |
| Moreno, Erika S. | 82306 | P5.2 | 09/01/16 | Contra Costa County |
| Naca, Francis C.D. | 77515 | P5.2 | 09/01/16 | Contra Costa County |
| Nicola, Nancy M. | 80008 | P5.2 | 09/01/16 | Contra Costa County |
| Obinyan, Helen I. | 83827 | S/E | 09/01/16 | Contra Costa County |
| Ostrom, Margaret | D7274 | P4.3 | 09/01/16 | Moraga-Orinda Fire District |
| Padilla, Dennis | 82074 | P5.2 | 09/01/16 | Contra Costa County |
| Patterson, Kelli M. | 83748 | P5.2 | 09/01/16 | Contra Costa County |
| Perea, Lorena M. | 71306 | III | 09/01/16 | Contra Costa County |
| Phan, Hang T. | 83727 | P5.2 | 09/01/16 | Contra Costa County |
| Picillo, Gladys E. | 82778 | P5.2 | 09/01/16 | Contra Costa County |
| Powell, Summber B.W. | 83836 | P5.2 | 09/01/16 | Contra Costa County |
| Quezada, Manuela H | 75054 | P5.2 | 09/01/16 | Contra Costa County |
| Quintanilla, Deborah E | 83565 | P5.2 | 09/01/16 | Contra Costa County |
| Rea, Kody M. | 76894 | P5.2 | 09/01/16 | Contra Costa County |
| Rios, Maria G. | 68282 | III | 09/01/16 | Contra Costa County |
| Rios, Pedro | 83728 | P5.2 | 09/01/16 | Contra Costa County |
| Rocha, Nicholas D. | 83785 | P5.2 | 09/01/16 | Contra Costa County |
| Rodriguez, Bailey N | 83821 | S/E | 09/01/16 | Contra Costa County |
| Roman, Michael A. | 83829 | P5.2 | 09/01/16 | Contra Costa County |
| Ron, Daisy A. | 83780 | P5.2 | 09/01/16 | Contra Costa County |
| Rosillo, Maria V. | 69646 | III | 09/01/16 | Contra Costa County |
| Saechao, Dorothy N. | D4980 | P4.3 | 09/01/16 | CCCERA |
| Saeteurn, Muong C | 83754 | P5.2 | 09/01/16 | Contra Costa County |
| Santos, Janice | 72322 | III | 09/01/16 | Contra Costa County |
| Saucer, Latonya L. | 51860 | III | 09/01/16 | Contra Costa County |
| Schmidt, Daniela | D9500 | P5.3 | 09/01/16 | Superior Courts |
| Skinner, Joshua A | 83624 | P5.2 | 09/01/16 | Contra Costa County |
| Skrehot, Tresa R. | D4980 | I | 09/01/16 | CCCERA |

Key:

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

CERTIFICATION OF MEMBERSHIPS

| <i>Name</i> | <i>Employee Number</i> | <i>Tier</i> | <i>Membership Date</i> | <i>Employer</i> |
|---------------------------|------------------------|-------------|------------------------|--|
| Smith Jr., Joseph W. | D3406 | I | 09/01/16 | Central Contra Costa Sanitary District |
| Smith, Cynthia L. | 74531 | III | 09/01/16 | Contra Costa County |
| Su, Gigi Y. | 83708 | P5.2 | 09/01/16 | Contra Costa County |
| Sweet, Jason B. | 83816 | P5.2 | 09/01/16 | Contra Costa County |
| Tang, Katherine M.K. | 83753 | P5.2 | 09/01/16 | Contra Costa County |
| Tatum, Alicia M. | 83751 | P5.2 | 09/01/16 | Contra Costa County |
| Thompson, Bobbie J. | 66685 | III | 09/01/16 | Contra Costa County |
| Torrez, Melissa M. | 83752 | P5.2 | 09/01/16 | Contra Costa County |
| Tuman, Minawar T. | 83628 | P5.2 | 09/01/16 | Contra Costa County |
| Una, Francisco B | 83604 | P5.2 | 09/01/16 | Contra Costa County |
| Valenzuela, Emmanuel J | 83832 | P5.2 | 09/01/16 | Contra Costa County |
| Villacorta Romero, Raul M | 83639 | P5.2 | 09/01/16 | Contra Costa County |
| Volga, Berit E. | 83818 | P5.2 | 09/01/16 | Contra Costa County |
| Wahba, Amal M. | 83101 | P5.2 | 09/01/16 | Contra Costa County |
| Wallace, Karis M. | 83750 | P5.2 | 09/01/16 | Contra Costa County |
| West, Milea C. | 81555 | S/E | 09/01/16 | Contra Costa County |
| Williams, Consuella L M | 83777 | P5.2 | 09/01/16 | Contra Costa County |
| Williams, Cynthia D. | 83620 | P5.2 | 09/01/16 | Contra Costa County |
| Williams, Yolanda M. | 51923 | III | 09/01/16 | Contra Costa County |
| Williamson, Monique | 83740 | P5.2 | 09/01/16 | Contra Costa County |
| Wright, Sharmila R.W. | 80178 | P5.2 | 09/01/16 | Contra Costa County |

Key:

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

TIER CHANGES

| <i>Name</i> | <i>Employee Number</i> | <i>Old Tier</i> | <i>New Tier</i> | <i>Effective Date</i> | <i>Employer</i> | <i>Reason for Change</i> |
|------------------------|------------------------|-----------------|-----------------|-----------------------|------------------------------|---------------------------------------|
| Aguilar, Yesenia | 80637 | S/D | P5.3 | 09/01/16 | Contra Costa County | Position Change |
| Cunningham, Tanya V. | 80555 | P5.2 | S/E | 09/01/16 | Contra Costa County | Promotion into Safety |
| Gonczeruk, Anton R. | 83254 | S/E | P4.2 | 09/01/16 | CCC Fire Protection District | Fire Inspector 1's now General Member |
| Lakes, Pilar J. | 72800 | I | S/E | 09/01/16 | Contra Costa County | Promotion into Safety |
| Landry Jr., Richard N. | 83249 | S/E | P4.2 | 09/01/16 | CCC Fire Protection District | Fire Inspector 1's now General Member |
| Rupnow, Steven J. | 82255 | S/E | P4.2 | 09/01/16 | CCC Fire Protection District | Fire Inspector 1's now General Member |
| Schiess, Todd R. | 78410 | S/E | P4.3 | 09/01/16 | CCC Fire Protection District | Fire Inspector 1's now General Member |

Key:

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

ASSET ALLOCATION

Current Assets (Market Value)

\$7,670,718,000

Reporting Month End: August 31, 2016

Prepared By: Chih-Chi Chu

Robeco

Jackson Square Partners (fka Delaware)

Meeting Date

11/02/16

Agenda Item

#4e.

PIMCO Stocks+ Absolute Return

Ceredex

Total Domestic Equity

Fyford (BMO)

William Blair

Total International Equity

JPMorgan Global Opportunities

First Eagle

Artisan Global Opportunities

Intech (Global Low Volatility)

Total Global Equity

Total Equity

AFL-CIO Housing Investment Trust

PIMCO Total Return

GSAM "Park" Portfolio

Goldman Sachs Asset Management

Lord Abbott

Torchlight Debt Opportunity Funds

Total Domestic Fixed Income

Lazard Asset Management

Total Global Fixed Income

Allianz Global Investors (fka Nicholas Applegate)

Total High Yield Fixed Income

Wellington Real Total Return

PIMCO All Asset

Private Real Asset

Total Real Asset

Total Real Estate

Total Alternative Investments

State Street Bank

Total Cash & Equivalents

Total Market Opportunities

TOTAL ASSETS

| A | B | C | D | C-B | D-A | Range |
|-------------|---------------|---------------|---------------|---------------|--------------|------------|
| % of Target | Target Assets | Market Value | Actual Assets | Over (Under) | Over (Under) | |
| 4.1% | 314,499,438 | 318,964,000 | 4.16% | 4,464,562 | 0.06% | |
| 4.1% | 314,499,438 | 322,829,000 | 4.21% | 8,329,562 | 0.11% | |
| 2.9% | 222,450,822 | 236,292,000 | 3.08% | 13,841,178 | 0.18% | |
| 3.8% | 291,487,284 | 291,054,000 | 3.79% | (433,284) | (0.01%) | |
| 3.8% | 291,487,284 | 332,504,000 | 4.33% | 41,016,716 | 0.53% | |
| 2.9% | 222,450,822 | 230,053,000 | 3.00% | 7,602,178 | 0.10% | |
| 21.6% | 1,656,875,088 | 1,731,696,000 | 22.58% | 74,820,912 | 0.98% | |
| 5.3% | 406,548,054 | 412,139,000 | 5.37% | 5,590,946 | 0.07% | |
| 5.3% | 406,548,054 | 410,584,000 | 5.35% | 4,035,946 | 0.05% | |
| 10.6% | 813,096,108 | 822,723,000 | 10.73% | 9,626,892 | 0.13% | |
| 4.0% | 306,828,720 | 277,340,000 | 3.62% | (29,488,720) | (0.38%) | |
| 4.0% | 306,828,720 | 323,421,000 | 4.22% | 16,592,280 | 0.22% | |
| 4.0% | 306,828,720 | 333,184,000 | 4.34% | 26,355,280 | 0.34% | |
| 0.3% | 23,012,154 | 24,023,000 | 0.31% | 1,010,846 | 0.01% | |
| 12.3% | 943,498,314 | 957,968,000 | 12.49% | 14,469,686 | 0.19% | |
| 44.5% | 3,413,469,510 | 3,512,387,000 | 45.79% | 98,917,490 | 1.29% | 40% TO 55% |
| 3.3% | 253,133,694 | 245,065,000 | 3.19% | (8,068,694) | (0.11%) | |
| 5.6% | 429,560,208 | 443,300,000 | 5.78% | 13,739,792 | 0.18% | |
| 0.0% | 0 | 4,000 | 0.00% | 4,000 | 0.00% | |
| 4.6% | 352,853,028 | 329,216,000 | 4.29% | (23,637,028) | (0.31%) | |
| 4.6% | 352,853,028 | 333,803,000 | 4.35% | (19,050,028) | (0.25%) | |
| 1.9% | 145,743,642 | 135,689,000 | 1.77% | (10,054,642) | (0.13%) | |
| 20.0% | 1,534,143,600 | 1,487,077,000 | 19.39% | (47,066,600) | (0.61%) | |
| 4.0% | 306,828,720 | 244,398,000 | 3.19% | (62,430,720) | (0.81%) | |
| 24.0% | 1,840,972,320 | 1,731,475,000 | 22.57% | (109,497,320) | (1.43%) | 20% TO 30% |
| 5.0% | 383,535,900 | 386,513,000 | 5.04% | 2,977,100 | 0.04% | |
| 5.0% | 383,535,900 | 386,513,000 | 5.04% | 2,977,100 | 0.04% | 2% TO 9% |
| 0.8% | 57,530,385 | 186,127,000 | 2.43% | 128,596,615 | 1.68% | |
| 1.8% | 134,237,565 | 127,968,000 | 1.67% | (6,269,565) | (0.08%) | |
| 2.5% | 191,767,950 | 77,914,000 | 1.02% | (113,853,950) | (1.48%) | |
| 5.0% | 383,535,900 | 392,009,000 | 5.11% | 8,473,100 | 0.11% | 0% TO 10% |
| 12.5% | 958,839,750 | 867,526,000 | 11.31% | (91,313,750) | (1.19%) | 10% TO 16% |
| 8.0% | 613,657,440 | 618,528,000 | 8.06% | 4,870,560 | 0.06% | 5% TO 12% |
| | | 128,825,000 | 1.68% | | | |
| 0.5% | 38,353,590 | 128,825,000 | 1.68% | 90,471,410 | 1.18% | 0% TO 1% |
| 0.5% | 38,353,590 | 33,455,000 | 0.44% | (4,898,590) | (0.06%) | 0% TO 5% |
| 100.0% | 7,670,718,000 | 7,670,718,000 | 100% | 0 | 0% | |

UNDER REVIEW:

Nogales Investors - Performance, Board Action 5/28/08

Wellington - Personnel Change, Board Action 4/13/16

**Private Market Investments
As of August 31, 2016**

| REAL ESTATE INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|--|----------------|--------------------|----------------|---------------------|------------------------|----------------------|----------------------|------------------|------------------------|
| DLJ Real Estate Capital Partners, L.P. III | 06/30/05 | 06/30/14 | 1st 2 YR | GP | 6/30/2016 | 75,000,000 | 41,782,000 | 0.54% | 18,958,000 |
| DLJ Real Estate Capital Partners, L.P. IV | 12/31/07 | 09/30/16 | | | | 100,000,000 | 82,551,000 | 1.08% | 19,113,000 |
| DLJ Real Estate Capital Partners, L.P. V | 07/31/13 | 12/31/22 | | | | 75,000,000 | 45,214,000 | 0.59% | 39,072,000 |
| Hearthstone Partners II | 06/17/88 | 12/31/99 | | | | 6,030,000 | 1,000 | 0.00% | |
| Invesco IREF I | 10/22/03 | 04/30/11 | 3rd 1 YR | GP | 4/30/2014 | 50,000,000 | 6,532,000 | 0.09% | |
| Invesco IREF II | 05/30/07 | 12/31/15 | | | | 85,000,000 | 14,861,000 | 0.19% | |
| Invesco IREF III | 08/01/13 | 08/01/20 | | | | 35,000,000 | 19,281,000 | 0.25% | 20,305,000 |
| Invesco IREF IV | 12/01/14 | 12/01/21 | | | | 35,000,000 | 19,175,000 | 0.25% | 17,622,000 |
| Long Wharf FREG III | 03/30/07 | 12/30/15 | | | | 75,000,000 | 12,558,000 | 0.16% | |
| Long Wharf FREG IV | 08/14/13 | 09/30/21 | | | | 25,000,000 | 24,671,000 | 0.32% | |
| Oaktree Real Estate Opportunities Fund V | 12/15/11 | 12/31/16 | | | | 50,000,000 | 33,370,000 | 0.44% | |
| Oaktree Real Estate Opportunities Fund VI | 09/30/13 | 09/30/20 | | | | 80,000,000 | 89,579,000 | 1.17% | 5,682,000 |
| Oaktree Real Estate Opportunities Fund VII | 02/28/15 | 02/28/23 | | | | 65,000,000 | 0 | 0.00% | 65,000,000 |
| Siguler Guff Distressed Real Estate Opp. Fund | 12/31/11 | 12/31/16 | | | | 75,000,000 | 67,994,000 | 0.89% | 11,993,000 |
| Siguler Guff Distressed Real Estate Opp. Fund II | 08/31/13 | 08/31/20 | | | | 70,000,000 | 49,511,000 | 0.65% | 43,153,000 |
| Siguler Guff Distressed Real Estate Opp. II Co-Inv | 01/31/16 | 01/31/23 | | | | 25,000,000 | 11,000,000 | 0.14% | 14,000,000 |
| Paulson Real Estate Fund II | 11/10/13 | 11/10/20 | | | | 20,000,000 | 20,213,000 | 0.26% | 3,574,000 |
| Angelo Gordon Realty Fund VIII | 12/31/11 | 12/31/18 | | | | 80,000,000 | 65,987,000 | 0.86% | 18,145,000 |
| Angelo Gordon Realty Fund IX | 10/10/14 | 10/10/22 | | | | 65,000,000 | 22,306,000 | 0.29% | 47,450,000 |
| LaSalle Income & Growth Fund VI | 01/31/12 | 01/31/19 | | | | 75,000,000 | 83,633,000 | 1.09% | 3,946,000 |
| Adelante Capital Management (REIT) | | | | | | 0 | 98,626,000 | 1.29% | |
| INVESCO International REIT | | | | | | 0 | 58,681,000 | 0.77% | |
| Outstanding Commitments | | | | | | 1,361,250,000 | 867,526,000 | 11.31% | 328,013,000 |
| Total | | | | | | | 328,013,000 | | |
| | | | | | | | 1,195,539,000 | | |

| PRIVATE DEBT INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|--------------------------------------|----------------|--------------------|----------------|---------------------|------------------------|--------------------|--------------------|------------------|------------------------|
| Torchlight Debt Opportunity Fund II | 09/28/06 | 09/30/16 | | | | 128,000,000 | 48,577,000 | 0.63% | |
| Torchlight Debt Opportunity Fund III | 09/30/08 | 09/30/16 | | | | 75,000,000 | 10,513,000 | 0.14% | |
| Torchlight Debt Opportunity Fund IV | 08/01/12 | 08/30/20 | | | | 60,000,000 | 61,858,000 | 0.81% | 0 |
| Torchlight Debt Opportunity Fund V | 12/31/14 | 09/17/22 | | | | 75,000,000 | 14,741,000 | 0.19% | 71,250,000 |
| Outstanding Commitments | | | | | | 338,000,000 | 135,689,000 | 1.77% | 71,250,000 |
| Total | | | | | | | 71,250,000 | | |
| | | | | | | | 206,939,000 | | |

**Private Market Investments
As of August 31, 2016**

| ALTERNATIVE INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|--------------------------------------|----------------|--------------------|----------------|---------------------|------------------------|----------------------|----------------------|------------------|------------------------|
| Adams Street Partners | 12/22/95 | INDEFINITE | | | | 180,000,000 | 132,124,000 | 1.72% | 90,952,000 |
| Adams Street Secondary II | 12/31/08 | 12/31/20 | | | | 30,000,000 | 19,395,000 | 0.25% | 12,637,000 |
| Adams Street Secondary V | 10/31/12 | 10/31/22 | | | | 40,000,000 | 16,840,000 | 0.22% | 21,884,000 |
| Adams Street Venture Innovation Fund | 03/09/16 | 03/09/28 | | | | 75,000,000 | 0 | 0.00% | 75,000,000 |
| Pathway 2008 | 11/09/98 | 05/31/21 | | | | 125,000,000 | 46,268,000 | 0.60% | 18,249,000 |
| Pathway 6 | 12/26/08 | 12/26/23 | | | | 30,000,000 | 24,360,000 | 0.32% | 6,931,000 |
| Pathway 7 | 05/24/11 | 05/24/26 | | | | 40,000,000 | 29,614,000 | 0.39% | 14,342,000 |
| Pathway 8 | 02/07/13 | 02/07/23 | | | | 70,000,000 | 30,591,000 | 0.40% | 38,607,000 |
| Signular GuFF CCCERA Opportunities | 11/23/15 | 11/23/25 | | | | 50,000,000 | 7,313,000 | 0.10% | 42,490,000 |
| EIF USPF I | 06/03/14 | 05/31/25 | 3rd YR | LP | 11/08/15 | 200,000,000 | 62,932,000 | 0.82% | 139,858,000 |
| EIF USPF II | 11/08/02 | 11/08/12 | | | | 30,000,000 | 807,000 | 0.01% | 0 |
| EIF USPF III | 06/15/05 | 06/15/15 | | | | 50,000,000 | 43,389,000 | 0.57% | 0 |
| EIF USPF IV | 02/28/07 | 02/28/17 | | | | 65,000,000 | 62,813,000 | 0.82% | 0 |
| Bay Area Equity Fund | 06/28/10 | 06/28/20 | | | | 50,000,000 | 50,086,000 | 0.65% | 2,519,000 |
| Bay Area Equity Fund II | 06/14/04 | 01/15/13 | 1st 2 YR | LP | 1/15/2015 | 10,000,000 | 5,554,000 | 0.07% | 0 |
| Paladin III | 2/29/09 | 12/31/17 | | | | 10,000,000 | 11,048,000 | 0.14% | 451,000 |
| Carpenter Community BancFund | 11/30/07 | 12/31/17 | | | | 25,000,000 | 25,374,000 | 0.33% | 0 |
| Ocean Avenue Fund II | 01/31/08 | 01/31/16 | | | | 30,000,000 | 27,135,000 | 0.35% | 1,479,000 |
| Ocean Avenue Fund III | 06/11/14 | 05/31/24 | | | | 30,000,000 | 17,885,000 | 0.23% | 14,884,000 |
| | 06/11/14 | 05/31/24 | | | | 50,000,000 | 5,000,000 | 0.07% | 45,000,000 |
| Outstanding Commitments | | | | | | 1,155,000,000 | 618,528,000 | 8.00% | 525,283,000 |
| Total | | | | | | | 1,143,811,000 | | |

| MARKET OPPORTUNITIES | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|---|----------------|--------------------|----------------|---------------------|------------------------|--------------------|-------------------|------------------|------------------------|
| Oaktree Private Investment Fund 2009 | 02/28/10 | 01/31/17 | | | | 40,000,000 | 18,455,000 | 0.24% | 5,163,000 |
| Angelo Gordon Energy Credit Opportunities | 09/10/15 | 09/10/20 | | | | 75,000,000 | 15,000,000 | 0.20% | 60,000,000 |
| Outstanding Commitments | | | | | | 115,000,000 | 33,455,000 | 0.44% | 65,163,000 |
| Total | | | | | | | 98,618,000 | | |

| REAL ASSET INVESTMENTS | Inception Date | Target Termination | # of Extension | Discretion by GP/LP | New Target Termination | Funding Commitment | Market Value | % of Total Asset | Outstanding Commitment |
|---|----------------|--------------------|----------------|---------------------|------------------------|--------------------|--------------------|------------------|------------------------|
| Commonfund Capital Natural Resources LX | 06/30/13 | 06/30/20 | | | | 50,000,000 | 25,323,000 | 0.33% | 22,250,000 |
| Wastewater Opportunity Fund | 12/31/15 | 11/30/22 | | | | 25,000,000 | 1,165,000 | 0.02% | 23,835,000 |
| Aether III & III Surplus | 11/30/13 | 11/30/20 | | | | 75,000,000 | 46,670,000 | 0.61% | 34,806,000 |
| Aether IV | 01/01/16 | 01/01/28 | | | | 50,000,000 | 4,756,000 | 0.06% | 45,244,000 |
| ARES/EIF V | 09/09/15 | 09/09/25 | | | | 50,000,000 | 0 | 0.00% | 50,000,000 |
| Outstanding Commitments | | | | | | 250,000,000 | 77,914,000 | 1.02% | 176,135,000 |
| Total | | | | | | | 176,135,000 | | 254,049,000 |

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

Meeting Date
11/02/16
Agenda Item
#5



RALPH M. BROWN ACT OPEN MEETINGS LAWS: THE FUNDAMENTALS

Presented by:

**Karen Levy, Esq.
General Counsel**

November 2, 2016

Ralph M. Brown Act Open Meetings Laws For Local Legislative Bodies

- The Brown Act sets forth the rules regarding open meetings held by local legislative bodies
- The CCCERA Board of Retirement is subject to the Brown Act

Purpose of the Brown Act

- To ensure that public agency ***actions*** are taken openly
- To ensure that public agency ***deliberations*** are done openly

Government Code Section 54950

3

Key Concepts

- Retirement Board meetings must be open and accessible to the public
- A Board meeting agenda must be posted publicly
- During Board meetings, the public must be given an opportunity to comment

4

Retirement Board meetings must be open and accessible to the public

- “Meeting” means any congregation of a majority of the Retirement Board (i.e. five Retirement Board members) at the same place and location (including teleconference locations) to hear, discuss, deliberate or take action on any item within the Retirement Board’s subject matter jurisdiction

Govt. Code § 54952.2(a)

5

Serial Meetings

- “Meeting” also means any serial use of communication, personal intermediaries, or technological devices through which a majority of the Board’s members discuss, deliberate, or take action on an item
- For example, an unlawful “serial” meeting would occur if Board member A e-mails Board member B about his or her position on a Retirement Board issue. B forwards A’s e-mail to C, who then forwards to D, who then forwards to E. A mere series of e-mails or phone calls by a majority of the Board about one of its business items violates the Brown Act

Govt. Code § 54952.2(b)

6

Retirement Board Members Attendance At Conferences

- A majority of the Retirement Board members may attend a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to other public pension systems, so long as the majority of the board do not discuss among themselves business that is within the subject matter jurisdiction of the Retirement Board
- Examples of such conferences include the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS) conferences

Govt. Code § 54952.2(c)(2)

7

Attendance at Purely Social Events

- A majority of the Retirement Board members may attend a purely social or ceremonial occasion, provided that the majority of the Retirement Board members do not discuss among themselves business that is within the subject matter of the retirement board

Govt. Code § 54952.2(c)(5)

8

Agenda Requirement

- At least 72 hours before a regular meeting of the Retirement Board, an agenda containing a general description of each item of business to be transacted, including items to be discussed, and the time and location of the meeting must be posted in a public location and the CCCERA Internet Web site

Govt. Code § 54954.2(a)

9

Agenda Requirement

- If an item is not included on the agenda, the Retirement Board may not act on or discuss that item, or add that item to the meeting's agenda as an urgency item, subject to limited exceptions
- As to items that are not included on the agenda, Retirement Board members and staff may ask a question for clarification, make a brief announcement, or make a brief report. Retirement Board members may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda

Govt. Code § 54954.2

10

Public Comment

- During each meeting, the Retirement Board must allow public comment on each agenda item and on other matters within the jurisdiction of the Board

Govt. Code § 54954.3(a)

11

Closed Session

- The Brown Act authorizes the Retirement Board to hold closed sessions to discuss or take action on items under certain enumerated circumstances
- Examples:
 - The Retirement Board may meet in closed session to deliberate or take action on the purchase or sale of a particular, specific pension fund investment (Govt. Code § 54956.81)
 - The Retirement Board may meet in closed session on personnel matters (Govt. Code §54957)
 - The Retirement Board may meet in closed session with CCCERA's designated representatives regarding employees' salaries, benefits but cannot take final action in closed session (Govt. Code §54957.6)
 - The Retirement Board may meet in closed session to confer with legal counsel regarding pending litigation that has been formally initiated, exposure to litigation against the retirement system or the board, and to decide whether to initiate litigation (Govt. Code §54956.9)
- Confidentiality of Closed Sessions: Board members may not disclose confidential information acquired by being present in a closed session to a person not entitled to receive the information (Govt. Code §54963(a))

12

Consequence of Violating the Brown Act

- Criminal liability for individual Board members
- Civil remedies: civil actions to stop, prevent or invalidate of the action of the Board
- Attorneys fees and costs awarded to plaintiff

13

Consequence of Violating the Brown Act

- Individual criminal liability:
Each Retirement Board member who attends a Retirement Board meeting where action is taken in violation of any provisions of the Brown Act, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under the Brown Act, is guilty of a misdemeanor.

Govt. Code § 54959

14

Consequence of Violating the Brown Act

- **Civil remedies:** Any person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of the Brown Act.

Govt. Code § 54960

15

Consequence of Violating the Brown Act

- **Civil remedies:** Any person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency is null and void.
- Prior to commencing the action, the person must make a demand of the Board to cure or correct the action

Govt. Code § 54960.1

16

Consequence of Violating the Brown Act

- A court may award attorney fees and costs to the prevailing plaintiff
- A court may award attorney fees and cost to a defendant public agency if the court finds that the action against the agency for alleged Brown Act violation was frivolous and lacking in merit.

Govt. Code § 54960.5

17

Questions?

18

FIDUCIARY AND ETHICS TRAINING
CCCERA BOARD OF RETIREMENT
NOVEMBER 2, 2016

Meeting Date
11/02/16
Agenda Item
#6

HARVEY L. LEIDERMAN, REED SMITH, LLP

1. What are the fundamental fiduciary duties?

EXHIBIT A

- Primary Loyalty Rule
- Exclusive Benefit Rule
- Prudent Expert Rule
- Duty to Diversify the Portfolio
- Duty to Follow the Law

2. What are the requirements of the CCCERA Code of Fiduciary Conduct and Ethics?

EXHIBIT B

- Adhere to fundamental fiduciary duties
- Obey conflict of interest laws and CCCERA's Conflicts Code
- Avoid activities that improperly influence or impair your judgment, or are inconsistent with your duty to act in the best interest of the system
- Disclose conflicting interests; when in doubt, disclose
- Comply with all legal limitations on gifts and things of value
- Honor the "quiet period" during investment manager searches
- Avoid using your public position for private gain or influence
- Maintain the confidentiality of closed sessions
- Conduct yourself civilly and respectfully at board meetings
- Use care in communications with service providers, members and plan sponsors

3. When does a member of the Board or staff have a conflict because his/her outside interests are contrary to the interests of the system?

- Personal financial interests in contracts
- Personal financial interests in other board agenda items
- Litigation against the system or board
- Interests of your "constituency" clouding your independent judgment

4. When should a member of the Board or staff recuse him/herself from considering a matter before the Board?

EXHIBIT C

- "Materiality" rule for government salaries under the Political Reform Act
- "Public generally" rule under the Political Reform Act
- Adverse litigant

5. What and when should a member of the Board or staff disclose so that others are aware of their outside interests?

EXHIBIT D

- Annual Form 700, Statement of Economic Interests
- Content of disclosure for Board meetings
- Timing of disclosure for Board meetings
- Recording of disclosure at Board meetings

6. What obligation does a member of the Board have to keep closed session discussions confidential?

- Brown Act section 54963

EXHIBIT E

- CCCERA Code of Fiduciary Conduct and Ethics, Part 7

EXHIBIT B

EXHIBIT A

**THE FUNDAMENTAL FIDUCIARY DUTIES OF TRUSTEES
OF COUNTY EMPLOYEES' RETIREMENT SYSTEMS**

CALIFORNIA CONSTITUTION, ART. XVI, § 17

1. Primary Loyalty Rule

The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.

2. Exclusive Benefit Rule

The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

3. Prudent Person Rule/Duty to Diversify Investments

The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims....[They] shall diversify the investments of the system so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

THE COUNTY EMPLOYEES RETIREMENT LAW OF 1937, § 31595

The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system....The board and its officers and employees shall discharge their duties with respect to the system:

(a) Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system.

(b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(c) Shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

Reed Smith, LLP

EXHIBIT B

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION**
Code of Fiduciary Conduct and Ethics
Adopted 7/23/03

WHEREAS, the National Conference on Public Employee Retirement Systems has published NCPERS' Model Code of Ethics, the Guiding Principles of which are as follows:

1. Service to the beneficiaries of public pension funds is the primary function of public pension fund trustees.
2. The beneficiaries of public pension funds are sovereign and the trustees of those funds are ultimately responsible to them.
3. In those situations where the law is not clear, the best interests of the fund beneficiaries must be served. Conscience is critical. Good ends never justify unethical means.
4. Efficient and effective administration and investment management is basic to public pension funds. Misuse of influence, fraud, waste or abuse is unacceptable conduct.
5. Safeguarding the trust of fund beneficiaries is paramount. Conflicts of interest, bribes, gifts or favors which subordinate fund trustees to private gains are unacceptable.
6. Service to public pension fund beneficiaries demands special sensitivity to the qualities of justice, courage, honesty, equity, competence and compassion.
7. Timely and energetic execution of fiduciary responsibilities is to be pursued at all times by pension fund trustees.

WHEREAS, the Political Reform Act of 1974 and Government Code section 1090 set forth specific circumstances which require public officials to disqualify themselves from making, participating in, or attempting to influence governmental decisions which may affect any of their financial interests.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Contra Costa County Employees' Retirement Association (the "Board") hereby adopts the following Code of Fiduciary Conduct and Ethics:

PREAMBLE

The Contra Costa County Employees' Retirement Association ("CCCERA") is a public pension plan organized under the County Employees Retirement Law of 1937. (California Government Code Section 31450, et seq.)

The management of CCCERA is vested in the Retirement Board.

Each member of CCCERA's Board shall discharge his or her duties with respect to the system solely in the interests of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system, with the duty to the participants and beneficiaries taking precedence over any other duty. (California Constitution Article XVI, Section 17(b).)

The members of CCCERA's Board are mindful of the positions of trust and confidence held by them. They adopt this Code to ensure the proper administration of CCCERA, and to foster unquestioned public confidence in CCCERA's institutional integrity as a prudently managed and fiduciarily governed public pension system.

CCCERA's *Code of Fiduciary Conduct and Ethics* provides a fiduciary framework for the proper conduct of CCCERA's affairs.

1. **Fiduciary Duties.**

Each member of CCCERA's Board shall execute their duties as set forth in the County Employees' Retirement Law of 1937, as amended, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

Each member of CCCERA's Board shall diligently attend to the business of the Board and shall not leave to other Board members control over the administration of the affairs of the Board.

Each member of CCCERA's Board shall comply with CCCERA's *Code of Fiduciary Conduct and Ethics*.

2. **Fiduciary Conflicts of Interest.**

Each member of CCCERA's Board shall abide by the provisions of California Government Code Sections 1090 et seq., which prohibit Board Members from being financially interested, directly or indirectly, in any contract made by the Board.

Each member of CCCERA's Board shall abide by the provisions of the Political Reform Act, Government Code sections 81000, et seq, including section 87100 which prohibits Board Members from making, participating in making, or using their positions to influence Board and Association decisions in which they have a financial interest.

No member of CCCERA's Board shall engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, or in conflict with, his or her duties as a member of CCCERA's Board, or with the duties, functions, or responsibilities of CCCERA's Board.

No member of CCCERA's Board shall perform any work, service, or counsel for compensation outside his or her Board responsibilities where any part of his or her efforts will be subject to approval by any other members of the Board on which he or she serves.

Each member of CCCERA's Board shall abide by the provisions of California Government Code Sections 87200 et seq., which require the public disclosure of economic interests as prescribed therein.

In keeping with the provisions of the Government Code, a member of CCCERA's Board shall not become an endorser, surety, or obligor on, or have any personal interest, direct or indirect, in the making of any investment for the Board, or in the gains or profits accruing therefrom. These people are prohibited from having any financial interest in any contract made by them in their official capacity and from making or influencing official decisions in which they have a financial interest.

Each member of CCCERA's Board shall strive to avoid activities which may impair the ability to exercise independent judgment in the discharge of official duties.

In order to maintain the highest standards of conduct and ethics above the minimum requirements of the California Government Code and to avoid even the appearance of a conflict of interest, each member of CCCERA's Board should conduct official and private affairs so as to avoid giving rise to a reasonable conclusion that he or she can be improperly influenced in the performance of his or her public duty.

Members of the CCCERA Board shall be accountable for recognizing a potential or actual conflict of interest and for disqualifying themselves from making, participating in, or attempting to influence Board decisions which may affect any of their financial interests. Immediately prior to the Board's consideration of the matter, a Member shall publicly disclose the actual or potential conflict in detail sufficient to be understood by the public, recuse himself or herself from acting on the matter, and, except in the case of consent agenda items, leave the room until the matter is concluded. Disclosure during Board meetings may be made 1) orally or 2) by handing a written statement to the Chair of the CCCERA Board, with a

copy to all trustees and the Retirement Administrator. Such a disclosure shall be reflected in the official record of the meeting.

3. Limitations on Gifts, Honoraria and Personal Loans; and Disclosure of Gifts on the Record.

Each member of CCCERA's Board and designated staff shall comply with the gift limitation provisions and the prohibition on acceptance of honoraria under California Government Code Sections 89500 et seq.

Each member of CCCERA's Board and designated staff shall abide by the loan limitation provisions of California Government Code Sections 87460 et seq., which prohibits receiving personal loans from any officer, employee, member, consultant, or contractor with the CCCERA.

In addition to the minimum gift limitation requirements of California Government Code Sections 89500 et seq., CCCERA Board Members shall not accept or solicit gifts, favors, services or promises of future benefits which might compromise or impair the Board Member's exercise of independent judgment, or which the Board Member knows, or should know, are being offered with the intent to influence that Board Member's official conduct.

If a Board Member or designated staff has received gifts of \$75.00 or more in the current calendar year from a person, firm or entity conducting business or seeking to conduct business with the CCCERA Board, immediately before the Board considers an item involving that donor, the Board Member or designated staff shall disclose on the record the receipt of the gift(s), the donor's name, and the nature and value of the gift(s).

If CCCERA has received a gift(s) (i.e., of travel, admission to seminars, tickets to events, use of sporting facilities, entertainment) of \$75.00 or more in the current calendar year from a person, firm or entity, at the time the Board considers assignment to a particular Board Member or designated staff, the Retirement Administrator shall disclose on the record the original donor's name, and the nature and value of the gift(s).

4. Contacts with Vendors, Consultants and Advisors.

- (a) **Prospective Vendors, Consultants and Advisors.** During the time when the CCCERA is in the process of selecting a vendor, consultant or advisor (a "service provider"), no member of the CCCERA Board or staff shall accept any gifts, favors, or services from any current or prospective service provider that the Board Member or staff knows has responded to a Request for Proposal, or is otherwise a candidate in a non-RFP selection process. During the time when CCCERA is in the process of selecting a vendor, consultant or advisor, no member of the CCCERA Board or staff shall accept any gift, benefit or service from CCCERA if it was donated to CCCERA by a current or prospective service provider that the Board or

staff knows has responded to a Request for Proposal, or is otherwise a candidate in a non-RFP selection process. Furthermore, each member of the Board shall refrain from any discussions with any current or prospective service provider who is a finalist in the selection process regarding the Request for Proposal outside of an open public meeting, other than as part of a regularly scheduled interview during the selection process.

- (b) **Existing Vendors, Consultants and Advisors.** Business meetings and discussions, including meetings which include meals, with current vendors, consultants and advisors (“service providers”) may provide useful information of benefit to the Board member, and are not prohibited by this *Code of Fiduciary Conduct and Ethics*.

5. Use of CCCERA Resources and Facilities for Private Gain.

No member of the CCCERA Board shall use Board consultants or staff, or CCCERA facilities, equipment, materials or supplies for any purpose other than the discharge of his or her responsibilities to the retirement system.

6. Use of Official Position.

No CCCERA Board member shall use his or her Board position either to negotiate on behalf of the CCCERA Board outside of any process established for that purpose or to become involved in personnel matters. Furthermore, no Board member shall use his or her official position to secure a special privilege or exemption for himself or herself or on behalf of others.

7. Confidential Information.

No member of the CCCERA Board shall obtain or use for personal reasons or for private gain any confidential information acquired as a result of his or her position as a member of the Board.

Each Board Member shall abide by the provisions of Government Code section 54963, which prohibits the disclosure of confidential information acquired during authorized closed sessions.

8. Conduct at Retirement Board Meetings.

The CCCERA Board shall provide fair and equal treatment for all persons and matters coming before the Board or any Board committee.

Board members shall listen courteously to all discussions at meetings and avoid interrupting other speakers, including other Board members, staff or committee members, except as may be permitted by established Rules of Order.

Board members shall refrain from abusive or disruptive conduct, personal charges or verbal attacks upon the character, motives, ethics, or morals of others.

9. Communications with Service Providers and other Non-CCCERA Persons and Entities.

A Board member shall be respectful of the Board and its decisions in all external communications, even if he or she disagrees with such decision.

Board members shall indicate when they are speaking in a capacity as a member of the CCCERA Board or in another capacity in their external communications.

A Board member shall not correspond with a non-CCCERA person or entity using CCCERA letterhead or as a spokesperson on behalf of the Board unless the communication is authorized by the Board.

Copies of all written communications from a Board member to a current service provider (vendor, consultant or advisor), or person or entity related to a current service provider, relating to CCCERA's business (other than purely personal or social correspondence) shall be provided to the CCCERA Administrator for subsequent distribution to all members of the Board.

A copy of any written business related communication (other than routine announcements, generally distributed newsletters, and similar material) received by a Board member from a current CCCERA service provider, or person or entity related to a current service provider, and not received by any other Board Member, shall be forwarded to the CCCERA Administrator for subsequent distribution to all members of the Board.

10. Communications with Plan Members.

Board members shall be aware of the risk of communicating inaccurate information to plan members (both active members and retirees), and the potential exposure to liability and possible harm to a plan member that may result from such miscommunications.

Board members shall mitigate the risk of miscommunication with plan members and thereby avoid creating additional plan liability by refraining from providing specific advice or counsel with respect to the rights or benefits to which a plan member may be entitled under the CCCERA plan. **To that end, any Board member communication to three or more members of the public should include the following disclaimer: "The following statement has not been authorized by CCCERA or its Board. It reflects the personal views of the author and should not be construed as an official statement of CCCERA or its Board. Additionally, members of CCCERA should not rely on any factual information contained in the following statement when making retirement related decisions. All inquires relating to a member's retirement should be directed to the CCCERA staff."**

Where explicit advice or counsel, with respect to retirement plan provisions, policies or benefits is needed, Board members will refer inquiries to the CCCERA Administrator or appropriate designee.

11. Non-Compliance Sanctions.

Violation of this *Code of Fiduciary Conduct and Ethics* is grounds to remove the offender from the position of Chair or Vice-Chair of the CCCERA Board, or from any other assignment on behalf of the Board, and may also subject the offender to censure by the Board. The Board may also pursue all of its legal remedies against any Board member who violates the provisions of this *Code of Fiduciary Conduct and Ethics*.

EXHIBIT C

EXCERPTS FROM FPPC REGULATIONS UNDER THE POLITICAL REFORM ACT

CALIFORNIA CODE OF REGULATIONS, TITLE 2

§ 18702.5. Materiality Standard: Financial Interest in a Personal Financial Effect.

(a) A personal financial effect means the financial effect of a governmental decision on the personal finances of a public official or his or her immediate family. The financial effect is material if the official or the official's immediate family member will receive a measurable financial benefit or loss from the decision.

(b) Notwithstanding subdivision (a), a personal financial effect does not include:

(1) Any establishment of or change to benefits provided under an employment or retirement policy for employees or retirees if the financial effect of the decision applies equally to all employees in the same bargaining unit or other representative group.

(2) Payment of any travel expenses, to the extent allowed by law, incurred while attending meetings as an authorized representative of an agency.

(3) Stipends received for attendance at meetings of any group or body created by law or formed by the official's agency for a special purpose, so long as the selecting body posts on its website a form provided by the Commission that includes: a list of each appointed position eligible for a stipend, the amount of the stipend for each position, the name of the public official who has been appointed to the position, the name of the public official, if any, who has been appointed as an alternate, and the term of the position.

(4) The use of any government property, such as automobiles or other modes of transportation, mobile communication devices, or other agency provided equipment for carrying out the official duties of a position, including any nominal, incidental, negligible, or inconsequential personal use while on duty.

(5) Any personal reward received by the official when using a personal charge card or membership rewards program, so long as the reward is no different from the reward offered to the public and is limited to charges made solely for the official's approved travel expenses.

(6) A decision to fill a position on the body of which the official is a member.

(c) If the governmental decision affects a business entity or real property in which the official has a financial interest, this regulation does not apply and materiality is determined under Regulation 18702.1 or 18702.2.

§ 18703. Public Generally.

(a) General Rule. A governmental decision's financial effect on a public official's financial interest is indistinguishable from its effect on the public generally if the official establishes that a significant segment of the public is affected and the effect on his or her financial interest is not unique compared to the effect on the significant segment.

- (b) A significant segment of the public is at least 25 percent of:
- (1) All businesses or non-profit entities within the official's jurisdiction;
 - (2) All real property, commercial real property, or residential real property within the official's jurisdiction; or
 - (3) All individuals within the official's jurisdiction.
- (c) A unique effect on a public official's financial interest includes a disproportionate effect on:
- (1) The development potential or use of the official's real property or on the income producing potential of the official's real property or business entity.
 - (2) An official's business entity or real property resulting from the proximity of a project that is the subject of a decision.
 - (3) An official's interests in business entities or real properties resulting from the cumulative effect of the official's multiple interests in similar entities or properties that is substantially greater than the effect on a single interest.
 - (4) An official's interest in a business entity or real property resulting from the official's substantially greater business volume or larger real property size when a decision affects all interests by the same or similar rate or percentage.
 - (5) A person's income, investments, assets or liabilities, or real property if the person is a source of income or gifts to the official.
 - (6) An official's personal finances or those of his or her immediate family.
- (d) "Jurisdiction" means the jurisdiction of the state or local government agency as defined in Section 82035, or the designated geographical area the official was elected to represent, or the area to which the official's authority and duties are limited if not elected.
- (e) Specific Rules for Special Circumstances. The financial effect on a public official's financial interest is deemed indistinguishable from that of the public generally if the official establishes:
- (1) Public Services and Utilities. The decision establishes or adjusts assessments, taxes, fees, or rates for water, utility, or other broadly provided public services or facilities that are applied equally, proportionally, or by the same percentage to the official's interest and other businesses, properties, or individuals subject to the assessment, tax, fee, or rate.
 - (2) General Use or Licensing Fees. The decision affects the official's personal finances as a result of an increase or decrease to a general fee or charge, such as parking rates, permits, license fees, application fees, or any general fee that applies to the entire jurisdiction.
 - (3) Limited Neighborhood Effects. The decision affects residential real property limited to a specific location, and the decision establishes, amends, or eliminates ordinances that restrict on-street parking, impose traffic controls, deter vagrancy, reduce nuisance or improve public safety, provided the body making the decision gathers sufficient evidence to support the need for the action at the specific location.
 - (4) Rental Properties. The decision affects all renters of residential property within the official's jurisdiction and only interests resulting from the official's leasehold interest in his or her residence are affected.

(5) Required Representative Interest. The decision is made by a board or commission and the law that establishes the board or commission requires certain appointees have a representative interest in a particular industry, trade, or profession or other identified interest, and the public official is an appointed member representing that interest. This provision applies only if the effect is on the industry, trade, or profession or other identified interest represented and there is no unique effect on the official's interest.

(6) State of Emergency. The decision is made pursuant to an official proclamation of a state of emergency when required to mitigate against the effects directly arising out of the emergency and there is no unique effect on the official's interest.

(7) Governmental Entities. The decision affects a federal, state, or local governmental entity in which the official has an interest and there is no unique effect on the official's interest.

EXHIBIT D

**BOARD OF RETIREMENT
OF THE
CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CONFLICT OF INTEREST CODE**

Adopted: 02/24/76

Amended: 11/06/02, 11/17/04, 4/8/09, 12/8/10, 09/10/14

Section 100, Purpose

Pursuant to the provisions of Government Code Sections 87300, et seq., the Board of Retirement of the Contra Costa County Employees' Retirement Association adopts this Conflict of Interest Code. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Secs. 81000 et seq.) The provisions of this Code are in addition to the laws pertaining to conflicts of interest, including but not limited to Government Code Section 87100 which provides that: "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest." Except as otherwise indicated, the definitions of the Political Reform Act and regulations adopted pursuant thereto, including specifically but not limited to FPPC Regulation 18730, are incorporated herein, and this Code shall be interpreted consistently therewith. Pursuant to Government Code sections 87303 and 82011(b), this Conflict of Interest Code and any amendments thereto become effective upon approval by the Contra Costa County Board of Supervisors.

Section 200, Designated Positions and Employees

The positions listed in Exhibit "A" (attached hereto) are "designated positions". Every incumbent of these is a "designated employee", and is deemed to make, or participate in the making of, decisions which could affect his or her personal economic interests.

Section 300, Disclosure, Statements

Designated positions shall be assigned to one or more of the disclosure categories set forth in Exhibit "B". Each designated employee shall file an annual statement disclosing that employee's interest in investments, business positions, real property and income designated as reportable under the category to which the employee's position is assigned.

Agency positions that manage public investments for purposes of Section 87200 of the Government Code are listed in Exhibit "C", as required pursuant to Government Code section 87314. Each Retirement Board member and CCCERA employee listed as a Section 87200 filer must file an annual statement of economic interest with the Contra Costa County Clerk – Elections Division.

Disclosure statements are public records pursuant to Government Code section 81008(a).

Section 400, Place and Time of Filing

- (a) Every designated employee shall file the original of his or her statement of financial interests with the Contra Costa County Clerk of the Board of Supervisors.
- (b) Every position listed in Exhibit "C" shall file the original of his or her statement of financial interests with the Contra Costa County Clerk-Recorder.
- (c) Employees appointed, promoted or transferred to designated positions shall file initial statements within 30 days thereafter, and shall disclose any reportable investments, business positions and interests in real property held on, and income received during the 12 months before the effective date of the amendment, appointment, transfer or promotion.
- (d) Every designated employee shall file annual statements during March covering the preceding calendar year.
- (e) A designated employee required to file a statement of financial interest under any other agency's conflict of interest code, or under Article 2 of Chapter 7 of the Political Reform Act for a jurisdiction contained within the territorial jurisdiction of this agency may comply with the provisions of this Code by filing a duplicate copy of that statement and an expanded statement which covers reportable interests in that portion of this agency's jurisdiction which differs from the jurisdiction described in the other statement.

Section 500, Disclosure Statement, Form and Content

- (a) Forms. Disclosure statements shall be made on forms supplied by the Clerk of the Board of Supervisors or the Clerk-Recorder.
- (b) Content. The disclosure statement shall contain the following information:
 - (1) Investment or Interest in Real Property. When an investment or an interest in real property is required to be reported, the statement shall contain: a statement of the nature of the investment or interest, the name of the business entity in which each investment is held, a general description of the business activity in which the business entity is engaged, and the address or other precise location of the real property. The statement shall also contain a statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand dollars (\$10,000) but does not exceed one hundred thousand dollars (\$100,000), or whether it exceeds one hundred thousand dollars (\$100,000). This information need not be provided with respect to an interest in real property which is solely the principal residence of the filer or any other property which the filer utilizes exclusively as the personal residence of the filer.
 - (2) Personal Income. When income is required to be reported under this article, the statement shall contain: the name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source. The statement shall also contain a statement whether the aggregate value of income from each source, or in the case of a loan,

the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000; and a description of the consideration, if any, for which the income was received. In the case of a loan, the statement shall contain the annual interest rate and the security, if any, given for the loan.

- (3) In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made, a description of the gift, the amount or value of the gift, and the date on which the gift was received.
- (4) Business Entity. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain: the name, address, and a general description of the business activity of the business entity, and the name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).
- (5) Business Position. When business positions are required to be reported, a designated person shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated person's position with the business entity.
- (6) Acquisition or Disposal During Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

Section 600, Disqualifications.

Designated employees must disqualify themselves from making or participating in the making of any decisions or using their official position to influence the making of any decision in which they have a reportable financial interest, when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the employee, a member of his or her immediate family or on any other interest indicated in Government Code section 87103. No designated employee shall be required to disqualify him or herself with respect to any matter which could not be legally acted upon or decided without his or her participation, provided the "rule of necessity" appropriately applies to the circumstances.

All other provisions of this Code notwithstanding, the following provisions hereafter apply:

1. No designated person shall accept any honorarium.

Government Code Section 89502 shall apply to the prohibitions in this section. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506 or other provision of law.

2. No designated employee shall accept any gifts with a total value in a calendar year from any single source that exceeds the limitations set forth in Government Code section 89503.

EXHIBIT "A"

Position Categories

| <u>Designated Positions</u> | <u>Disclosure Category</u> |
|---|-----------------------------------|
| Retirement Deputy Chief Executive Officer | General |
| Retirement Accounting Manager | 1 |
| Retirement Administration Manager | 2 |
| Retirement General Counsel | 1 |
| Retirement Assistant General Counsel | 1 |
| Retirement Investment Analyst | 1 |
| Outside fiduciary counsel | 1 |
| Outside investment consultant | 1 |

- Consultants shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this code. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

EXHIBIT "B"

Disclosure Categories

General:

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the employee's position.

Designated Employees in Category 1:

Employees designated in Category 1 of Exhibit A shall complete all schedules of Form 700 unless there are no reportable interests for that schedule. A "reportable interest" shall be any business entity or source of income of a type in which the Board is authorized to invest.

Designated Employees in Category 2:

Employees designated in Category 2 of Exhibit A shall complete all schedules of Form 700 except those relating to interests in real property (Form 700, Schedules B and C), unless there are no reportable interests for a schedule. A "reportable interest" shall be any business entity or source of income which, within the filing period has contracted, or in the foreseeable future may contract with the Board to provide products or services, to the Retirement System or the Retirement Office.

EXHIBIT "C"

**Agency Positions that Manage Public Investments
For Purposes of Section 87200 of the Government Code**

The following is a list of each position with the Retirement Board and CCCERA for which an individual occupying the position is required to file a Statement of Economic Interests as a public official who manages public investments within the meaning of Government Code Section 87200:

Members of the Board of Retirement, including Alternate Members
Retirement Chief Executive Officer
Retirement Chief Investment Officer

EXHIBIT E

THE RALPH M. BROWN ACT ("OPEN MEETINGS LAW")
SECTION 54963

CONFIDENTIALITY OF CLOSED SESSIONS

(a) A person may not disclose confidential information that has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information.

(b) For purposes of this section, "confidential information" means a communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under this chapter.

(c) Violation of this section may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

(1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.

(2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.

(3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grand jury.

(d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

(e) A local agency may not take any action authorized by subdivision (c) against a person, nor shall it be deemed a violation of this section, for doing any of the following:

(1) Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the illegality of an action taken by a legislative body of a local agency or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by a legislative body of a local agency.

(2) Expressing an opinion concerning the propriety or legality of actions taken by a legislative body of a local agency in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(3) Disclosing information acquired by being present in a closed session under this chapter that is not confidential information.

(f) Nothing in this section shall be construed to prohibit disclosures under the whistleblower statutes contained in Section 1102.5 of the Labor Code or Article 4.5 (commencing with Section 53296) of Chapter 2 of this code.