



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

December 8, 2021, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 816 3480 6212, Passcode: 574719, or via the web at:

<https://us06web.zoom.us/j/81634806212?pwd=d2JHYU5Lb1pwQ200ZVNkNmdMczFGQT09>

Passcode: 574719

Persons who wish to address the Board of Retirement during public comment may call in during the meeting by dialing the phone number and passcode above. Access via Zoom is also available at the weblink above. To indicate you wish to speak during public comment, please select *9 on your phone or “raise your hand” in the Zoom app.

Public comments are limited to any item that is within the subject matter jurisdiction of the Board of Retirement. Comments will be received in real time via telephone or Zoom, subject to a three-minute time limit per speaker.

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the November 3, 2021 meeting.
5. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.

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

6. Accept the following routine items:
 - a. Disability applications and authorize subpoenas as required.
 - b. Investment asset allocation report.

CLOSED SESSION

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

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Oscar Aranda	Service Connected	Service Connected
b. Jason Hoschouer	Service Connected	Service Connected
c. Melissa O'Reilley	Service Connected	Service Connected

8. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer's recommendation regarding the disability application for Da'Kiesha Malone.
9. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding potential litigation (one case).
10. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Nowicki v. CCCERA, et al.*, Court of Appeal, First Appellate District, Division Two, Case No. A160337
 - b. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al.*, Contra Costa County Superior Court, Case No. MSN12-1870

OPEN SESSION

11. Information session on retirement process.
12. Legislative update.
13. Consider and take possible action to issue RFI for integrated investment portfolio analytics and risk management solution.
14. Notice of planned termination of Parametric Volatility Risk Premium strategy.

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15. Presentation of the Contra Costa County Fire Protection District employer audit report.
16. Presentation of 2022 Compliance Activity Plan.
17. Report out from Audit Committee Chair on November 17, 2021 Audit Committee meeting.
18. Consider authorizing the attendance of Board:
 - a. SACRS Board of Directors Meeting, December 14, 2021, Rancho Mirage, CA.
 - b. 40th Annual Sit Investment Associates Client Workshop, February 17-20, 2022, Scottsdale, AZ.
19. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
November 3, 2021
9:00 a.m.

The Board of Retirement meeting was accessible telephonically at (669) 900-6833, Webinar ID 817 7565 3817, Passcode 534911, as permitted by Government Code Section 54953(e).

1. Pledge of Allegiance

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

2. Roll Call

Present: Candace Andersen, Dennis Chebotarev, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Mike Sloan and Russell Watts.

Absent: Reggie Powell

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

Outside Professional Support:
Harvey Leiderman
Vivian Shultz

Representing:
Reed Smith LLP
Vivian Shultz, LLP

3. Accept comments from the public

No member of the public offered comment.

4. Recognition of Karla Demarty-Ooghe for 5 years of service

Gordon recognized and congratulated Karla Demarty-Ooghe for 5 years of service.

5. Approval of Routine Items

It was **M/S/C** to approve the routine items of the November 3, 2021 Board meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, Kwon, MacDonald and Watts)

6. Acceptance of Routine Items

It was **M/S/C** to accept the routine items of the November 3, 2021 Board meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, Kwon, MacDonald and Watts)

Phillips was present for subsequent discussion and voting.

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

CLOSED SESSION

The Board moved into Closed Session pursuant to Govt. Code Section 54957.

The Board moved into open session.

- 8.** There was no reportable action related to Govt. Code Section 54957 to evaluate the performance of the Chief Executive Officer.
- 7.** It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits:

- a. Beatriz Aarum-Morris – Service Connected (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts)
- b. James Huntze – Service Connected (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts)
- c. Darcy Maupin – Service Connected (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts)
- d. Megan O'Connor – Service Connected (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts)

9. Consider and take possible action to authorize the CEO to extend the agreement with Segal for actuarial services

It was **M/S/C** to authorize the CEO to extend the agreement with Segal for actuarial services. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts)

10. Investment staffing update

Strohl reported on the need to increase the investment staff by adding a Senior Investment Officer and a Senior Investment Analyst and cancel the vacant Investment Officer position.

The new positions will be included in the 2022 CCCERA budget that will be presented on November 17, 2021.

11. Consider and take possible action on Board meeting schedule for 2022

It was **M/S/C** to approve the 2022 Board meeting schedule. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips and Watts)

12. Miscellaneous

a. Staff Report –

Strohl reported CCCERA’s office lobby is currently open and virtual and phone meetings are also being offered to members.

b. Outside Professionals’ Report -

None

c. Trustees’ comments –

None

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

Scott Gordon, Chairman

Jerry Holcombe, Secretary

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Abarro, Tatiyana	91161	P5.2	10/01/21	Contra Costa County
Agnitsch, Antone	91098	P5.2	10/01/21	Contra Costa County
Aguilar, Jose	91103	P5.2	10/01/21	Contra Costa County
Akrami, Mohammad	91124	P5.2	10/01/21	Contra Costa County
Alvarado, Alma	91186	P5.2	10/01/21	Contra Costa County
Antoine, Anastasia	91064	P5.2	10/01/21	Contra Costa County
Azzopardi, Shawna	90406	P5.2	10/01/21	Contra Costa County
Baja, Jane	91183	P5.2	10/01/21	Contra Costa County
Balaoing, Jason	90000	P5.2	10/01/21	Contra Costa County
Biwota, Gebeyanesh	88732	P5.2	10/01/21	Contra Costa County
Black, Dylan	91151	P5.2	10/01/21	Contra Costa County
Bollas, Elijah	74923	P5.2	10/01/21	Contra Costa County
Brown, Casey	91118	P5.2	10/01/21	Contra Costa County
Campbell, Loretta	91174	P5.2	10/01/21	Contra Costa County
Cerda, Agnes	91191	P5.2	10/01/21	Contra Costa County
Chaney, Benjamin	75441	P5.2	10/01/21	Contra Costa County
Christensen, Dana	88500	P5.2	10/01/21	Contra Costa County
Church, Michael	91142	P5.2	10/01/21	Contra Costa County
Clark, Christopher	90948	S/E	10/01/21	Contra Costa County
Coleman, David	91101	P5.2	10/01/21	Contra Costa County
Contreras, Anthony	90686	P5.2	10/01/21	Contra Costa County
Creswell, Tayler	91144	P5.2	10/01/21	Contra Costa County
Crisologo, Bernadette	91167	P5.2	10/01/21	Contra Costa County
Crivello, Audrey	91206	P5.2	10/01/21	Contra Costa County
David, Donn	91160	P5.2	10/01/21	Contra Costa County
Davis, Mariah	90187	P5.2	10/01/21	Contra Costa County
De Los Santos, Jeromme	90710	P5.2	10/01/21	Contra Costa County
del Rio Navarro, Juan	91126	P5.2	10/01/21	Contra Costa County
Dominguez, Jason	67913	P5.2	10/01/21	Contra Costa County
Evers, Matthew	91102	P5.2	10/01/21	Contra Costa County
Fariha, Amtus	84885	P5.2	10/01/21	Contra Costa County

Key:

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

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Galdamez, Jakeline	91169	P5.2	10/01/21	Contra Costa County
Gange, Samantha	91119	P5.2	10/01/21	Contra Costa County
Garcia, Mark	91104	P5.2	10/01/21	Contra Costa County
Gibson, Levon	91189	P5.2	10/01/21	Contra Costa County
Gomez, Jason	91072	P5.2	10/01/21	Contra Costa County
Gonzalez, Romina	89568	P5.2	10/01/21	Contra Costa County
Graves, Jesse	89170	S/E	10/01/21	Contra Costa County
Gudino, Noe	91237	P5.2	10/01/21	Contra Costa County
Gupta, Mariana	89824	S/E	10/01/21	Contra Costa County
Gutierrez, Fernando	91203	P5.2	10/01/21	Contra Costa County
Gutierrez, Jasmine	91099	P5.2	10/01/21	Contra Costa County
Hall, Destiny	91204	P5.2	10/01/21	Contra Costa County
Hampton, Magic	86318	P5.2	10/01/21	Contra Costa County
Harvey, Dominique	91085	P5.2	10/01/21	Contra Costa County
Hasegawa, Lynn	91176	P5.2	10/01/21	Contra Costa County
Hatcher, Kameron	91165	P5.2	10/01/21	Contra Costa County
Henandez- Ruiz, Jessica	90692	P5.2	10/01/21	Contra Costa County
Herney, Dana	88298	P5.2	10/01/21	Contra Costa County
Hicks, Mandolyn	91214	P4.2	10/01/21	Contra Costa County Fire Protection District
Horne, Jacqueline	91093	P5.2	10/01/21	Contra Costa County
Jackson, Kristina	91199	P5.2	10/01/21	Contra Costa County
Jimenez Flores, Miguel	91184	P5.2	10/01/21	Contra Costa County
Jones, Carrie	D9500	P5.3	10/01/21	Contra Costa County Superior Courts
Kacyra, Alexander	91097	P5.2	10/01/21	Contra Costa County
Keener, Jessica	91216	P4.3	10/01/21	Contra Costa County
Kellmann, Brendan	91178	P5.2	10/01/21	Contra Costa County
Khan, Zoreen	90694	P5.2	10/01/21	Contra Costa County
Kheir, Lucie	90516	P5.2	10/01/21	Contra Costa County
Kinard, Bobby	91181	P5.2	10/01/21	Contra Costa County
Lavassani, Kian	90968	P5.2	10/01/21	Contra Costa County
Layton, Makel	91172	P5.2	10/01/21	Contra Costa County

Key:

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

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Lee, Tracey	90432	P5.2	10/01/21	Contra Costa County
Lejano, Andrew	91171	P5.2	10/01/21	Contra Costa County
Lindayen, Liza	83719	P5.2	10/01/21	Contra Costa County
Lipkin Dayna	89830	S/E	10/01/21	Contra Costa County
Liu, Luyang	91209	P5.2	10/01/21	Contra Costa County
Lucero, Benjamin	86888	P5.2	10/01/21	Contra Costa County
Marquez, Thomas	91132	P5.2	10/01/21	Contra Costa County
Martinengo, Laura	64017	III	10/01/21	Contra Costa County
Mayrena, Maureen	91208	P5.2	10/01/21	Contra Costa County
McClure, Carrie	89087	P5.2	10/01/21	Contra Costa County
Melendez, Massiel	91148	P5.2	10/01/21	Contra Costa County
Menendez, Oscar	87724	P5.2	10/01/21	Contra Costa County
Mogollon, Miriam	89514	P5.2	10/01/21	Contra Costa County
Molina, Edwin	89821	S/E	10/01/21	Contra Costa County
Morris, Lan	77770	I	10/01/21	Contra Costa County
Nunez-Pereda, Maritza	D9500	P5.3	10/01/21	Contra Costa County Superior Courts
Oseguera, Juan	91152	P5.2	10/01/21	Contra Costa County
Palacios, Carlos	91196	P5.2	10/01/21	Contra Costa County
Park, May	91147	P5.2	10/01/21	Contra Costa County
Paule, Jerico	90032	P5.2	10/01/21	Contra Costa County
Penaranda, Delma	91050	P5.2	10/01/21	Contra Costa County
Pendleton, Ellena	91164	P5.2	10/01/21	Contra Costa County
Perez, Stephanie	89991	P5.2	10/01/21	Contra Costa County
Phillips, Robert	89216	P5.2	10/01/21	Contra Costa County
Ramos, Alberto	78009	P5.2	10/01/21	Contra Costa County
Reeves, David	75536	P5.2	10/01/21	Contra Costa County
Reyna, Michelle	87838	P5.2	10/01/21	Contra Costa County
Robles, Callie	89181	S/E	10/01/21	Contra Costa County
Roesler, Kimberly	91207	P5.2	10/01/21	Contra Costa County
Ruiz, Jonathan	91071	P5.2	10/01/21	Contra Costa County
Sahagun, Crystal Kaith	90027	P5.2	10/01/21	Contra Costa County

Key:

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

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Sanchez-Ware, Maritza	91065	P5.2	10/01/21	Contra Costa County
Sandoval, Lorenzo	91141	P5.2	10/01/21	Contra Costa County
Saxton, Christy	91120	P5.2	10/01/21	Contra Costa County
Scott, Paris	91145	P5.2	10/01/21	Contra Costa County
Sheludziayeva, Katsiaryna	91192	P5.2	10/01/21	Contra Costa County
Silva, Victor	91100	P5.2	10/01/21	Contra Costa County
Simmons, Rosamaria	88468	P5.2	10/01/21	Contra Costa County
Spars, Lisa	D9500	P5.3	10/01/21	Contra Costa County Superior Courts
Stein, Colleen	91137	P5.2	10/01/21	Contra Costa County
Summerville, Anthony	91194	P5.2	10/01/21	Contra Costa County
Sumulong, Maria Anna Kriselda	91134	P5.2	10/01/21	Contra Costa County
Suva, Mary Ann	91163	P5.2	10/01/21	Contra Costa County
Tovar-Gonzalez, Miriam	91202	P5.2	10/01/21	Contra Costa County
Trevino, Daniel	91096	P5.2	10/01/21	Contra Costa County
Tumang, Haydee Loren	91166	P5.2	10/01/21	Contra Costa County
Vargas, Alexandra	79280	P5.2	10/01/21	Contra Costa County
Villafanez, Maeghan	89297	P5.2	10/01/21	Contra Costa County
Villasenor, Joel	89371	P5.2	10/01/21	Contra Costa County
Vistalli, Amanda	90523	P5.2	10/01/21	Contra Costa County
Weaver, Steven	91168	P5.2	10/01/21	Contra Costa County
Wellman, Kaitlynn	91187	P5.2	10/01/21	Contra Costa County
Welty, Antonia	91125	P5.2	10/01/21	Contra Costa County
Williams, Matthew	90946	S/E	10/01/21	Contra Costa County
Zahoori, Abdul Haseeb	91180	P5.2	10/01/21	Contra Costa County
Zamora Hernandez, Daniela	D9990	P4.3	10/01/21	Contra Costa County Housing Authority
Zaragoza Mayoral, Viridiana	90695	P5.2	10/01/21	Contra Costa County

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

TIER CHANGES

<i>Name</i>	<i>Employee Number</i>	<i>Old Tier</i>	<i>New Tier</i>	<i>Effective Date</i>	<i>Employer</i>	<i>Reason for Change</i>
Banh, Stephanie	89299	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Bernabe, Mathew	90393	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Blank, Tanner	90387	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Castillo Bayona, Julio	89842	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Cowan, Robert	90389	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Cowen, Zachary	90390	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Crow, Thomas	90377	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Curry, Nicole	90384	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Drolet, Gregory	88983	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Faria, Alexis	90415	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Gamba, Benjamin	90378	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Gong, Tommy	90858	P5.2	III	08/01/21	Contra Costa County	Reciprocity established, Age & Tier change
Hoeven, Valentina	90345	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Ingraham, Sarah	90416	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Lau, Andrew	90392	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Loud, Elizabeth	88164	P5.2	P4.2	10/01/21	Contra Costa County Fire Protection District	Department Transfer
Marchese, Leah	62628	S/C	S/A	07/01/07	Contra Costa County	Tier Change Only, Correction
Powell, De'Angelo	89749	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Rodriguez, Connor	90386	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Ruiz, Mitchell	90391	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Samson, Samuel	90375	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Untesu, Shawn	90413	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Vierra, Anthony	90394	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff
Villanueva, Ryan	90382	P5.2	S/E	10/01/21	Contra Costa County	Promotion to Deputy Sheriff

Key:

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

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Meeting Date

12/08/2021

Agenda Item

#5b.

BOARD OF RETIREMENT

Service and Disability Retirement Allowances:

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Tier</u>	<u>Selected</u>
Clark, Ronda	46468	09/01/21	SR	Tier II and III	Unmodified
Chowdhury, Abed	64646	09/01/21	SR	Tier I	Option 2
Fleming, Pamela	D9500	08/05/21	SR	Tier II and III	Option 1
Gamsky, Thomas	48531	06/01/21	SR	Tier II and III	Unmodified
Giles, Michael	40590	07/30/21	SR	Tier II and III	Unmodified
Gjerman, Craig	62505	07/23/21	SR	Safety A	Unmodified
Gonzales, Stephanie	32512	06/01/21	SR	Tier I	Option 1
Haynes, Jason	65518	07/31/21	SR	Safety A	Unmodified
Imhof, Brigitte	42869	07/21/21	SR	Tier III	Unmodified
Jensen, Pamela	39593 A/P	06/01/21	SR	Tier II	Unmodified
Johnson, Sonya	68381	07/27/21	SR	Tier III	Option 1
Kim, Jaime	60828	07/01/21	SR	Tier II and III	Unmodified
Kumalo, Tokozani	48695	07/01/21	SR	Tier II and III	Unmodified
Leach-Barta, Sallie	46307	07/31/21	SR	Tier II and III	Unmodified
McCrea, Carla	50829	01/13/21	SR	Tier II and III	Unmodified
McRae, Alma	73360	08/01/21	SR	Tier III	Unmodified
Mello, Vincent	64154	06/30/21	SR	Tier II and III	Unmodified
Paupard, Jon	65332	06/14/21	SR	Tier II and III	Option 2
Ramirez, David	56980	08/15/21	SR	Tier II and III	Unmodified
Sunia-Faoliu, Malama	56182	08/01/21	SR	Tier III	Unmodified
Sutherland, Leland	D3406	08/03/21	SR	Tier I	Unmodified
Thomas, Linda	74804	08/20/21	SR	Tier III	Unmodified
Timbrell, Kelley	40547	08/01/21	SR	Tier II and III	Option 2
Vanek, Deborah	D7830	07/27/21	SR	Tier I, II and III	Option 2

Option Type

NSP = Non-Specified

SCD = Service Connected Disability

SR = Service Retirement

NSCD = Non-Service Connected Disability

* = County Advance Selected w/option

Tier

I = Tier I

II = Tier II

III = Tier III

S/A = Safety Tier A

S/C = safety Tier C

Pepra 4.2 = Pepra Tier 4 (2% COLA)

Pepra 4.3 = Pepra Tier 4 (3% COLA)

Pepra 5.2 = Pepra Tier 5 (2% COLA)

Pepra 5.3 = Pepra Tier 5 (3% COLA)

S/D = Pepra Safety Tier D

S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Meeting Date

12/08/2021

Agenda Item

#5c.

BOARD OF RETIREMENT

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Barricklow, Larry	10/23/21	Kensington Fire
Bell, Vincent	09/17/21	Contra Costa County
Bertelson, Robert	09/25/21	Contra Costa County
Bozarth, Billie	11/11/21	Contra Costa County
Bradford, Ernest	11/01/21	Contra Costa County
Hartman, Trella	09/09/21	Contra Costa County
Horst, James	11/05/21	Contra Costa County
Kepford, Carol	11/06/21	Contra Costa County
Knight, Steven	10/29/21	Contra Costa County
Lamb, Lauletta	11/12/21	Contra Costa County
Lee, Marian	11/04/21	Contra Costa County
Leftwich, Carlee	09/02/21	Contra Costa County
Lowy, Sally	10/11/21	Superior Courts
Lucido, Kenneth	11/19/21	Contra Costa County (Riverview Fire Dist.)
Mac Neill, Grace	10/20/21	Contra Costa County
Milliken, Theresa	10/18/21	Contra Costa County
Mooney, Kevin	08/21/21	Contra Costa County
Olan, Lillian	10/12/21	Contra Costa County
Ortstadt, Colin	09/02/21	Contra Costa County
Patterson, Marilyn	11/04/21	Contra Costa County
Randle, John	11/04/21	Contra Costa County
Rosenbusch, Paul	11/04/21	Contra Costa County
Schoenhard, Eric	04/11/21	Contra Costa County
Smiley, Alfred	09/28/21	Contra Costa County
Sparacino, Nina	10/21/21	Contra Costa County
Wallis, Roy	10/23/21	Contra Costa County
Webster, Nancy	11/02/21	Contra Costa County
Wright, Karen	10/30/21	Contra Costa County



Meeting Date
12/08/2021
Agenda Item
#5d.

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

October 2021 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$45,250,000	
Liquidity Sub-Portfolio Cash Flow	\$45,250,000	100%
Actual Benefits Paid	\$44,892,965	100.8%
<i>Next Month's Projected Benefit Payment</i>	<i>\$45,250,000</i>	

Monthly Manager Positioning – October 2021

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
Sit	\$581,790,087	(\$5,000,000)	(\$1,207,062)	\$575,583,025
DFA	\$315,987,938	(\$3,250,000)	(\$1,644,816)	\$311,093,122
Insight	\$803,583,093	(\$37,000,000)	(\$1,371,251)	\$765,211,842
Liquidity	\$1,701,361,118	(\$45,250,000)	(\$4,223,128)	\$1,651,887,990
Cash	\$452,247,590	\$357,035	\$41,207,924	\$493,812,549
Liquidity + Cash	\$2,153,608,708	(\$44,892,965)	\$36,984,796	\$2,145,700,539

Functional Roles

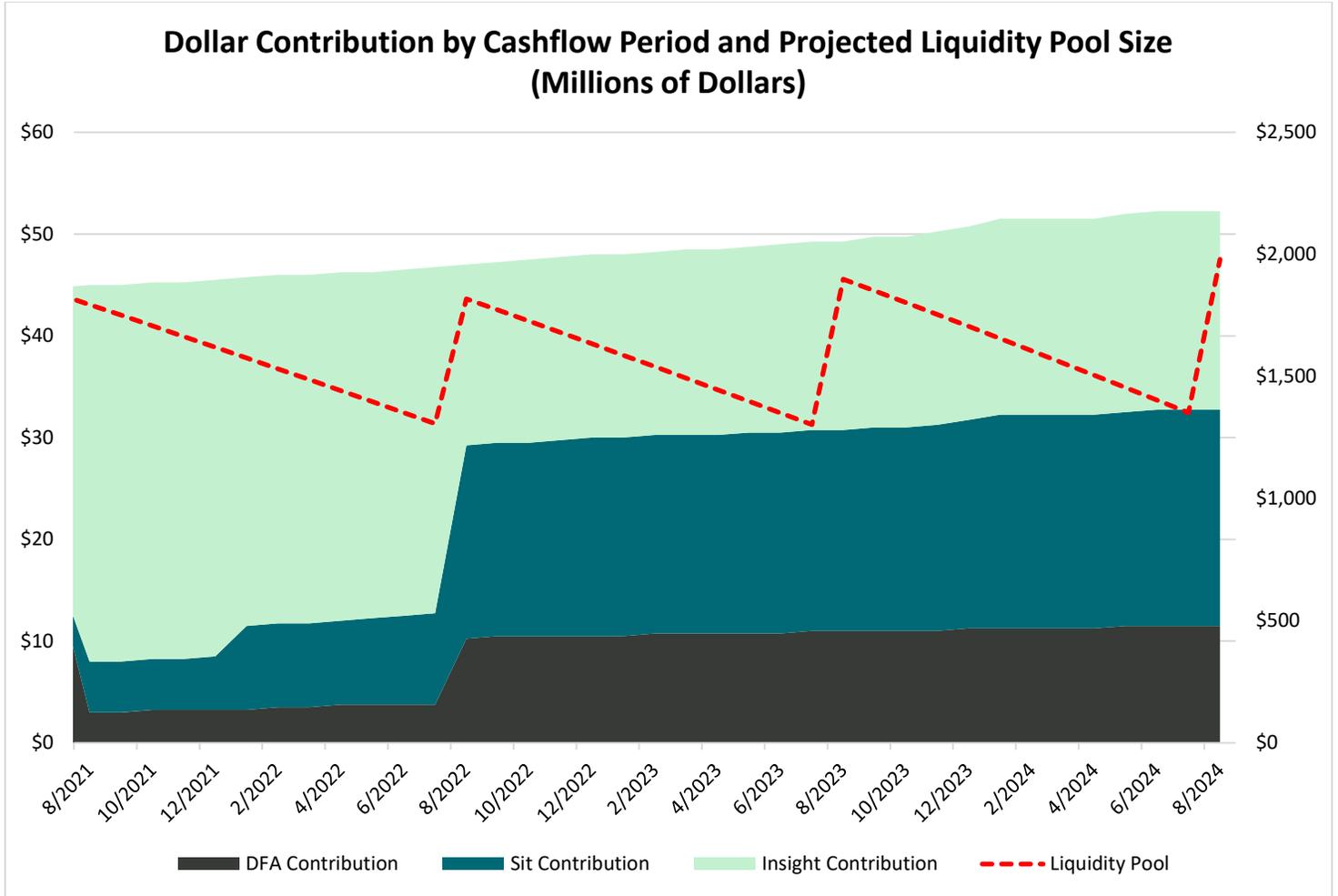
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined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

Notes

The tenth cash flow for 2021 from the liquidity program was completed on October 22nd. The actuarial model cash flow was higher than actual experience, producing \$357 thousand more than the actual benefits paid.

Cash Flow Structure

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



CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date
12/08/2021
Agenda Item
#6a.

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>
Johnson, James	68545	11/01/21	NSCD
Oathout, Frank	67628	11/19/21	SCD

<u>Option Type</u>		<u>Tier</u>
NSP = Non-Specified	I = Tier I	Pepra 4.2 = Pepra Tier 4 (2% COLA)
SCD = Service Connected Disability	II = Tier II	Pepra 4.3 = Pepra Tier 4 (3% COLA)
SR = Service Retirement	III = Tier III	Pepra 5.2 = Pepra Tier 5 (2% COLA)
NSCD = Non-Service Connected Disability	S/A = Safety Tier A	Pepra 5.3 = Pepra Tier 5 (3% COLA)
* = County Advance Selected w/option	S/C = safety Tier C	S/D = Pepra Safety Tier D
		S/E = Pepra Safety Tier E

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

**Meeting Date
12/08/2021
Agenda Item
#6b.**

	Market Value	Percentage of Total Fund	Current Target* Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
Liquidity						
Sit	575,583,025	5.0%	7.0%	-2.0%		
Dimensional Fund Advisors	311,093,122	2.7%	4.0%	-1.3%		
Insight	765,211,842	6.7%	7.0%	-0.3%		
Total Liquidity	1,651,887,990	14.4%	18.0%	-3.6%	17.0%	-2.6%
		Range 11-22%				
Growth						
Domestic Equity						
Boston Partners	397,058,473	3.5%	4.0%	-0.5%		
Jackson Square	353,449,983	3.1%	4.0%	-0.9%		
BlackRock Index Fund	629,004,341	5.5%	5.0%	0.5%		
Emerald Advisors	268,097,619	2.3%	1.5%	0.8%		
Ceredex	206,705,658	1.8%	1.5%	0.3%		
Total Domestic Equity	1,854,316,074	16.2%	16.0%	0.2%	13.0%	3.2%
Global & International Equity						
Pyrford (BMO)	494,316,337	4.3%	4.0%	0.3%		
William Blair	575,312,687	5.0%	4.0%	1.0%		
First Eagle	518,642,849	4.5%	4.5%	0.0%		
Artisan Global Opportunities	643,420,629	5.6%	4.5%	1.1%		
PIMCO/RAE Emerging Markets	384,802,043	3.4%	4.0%	-0.6%		
TT Emerging Markets	444,276,424	3.9%	4.0%	-0.1%		
Total Global & International Equity	3,060,770,968	26.7%	25.0%	1.7%	19.0%	7.7%
Private Equity**	1,337,553,131	11.7%	11.0%	0.7%	18.0%	-6.3%
Private Credit	766,415,402	6.7%	8.0%	-1.3%	13.0%	-6.3%
Real Estate - Value Add	192,678,410	1.7%	4.0%	-2.3%	5.0%	-3.3%
Real Estate - Opportunistic & Distressed	395,788,332	3.5%	4.0%	-0.5%	5.0%	-1.5%
Real Estate - REIT (Adelante)	104,815,677	0.9%	2.0%	-1.1%	0.0%	0.9%
High Yield (Allianz)	182,026,394	1.6%	2.0%	-0.4%	0.0%	1.6%
Risk Parity			3.0%	1.3%	3.0%	1.3%
AQR GRP EL	222,260,934	1.9%				
PanAgora	271,327,730	2.4%				
Total Other Growth Assets	3,472,866,010	30.3%	34.0%	-3.7%	44.0%	-13.7%
Total Growth Assets	8,387,953,053	73.3%	75.0%	-1.7%	76.0%	-2.7%
		Range 65-85%				
Risk Diversifying						
AFL-CIO	262,682,130	2.3%	2.5%	-0.2%	2.5%	-0.2%
Parametric Defensive Equity	115,031,436	1.0%	1.5%	-0.5%	1.5%	-0.5%
Acadian MAARS	177,001,439	1.5%	1.5%	0.0%	1.5%	0.0%
Sit LLCAR	206,502,582	1.8%	1.5%		1.5%	
Wellington Real Total Return	132,391	0.0%	0.0%			
Total Risk Diversifying	761,349,979	6.7%	7.0%	-0.3%	7.0%	-0.3%
		Range 0% - 10%				
Cash and Overlay						
Overlay (Parametric)	149,516,198	1.3%		1.3%		
Cash	493,812,549	4.3%		4.3%		
Total Cash and Overlay	643,328,747	5.6%	0.0%	5.6%	0.0%	5.6%
Total Fund	11,444,519,768	100%	100%		100%	

*Current targets and ranges reflect asset allocation targets accepted by the Board on April 28, 2021 (BOR Resolution 2021-4).

**Private Equity long-term target includes Real Assets/Infrastructure (see Asset Allocation Mix 5 adopted December 9, 2020).

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

REAL ESTATE - Value Add

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Invesco IREF III	08/01/13	08/01/20				35,000,000	162,593	0.00%	
Invesco IREF IV	12/01/14	12/01/21				35,000,000	10,600,727	0.09%	4,453,599
Invesco IREF V	09/11/18	09/11/25				75,000,000	63,266,775	0.55%	19,389,232
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	1,549,725	0.01%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	31,739,100	0.28%	
Long Wharf LREP VI	02/05/20	02/05/28				50,000,000	12,643,863	0.11%	32,165,911
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	19,683,553	0.17%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	53,032,074	0.46%	8,502,404
						630,000,000	192,678,410	1.68%	68,457,146
Outstanding Commitments							68,457,146		
Total							261,135,556		

REAL ESTATE -Opportunistic & Distressed

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	15,282,500	0.13%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	48,622,608	0.42%	1,876,084
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	56,670,012	0.50%	5,132,607
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	30,980,750	0.27%	21,346,526
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	1,749,127	0.02%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	27,743,023	0.24%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	42,584,000	0.37%	16,120,000
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	22,962,522	0.20%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	44,506,601	0.39%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	15,987,839	0.14%	4,462,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	19,453,204	0.17%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	15,930,924	0.14%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	53,315,222	0.47%	7,572,500
						830,000,000	395,788,332	3.46%	131,319,872
Outstanding Commitments							131,319,872		
Total							527,108,204		

PRIVATE CREDIT

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund III	09/30/08	06/30/16	2nd 1 YR	LP	06/30/18	75,000,000	0	0.00%	0
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	9,132,061	0.08%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	15,453,493	0.14%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	3,753,043	0.03%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				1,020,000,000	738,076,805	6.45%	399,371,709
						1,374,500,000	766,415,402	6.70%	416,691,492
Outstanding Commitments							416,691,492		
Total							1,183,106,894		

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

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	12/22/25				269,565,614	186,558,059	1.63%	20,267,580
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	4,924,886	0.04%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	18,653,240	0.16%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	169,392,494	1.48%	8,962,500
AE Industrial Partners Fund II	05/18/18	05/18/28				35,000,000	35,102,751	0.31%	16,425,411
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	2,389,492	0.02%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	12,656,090	0.11%	0
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	0	0.00%	0
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	4,858,580	0.04%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	13,438,581	0.12%	0
EIF USPF IV	06/28/10	06/28/20				50,000,000	30,345,050	0.27%	4
Ares EIF V	09/09/15	11/19/25				50,000,000	19,788,368	0.17%	22,742,894
Genstar Capital Partners IX	02/18/19	02/18/29				50,000,000	59,055,985	0.52%	7,238,265
Genstar Capital Partners X	04/01/21	04/01/31				42,500,000	0	0.00%	42,293,627
GTCR VIII	10/27/20	12/31/36				50,000,000	7,088,679	0.06%	44,625,000
Hellman & Friedman Capital Partners	05/10/21	05/10/31				75,000,000	0	0.00%	75,000,000
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	469,054	0.00%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				30,000,000	27,153,134	0.24%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				50,000,000	41,600,795	0.36%	6,000,000
Paladin III	08/15/08	08/15/18				25,000,000	27,754,533	0.24%	419,157
Pathway	11/09/98	05/31/21				125,000,000	6,803,569	0.06%	10,514,575
Pathway 2008	12/26/08	12/26/23				30,000,000	22,891,018	0.20%	2,942,479
Pathway 6	05/24/11	05/24/26				40,000,000	48,501,838	0.42%	3,705,864
Pathway 7	02/07/13	02/07/23				70,000,000	93,474,211	0.82%	5,523,768
Pathway 8	11/23/15	11/23/25				50,000,000	79,390,754	0.69%	5,612,069
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	179,110,564	1.57%	29,597,500
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	0	0.00%	0
Siris Partners IV	05/18/18	05/18/28				35,000,000	25,532,340	0.22%	14,895,014
TA XIV	05/27/21	05/27/31				50,000,000	0	0.00%	50,000,000
TPG Healthcare Partners, L.P.	06/27/19	06/27/29				24,000,000	14,621,233	0.13%	15,827,533
Trident VIII, L.P.	05/24/19	05/24/29				40,000,000	33,753,971	0.29%	10,202,086
Trident IX, L.P.	09/17/21	09/17/31				50,000,000	0	0.00%	50,000,000
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	60,680,116	0.53%	4,032,557
Aether IV	01/01/16	01/01/28				50,000,000	55,303,823	0.48%	4,882,338
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	39,784,228	0.35%	4,100,006
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	16,475,694	0.14%	1,320,083
						2,036,065,614	1,337,553,131	13.32%	427,228,394
Outstanding Commitments							427,228,394		
Total							1,764,781,525		

Market value equals the most recent reported net asset value, plus capital calls after net asset value date, less distributions after net asset value date.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.

Meeting Date

12/08/2021

Agenda Item

#11

RETIREMENT PROCESS OVERVIEW

Tim Hoppe, Retirement Services Manager

Brianne Wilkins, Retirement Services Supervisor

RETIREMENT PROCESS OVERVIEW

Recommended steps prior to retirement	Timing
1. CCCERA Overview	Throughout career (available on CCCERA website)
2. Pre-Retirement Workshop	Targeted to members within 5 years of retirement
3. Retirement Estimate	Generally requested by member 6 months to 1 year prior to retirement date. Maximum of 2 estimates per year and within 5 years of retirement.
4. Counseling Appointment	60-90 days prior to retirement date or when the retirement application is submitted.

STEP 1: CCCERA OVERVIEW

- CCCERA offers an online informational overview covering:
 - Defined benefit plan description and comparison to a defined contribution program
 - How a benefit is calculated
 - Tiers
 - General information on contribution rates and how to find rates on CCCERA's website
 - Vesting
 - How Final Average Salary (FAS) is calculated
 - Service credit
 - Types of purchases
 - Reciprocity

STEP 2: PRE-RETIREMENT WORKSHOPS

- CCCERA offers Pre-Retirement Workshops for members within five years of retirement:
 - Topics covered in the CCCERA overview, plus
 - Two retirement estimates based on the dates provided by the attendee
 - Review of how a retirement benefit is calculated and the key components
 - How pensionable compensation is determined
 - Benefit payment options
 - Retirement application processing timeline and what to expect
 - Next steps, including a review of the required documents
 - Presentations from County Benefits and retiree organizations

STEP 3: RETIREMENT ESTIMATES

- What items are reviewed and validated when completing a pre-retirement estimate:
 - Pensionable salary, including eligible differentials and adjustments
 - MOUs for future agreed salary increases
 - Sick leave accrual as reported by the employer
 - Audit of all service credit and salary information, including contributions, purchases and conversions
 - Upon request from member, inclusion of a purchase, salary/pay rate change and position change, including the calculated benefit impact of the item
 - Calculation and review of missing contribution that must be paid prior to receiving a benefit and potential tier conversion costs
 - Verify marital status and required documents

STEP 4: COUNSELING APPOINTMENT

- At the member's discretion, could be in person, virtual or via phone
- During the appointment the following items are reviewed:
 - Retirement calculation components including any purchases completed, in process and/or available
 - Required documents – i.e. birth certificates, social security cards, divorce documentation
 - Reciprocity (if applicable)
 - Payment options – Unmodified, Optional Settlement Allowance 1-4
 - Retirement Application, checklist, forms and processing timeline

RETIREMENT APPLICATION & CALCULATION PROCESS

- Step 1: Member submits retirement application and required documents
- Step 2: Employer submits final active payroll
- Step 3: Retirement Calculation process begins....

Final Steps to Retirement payment	Average Timing
1. Retirement Calculation	8-12 weeks after final active paycheck
2. Retirement Payment Option Choices prepared and provided to member	1 week after final Retirement Calculation
3. First pension check	1-2 weeks after Retirement Payment Choice submitted to CCCERA by member

STEP 1: RETIREMENT CALCULATION

- The retirement calculation process cannot begin until after information from the final active paycheck is received by CCCERA (normally available the tenth of the month following employment ending).
- The Information is received through employer reports and requests to employers.
- The member's retirement information is audited. The audit could include service time, contributions, purchases, conversions, account splits, interest posting.
- The highest 12 or 36 consecutive months of salary, depending on member's tier(s), for the final average salary portion of the retirement calculation is determined. Unusual types of compensation and/or infrequently paid types of compensation in the final average salary are identified and researched to determine if pensionable.

STEP 1: RETIREMENT CALCULATION CONTINUED...

- Following confirmation of the final average salary, service and receipt of required documents:
 - Retirement counselor calculates the retirement benefit
 - A supervisor or senior staff member reviews the calculation and documents for completeness and accuracy
 - Final benefit is calculated in the pension administration system and verified
 - Payment option election is created as well as verified to the pension administration system option calculations

STEP 2 & 3: RETIREMENT PAYMENT CHOICE & FIRST PENSION CHECK

- Member has the option to meet with their retirement counselor to review their final calculations and their payment options
- Member selects their payment option, signs the choice of retirement allowance form and submits it to CCCERA with other related forms
- Member is placed on the next available off-cycle pension payroll.
- Off-cycle check process is completed 2-3 times per month

WHAT CAN AFFECT THE TIMING OF AN INITIAL PENSION CHECK?

- When processing retirement applications there are up to four parties that complete tasks:



WHAT CAN AFFECT THE TIMING OF AN INITIAL PENSION CHECK?

- Member Responsibility:
 - Providing required documentation, i.e. Birth Certificates, Marriage Licenses, Social Security Cards, divorce/QDRO documentation, current Social Security estimate
 - The member may retire during a divorce and the retirement calculation is delayed until the divorce is finalized and the account is split
 - Member did not notify employer of their retirement, final paycheck not processed and reporting delayed
 - Missing contributions need to be paid
 - Member delays in submitting their signed choice of retirement allowance election form to CCCERA

WHAT CAN AFFECT THE TIMING OF AN INITIAL PENSION CHECK?

- Employer Responsibility:

- Due to employer processing, final paycheck reporting to CCCERA is delayed to the following month

Example:

Last Day of Employment	Retirement Date	Final paycheck is processed
March 5th	March 6th	April 10th
March 15th	March 16th	April 10th
March 30th	March 31st	April 10th

- Payroll data that contains pay codes and/or amounts which require additional research – the employer will be asked to complete research in order to provide the needed information to CCCERA
- The information provided by the employer on the final active payroll is not accurate and needs to be corrected

WHAT CAN AFFECT THE TIMING OF AN INTIAL PENSION CHECK?

- An increase in retirements, estimates, inquiries and purchase requests
- System functionality issues and frequent system errors when processing
- Staffing related to absences, attrition, development, other projects, etc.
- Payroll data that contains pay codes or amounts which require additional research – to proceed requires communication and response from the employer

WHAT CAN AFFECT THE TIMING OF AN INITIAL PENSION CHECK?

- Member does not provide required documents
- Due to pension administration system issues as well as the timing of employer data posting to the system, retirement calculations are manual requiring data to be updated into the system
- The information related to funding and interest in the system may not be accurate or current and must be corrected/adjusted prior to the retiree being added to payroll
- Delay in reciprocal agency providing information

STEPS CCCERA TAKES TO SHORTEN THE TIMELINE

- Encourage members to provide necessary documentation prior to retirement: workshops, newsletters, member handbook, website, member interactions
- Information to employers about pay reporting and retirement process: employer handbook, website, meetings with employers
- During the retirement process providing written and verbal communication on outstanding items needed including required documents and choice of retirement allowance form
- Additional resources available for quality assurance reviews
- When additional research is needed with particular pay codes the retirement calculation will be processed prior to the final determination in order to begin providing the member with an allowance

STATISTICAL INFORMATION

- 435 service retirements processed (1/1/2021-11/30/2021)
- 1,400 retirement estimates completed (1/1/2021-11/30/2021)
- 200 purchase requests calculated (less than 10% purchased by member)
- 3,000 member inquiries received
- 120,000 benefit payments processed for \$540,000,000 (1/1/2021-11/30/2021)

IMPROVEMENTS MADE OVER THE LAST 2 YEARS

- Added a Supervisor and a Technician, and filled three Retirement Counselors positions
- Additional Pre-Retirement Workshops
- Virtual member meetings and workshops
- Offsite group member information presentations
- CCCERA Overview added to website
- Pension calculator tutorial added to website
- Creation of electronic files and acceptance of electronic forms and requests

NEW PENSION ADMINISTRATION SYSTEM

- Member self service portal will provide the member with the functionality to calculate estimates on their own.
- Employer payroll information (contributions, service and compensation) will be validated and approved at the system level ensuring accurate information for retirement and estimate calculations.
- Member will have the ability to complete a retirement application online and submit required documents electronically.
- Member will have the ability to update information directly into the system rather than completing and submitting a form to CCCERA.
- System will allow a member to model their tax withholding election and impact to benefit payment without CCCERA intervention.
- Option for the member to receive CCCERA information electronically (i.e. direct deposit advice statements).
- System will automatically generate member communications/letters.

QUESTIONS?



MEMORANDUM

Date: December 8, 2021
To: CCCERA Board of Retirement
From: Karen Levy, General Counsel
Subject: Legislation Update

Background

The California Legislature reconvened on January 11, 2021 to begin its 2021-2022 legislative session. The last day for the Governor to sign or veto bills was October 10, 2021. Below is a summary of enacted legislation that may be of interest to CCCERA. Legislation that is enacted generally becomes effective on January 1, 2022, unless it is an urgency legislation.

AB 845 Disability retirement: COVID-19: presumption. Introduced by Assembly Member Rodriguez

This bill, until January 1, 2023, creates a service-connection disability presumption to be applied to disability retirements on the basis, in whole or in part, of a COVID-19-related illness. In those circumstances, the bill requires that it be presumed that the disability arose out of, or in the course of, the member's employment. (See new Government Code Section 7521.) The new law authorizes the presumption to be rebutted by evidence to the contrary, but unless controverted, the board is be required to find in accordance with the presumption.

The COVID-19 presumption applies to members in any job classifications who test positive for COVID-19 during an outbreak of the disease at their places of employment, as defined. The law defines an "outbreak" as existing if within 14 calendar days one of the following occurs at a specific place of employment:

1. If the employer has 100 employees or fewer at a specific place of employment, 4 employees test positive for COVID-19.
2. If the employer has more than 100 employees at a specific place of employment, 4 percent of the number of employees who reported to the specific place of employment, test positive for COVID-19.

3. A specific place of employment is ordered to close by a local public health department, the State Department of Public Health, the Division of Occupational Safety and Health, or a school superintendent due to a risk of infection with COVID-19.

A "specific place of employment" is defined as "the building, store, facility, or agricultural field where an employee performs work at the employer's direction." A "specific place of employment" does not include "the employee's home or residence, unless the employee provides home health care services to another individual at the employee's home or residence."

The COVID-19 presumption also applies to members employed in specified firefighter, public safety officer, and health care job classifications, or their functional equivalents:

- Active firefighters
- Peace officers
- Fire and rescue services coordinators (office of emergency service)
- Health facility workers
- Home health agency care providers
- Other health facility workers
- In-home supportive services workers

The bill applies to public retirement systems governed by the provisions of the Public Employees Pension Reform Act of 2013. This would include CCCERA as well as the other 1937 Act county retirement systems.

Status: Enacted. Effective 1/1/2022. Sunset/repeal: 12/31/2023.

AB 761 County employees' retirement: personnel: Orange County.

Introduced by Assembly Member Chen

This bill authorizes the board of retirement for Orange County to appoint an administrator, assistant administrators, a chief investment officer, subordinate investment officers, senior management employees, legal counsel, and other specified employees. The bill provides that the personnel appointed pursuant to these provisions would not be county employees subject to county civil service and merit system rules, and instead would be employees of the retirement system. AB 761 provides that the compensation of personnel appointed pursuant to these provisions is an expense of administration of the retirement system.

Status: Enacted.

AB 361, as amended, Robert Rivas. Open meetings: local agencies: teleconferences.

Introduced by Assembly Member Robert Rivas

This bill authorizes a local agency to use the special teleconferencing rules under Government Code Section 54953 (e) without complying with the non-emergency teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting:

- During a state of emergency proclaimed by the Governor of the State of California and when state or local health officials have imposed or recommended measures to promote social distancing; or
- During a state of emergency proclaimed by the Governor, provided the legislative body determines, by majority vote, that meeting in person would present imminent risks to the health or safety of attendees.

The bill requires legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to:

- give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and directly address the legislative body;
- give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option.

The bill requires the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from submitting public comments, until public access is restored.

The bill prohibits the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to directly address the legislative body and offer comment in real time.

When there is a continuing state of emergency, local emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Status: Enacted.

SB 634 Public employees' retirement.

Introduced by Committee on Labor, Public Employment and Retirement (Senators Cortese (Chair), Durazo, Laird, Newman, and Ochoa Bogh)

SB 634 made number of changes to CERL. These changes were sponsored by the State Association of County Retirement Systems (SACRS):

- CERL requires the county health officer to advise the board on medical matters and, if requested, attend its meetings. This bill authorizes a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.
- CERL requires a board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement. This bill authorizes the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.

In addition, SB 634 makes various technical and stylistic changes, as well as other changes affecting CalPERS and CalSTRS.

Status: Enacted.

Recommendation

Receive and File.



Meeting Date
12/08/2021
Agenda Item
#13

MEMORANDUM

Date: December 8, 2021

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer

Subject: Consider and take possible action to approve a Request for Information for Portfolio Analytics and Risk Management Solution

Background

After conducting a periodic review of CCCERA's operations, we have determined that there is a need for a more integrated approach to portfolio analytics and risk management. Over the last eight years CCCERA has built a system of discrete services including Northern Trust, Verus, eVestment, Bloomberg, Omni and Dynamo. Over that same time period the portfolio has grown in size and complexity. As a result, there is a greater need for timely, automated, aggregated and integrated data processing to monitor and manage the portfolio.

Staff acknowledges that solutions may take different forms from a single integrated solution to a suite of integrated products and would like to survey the market for the products most suited to CCCERA's needs.

Recommendation

Consider and take possible action to approve an RFI for a portfolio analytics, risk management and document management system.

Meeting Date
12/08/2021
Agenda Item
#13

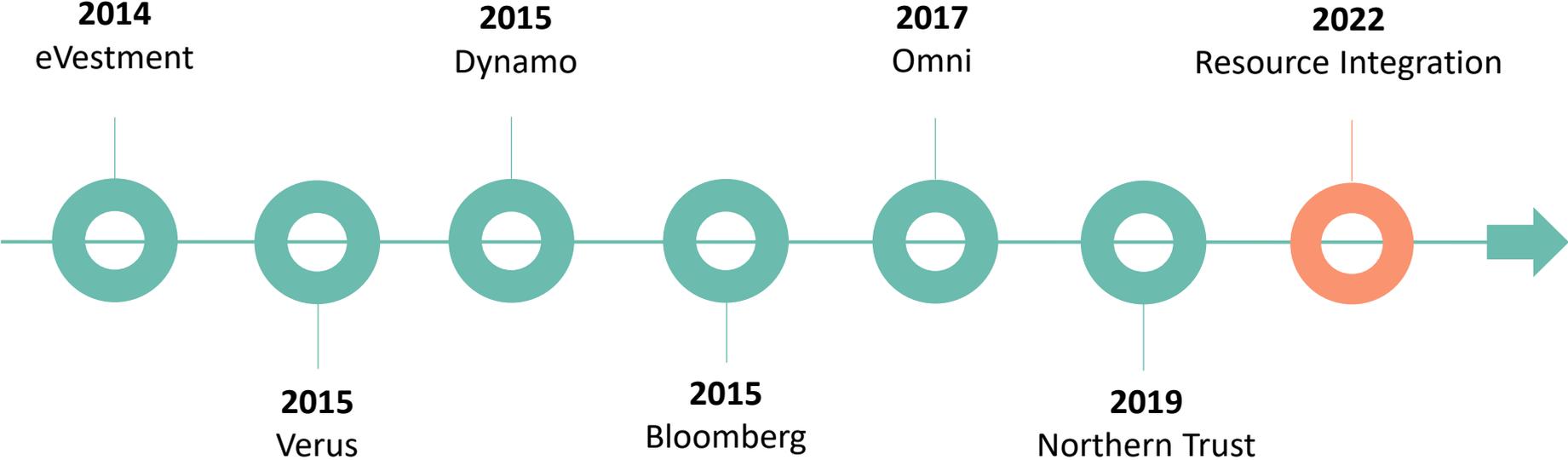


Timothy Price, CFA
Chief Investment Officer

CCCERA Investment Team Data Needs Assessment

December 8, 2021

Portfolio Management Resources Evolution



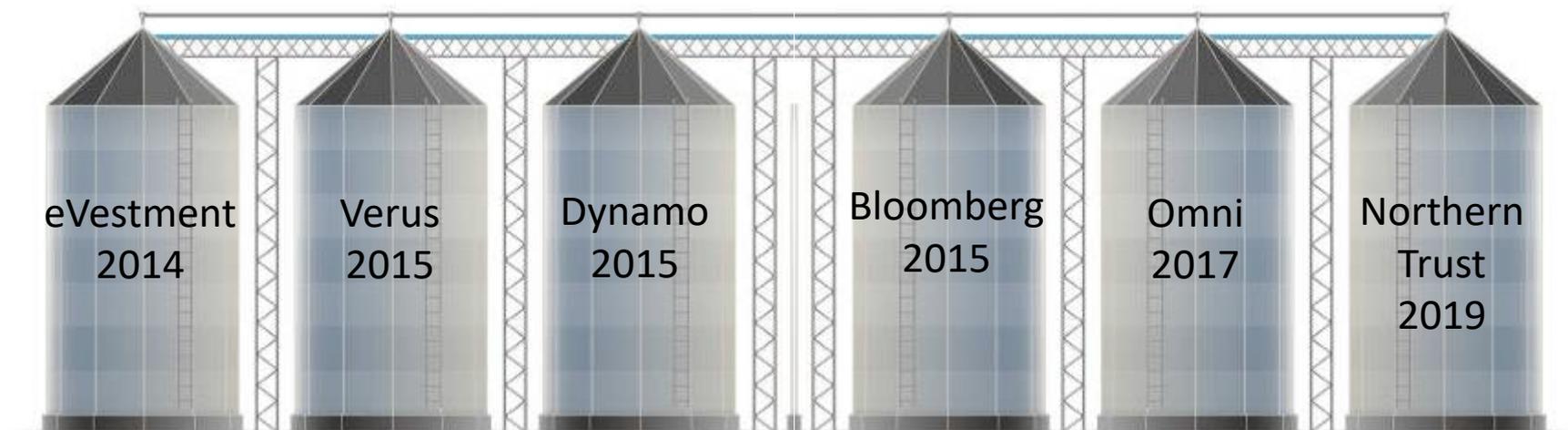
Current State

CCCERA portfolio management system provides a variety of analytical tools as follows:

- **Verus.** Periodic performance and risk analytics
- **eVestment.** Database of investment strategies
- **Dynamo.** Document and work-flow management
- **Bloomberg.** Public risk analytics and data source
- **Omni.** Private Asset databases and analytics
- **Northern Trust.** Accounting book of record

Current State

- Siloed resources, most notably between public and private markets
 - Limited real time/granular risk analysis
- Manual document management
- Outsourced stress testing & scenario analysis



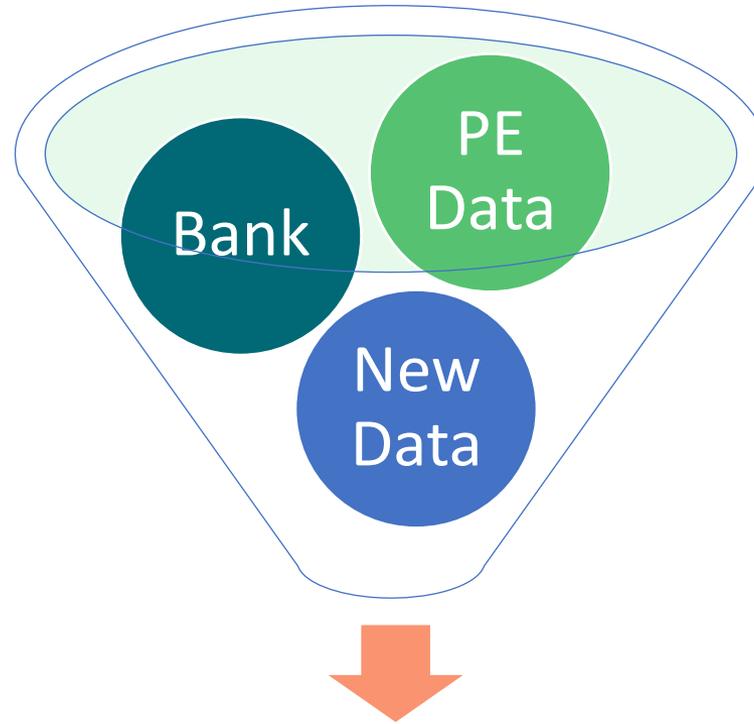
Need for an Integrated Solution

- CCCERA Portfolio AUM growth (+60% since 2015) and complexity Markets are more complex and faster moving
- Current risk dimensioning is one-dimensional. i.e., by asset class per the Strategic Asset Allocation
- Data is siloed, time delayed, and manually moved across multiple platforms

What we're looking for

- **Accurate.** Integration of Accounting and Investment books of record (ABOR and IBOR)
- **Aggregated.** Integration across public and private assets, single data source for data integrity
- **Automated.** AI driven Document Management System
- **Timely.** Faster data processing
- **In-House.** Real time data risk and portfolio analytics, scenario & battle plans analysis, risk budgeting and exception analysis

Future State



Multi-Dimensional Integrated Portfolio Analytics

Future State



Anticipated Benefits

- **Decision Making.** More informed decision making and improved investment outcomes.
- **Efficiency.** Decreased time to knowledge.
- **Planning.** Scenario analysis/battle plans, streamlined decision making
- **Reporting.** Document management and reporting require fewer human resources
- **Transparency.** Risk analysis becomes multi-dimensional across factors

Issue RFI to Test Market for Solutions

- Issue RFI in early 2022
 - Lay out current challenges
 - Look for solutions that integrate data from multiple sources with little to no ongoing maintenance
 - Emphasis on automated data feeds from quality sources
- Aim to identify a solution mid-2022



Meeting Date
12/08/2021
Agenda Item
#14

MEMORANDUM

Date: December 8, 2021

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer

Subject: Risk Diversifying Sub-Portfolio and Parametric Volatility Risk Premium (PRVP)

Overview

After thorough review, we have determined that the Parametric Volatility Risk Premium strategy no longer fits the needs of the Risk Diversifying Sub-Portfolio and plan to terminate the strategy in the coming weeks. Per the Investment Policy Statement, the Board has delegated the termination decision to the CIO. This memo outlines our rationale for terminating the strategy and how we intend to redistribute the assets. The Board does not need to explicitly approve the termination, but may veto this action if it is determined that the planned termination is not in the best interests of the Plan.

The proceeds from terminating the Parametric VRP strategy will be reallocated on an interim basis to the remaining strategies in the Risk Diversifying Sub-Portfolio, with an emphasis on the Sit and Acadian strategies due to the more liquid nature.

Rationale

It is prudent to exit this position for the following reasons: 1) Returns, both absolute and risk-adjusted rely in part on treasury exposure, and this exposure can be more efficiently expressed in existing or new strategies. 2) Parametric PVRP has proven more correlated to equity markets during sharp selloffs than originally anticipated 3) Performance is below expectations (T+400) and 4) Returns have declined over time, likely due to structural changes in the market including lower Treasury returns and increased institutional participation.

Background - Parametric VRP Strategy

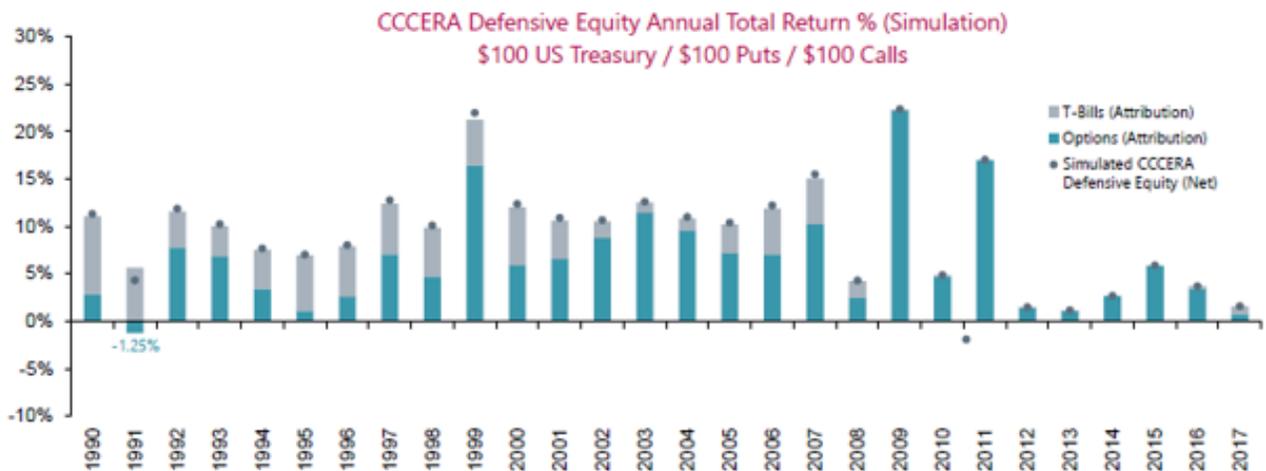
The Parametric VRP strategy sells a laddered portfolio of S&P 500 put and call options, collecting premiums from both when implied volatility exceeds realized volatility as the options expire out-of-the-money. The premise at its most basic is that investors pay too much for insurance (puts) and too much for potential upside (calls). The return is comprised of option premiums collected (expected to be 12% per year), plus interest on T-bills (between 0.75-2%), less payouts on in-the-money options (6-7%). As such, the strategy is expected to average 5-6% total return per year over a full market cycle.

The Strategy collateralizes option positions with short-dated treasury bills, which provides an additional source of return. Following the global financial crisis of 2008/09, Treasury rates have been very low. Without this source of return for the VRP strategy, the options premium portion exhibits an increased return correlation with the S&P 500 and lowers both absolute and risk-adjusted returns. Treasury returns are indicated by the gray portion of periodic returns in Figure 1. For the 10-year period ended 8-31-2021, treasuries contributed 0.8% of the 3.5% total strategy return.

Figure 1. Sources of Return: Option Premiums and T-Bills

(Source: Parametric)

In 27 of the past 28 years a balanced blend of short puts and short calls produced profits. In all years, total returns were positive.



Performance Relative to Risk-Diversifying Goals

Positive Real Returns

The Risk Diversifying Sub-Portfolio targets a positive real rate of return. At initial underwriting PVRPs returns for trailing 1-year, 3-year, 5-year, 7-year and 10-year returns were 2.1%, 4.2%, 3.5%, 5.2% and 6.8%. While recent performance has been positive, CCCERA's since inception return is -0.86% underperforming the benchmark by 6.15% (Figure 2) resulting in a loss of principal.

- The returns to option selling strategies from 2000-2011 were very attractive, particularly in the GFC aftermath (see Figure 1 above). As a result, asset allocators participation in the asset class increased, potentially driving returns lower.
- For the 10-year period ended 8-31-2021, treasuries contributed 0.8% of the 3.5% total strategy return. Given current Fed policy we expect rates to remain low for the short and medium term.
- Performance metrics compare unfavorably with other Risk Diversifying Sub-Portfolio components (see Figure 3). PVRP's return distribution is negatively skewed and non-normal, specifically fat-tailed. Additionally, returns are the lowest over the 7-year period subject to the largest drawdown at -14.7%.

Figure 2. Parametric VRP Quarterly Returns 10-29-2021

Parametric VRP				
Returns by Quarter, net of fees				
	MSCI ACWI ND	PVRP	UST + 400	Delta
3Q18	4.3%	1.4%	0.3%	1.0%
4Q18	-12.8%	-2.5%	0.6%	-3.1%
FY2018	-9.0%	-1.2%	0.9%	-2.1%
1Q19	12.2%	0.7%	0.6%	0.1%
2Q19	3.6%	-0.1%	0.6%	-0.7%
3Q19	0.0%	1.6%	0.5%	1.1%
4Q19	9.0%	0.6%	0.4%	0.2%
FY2019	26.6%	2.9%	2.2%	0.7%
1Q2020	-21.4%	-13.2%	0.5%	-13.6%
2Q2020	19.2%	0.3%	2.3%	-2.0%
3Q2020	8.1%	1.3%	1.0%	0.3%
4Q2020	14.7%	2.3%	1.0%	1.3%
FY2020	16.3%	-9.7%	4.7%	-14.4%
1Q2021	4.6%	3.7%	1.0%	2.7%
2Q2021	7.4%	1.0%	1.0%	0.0%
3Q2021	-1.1%	1.5%	1.0%	0.5%
ITD 10-29-21		-0.86%	5.29%	-6.15%

Source: Northern Trust and eVestment

Risk Diversifying

At initial underwriting the 5-year correlation of PVRP to MSCI ACWI was -0.22. For CCCERA's hold period through 3Q2021, the correlation to S&P 500 was 0.54 (source: eVestment). Correlation increased significantly in the most recent downturn: from the market peak on 2-19-2020 to 1Q2020

close PVRP declined 18.3% while the S&P declined 23.5%. PVRP proved highly correlated to equity markets in this stressed period. While this strategy was expected to have a higher correlation with the broad equity markets relative to the other strategies in the Risk Diversifying Sub-Portfolio, its correlation spiked to unexpected levels due to the speed of the selloff.

Figure 3. Risk Diversifying Sub-Portfolio: Performance by Manager

Return Analysis 3, 5 & 7 Years ending 9-30-2021						
	SPX	AFL-CIO	PVRP	Acadian*	Sit LLCAR*	
Returns - 3 Years	16.0	5.3	-1.2	5.5	5.5	
Returns - 5 Years	16.9	3.0	0.2	4.5	5.5	
Returns - 7 Years	14.0	3.4	1.1	7.6	4.5	
Max Drawdown - 7 Years	-19.6	-2.9	-14.7	-6.3	4.3	
Correlation to SPX	1.0	-0.1	0.5	0.0	-0.2	
Sharpe Ratio- 3 Years	0.8	1.4	-0.3	0.8	0.9	
Sharpe Ratio- 5 Years	1.0	0.6	-0.2	0.6	0.4	
Sharpe Ratio- 7 Years	0.9	0.9	0.1	1.1	0.6	
Sortino Ratio - 3 Years	1.2	3.5	-0.4	1.3	1.7	
Sortino Ratio - 5 Years	1.6	1.2	-0.2	1.1	0.6	
Sortino Ratio - 7 Years	1.5	1.8	0.1	2.2	1.1	
Skew ness - 3 Years	-0.5	0.6	-3.0	-0.5	0.3	
Skew ness - 5 Years	-0.6	0.4	-3.4	-0.2	0.1	
Skewness - 7 Years	-0.4	0.4	-3.4	0.3	0.0	
Kurtosis - 3 Years	-0.5	-0.3	11.2	0.4	-0.3	
Kurtosis - 5 Years	-1.8	0.6	15.6	0.1	-0.1	
Kurtosis - 7 Years	-1.6	0.6	17.0	0.6	0.0	

Source: Northern Trust and eVestment

High Liquidity

While the Investment Office did not try to redeem its position during the Covid-19 selloff in March 2020, we believe we could have done so at the prevailing market prices. The Liquidity requirement for the Risk Diversifying Portfolio is expected to be available during periods of market stress but in the Covid-19 downturn elevated correlation with the S&P 500 detracted from its usefulness as a rebalancing tool.



MEMORANDUM

Date: December 8, 2021
To: Board of Retirement
From: Wrally Dutkiewicz, Compliance Officer
Subject: Final Employer Audit Report Dated November 9, 2021 –
Contra Costa County Fire Protection District

Background:

The employer audit of the Contra Costa County Fire Protection District was initiated in July 2020. The Contra Costa County Public Health Officer Social Distancing Guidance of March 10, 2020 and subsequent California State Public Health Officer Shelter In Place Order of March 19, 2020 necessitated that the audit be conducted on a virtual basis. A virtual audit exit meeting call was held on October 22, 2021 and the District provided a response to the audit dated November 8, 2021.

The employer audit had the following audit scope items:

- Pensionable Compensation;
- Accuracy of Payroll Information and Pension Contributions submitted to CCCERA;
- Salaries in Accordance with Publicly Available Pay Schedules;
- Enrollment in, and reinstatement to the retirement system; and
- Correctness of retirement benefits paid to retirees.

The audit report was presented to the CCCERA Audit Committee at its November 17, 2021 meeting.

There was one follow-up item noted relating to one missing SSA-1945 form to be submitted by the employer to the retirement system.



Contra Costa County Employees'
Retirement Association

EMPLOYER AUDIT REPORT

November 9, 2021

EMPLOYER AUDIT

**Contra Costa County
Fire Protection District**

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November 9, 2021

Lewis Broschard
Fire Chief
Contra Costa County
Fire Protection District
4005 Port Chicago Highway
Suite 250
Concord, CA 94520

RE: Employer Audit Report – Contra Costa County Fire Protection District

Dear Chief Broschard,

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

The *Employer Audit Report* is enclosed for your review. There was one "Follow-Up Item" noted for CCCFPD to address. CCCERA is in receipt of a written response from Contra Costa County Fire Protection District dated November 8, 2021. This response will be included in the "*Final Report*" which will be submitted to CCCERA's Audit Committee for its review.

This report will be placed on the agenda and will be presented to the CCCERA Board of Retirement Audit Committee at its November 17, 2021 meeting.



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

Best regards,



Wrally Dutkiewicz
Compliance Officer

CC: Jackie Lorrekovich, Chief of Administrative Services
Liz Patterson, Fiscal Officer

BACKGROUND

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

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

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

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

Contra Costa County Fire Protection District (CCCFPD) provides fire and emergency medical services to more than a million people across its 304-square mile District service area, and through mutual aid, in and around the 20 cities and unincorporated communities of Contra Costa County, California. The District currently staffs 26 full-time stations with 29 engine and truck companies. With few exceptions, CCCFPD also provides 911 emergency ambulance transport services within its service area and beyond, to include some 520 square miles of the county.¹

Per CCCERA records, CCCFPD had approximately 415 employees in fiscal year 2019-2020 and approximately 445 employees in fiscal year 2020-2021 with active memberships in CCCERA. For these employees CCCFPD reported pensionable compensation to CCCERA of approximately \$45,400,000 for fiscal year 2019-2020 and \$51,200,000 for fiscal year 2020-2021. CCCFPD submitted approximately \$7,600,000 in employee pension contributions and \$29,300,000 in employer pension contributions for fiscal year 2019-2020 and approximately \$8,300,000 in employee pension contributions and

¹ Language provided by CCCFPD

\$30,500,000 in employer pension contributions for fiscal year 2020-2021. As of December 31, 2020, CCCERA had approximately 425 retirees and beneficiaries on record for CCCFPD with a total paid benefit amount of approximately \$45,600,000 in 2020.

SCOPE

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

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

Due to the shelter-in-place state and county orders due to COVID-19, the usual on-site review of CCCFPD was conducted virtually on August 12, 2021. The review period encompassed active employee records and retired employee records from 2018 through 2021.

OBSERVATIONS AND FINDINGS

ACCURACY OF PAYROLL INFORMATION PROVIDED TO CCCERA

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

PAYROLL AND REPORTING PROCESS AND RECEIVABLES REVIEW

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

Due Dates:

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

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

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

➤ **Observation 1:** *None*

INPUT FILE REVIEW

Employer Certification

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

➤ **Observation 2:** *None*

COMPENSATION LIMITS

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

Legacy Members:

- The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans which are adjusted annually for cost-of-living increases.
- Members who commenced participation in CCCERA on or after January 1, 1996 are subject to the annual federal Internal Revenue Code Section 401(a)(17) compensation limit.
- For CERL benefit formulas (General Tiers 1, 3, Safety Tiers A & C), the 2020 calendar year compensation limit was increased by the I.R.S. to \$285,000 from \$280,000 for calendar year 2019.
- Members who commenced participation in CCCERA prior to January 1, 1996 are not subject to the Internal Revenue Code annual compensation limit.

PEPRA Members:

- For new employees who commenced participation in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (General Tiers 4,5, Safety Tiers D & E), the compensation which exceeds that annual pensionable compensation limit under California Government Code Section 7522.10(c) and (d) is not included in determining benefits or contributions.
- The 2020 calendar year PEPRA compensation limits are as follows:
 - For employees enrolled in Social Security – increased to \$126,291.
 - For employees not enrolled in Social Security – increased to \$151,549.
- The 2019 calendar year PEPRA compensation limits are as follows:
 - For employees enrolled in Social Security – increased to \$124,180.
 - For employees not enrolled in Social Security – increased to \$149,016.

➤ **Observation 3:** None

PAYROLL REPORTING – PENSIONABLE COMPENSATION AND CONTRIBUTION REVIEW

Compensation Earnable Applicable Law for Legacy Members

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

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

Pursuant to CCCERA's "Compensation Earnable Policy"², Section III.D. "Compensation Earnable" excludes payments for additional services rendered outside of normal working hours.

² <https://www.cccera.org/governance-and-policies>

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

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

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

Pensionable Compensation Applicable Law for PEPRA members

PEPRA defines "pensionable compensation" as follows:

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

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

PEPRA excludes from "pensionable compensation" the following:

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

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

Pursuant to CCCERA's "Pensionable Compensation Policy"³, Section III:

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

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

➤ **Observation 4:** *In response to CCCERA's December 17, 2020 letter requesting that CCCFPD discontinue collecting and submitting contributions to CCCERA for compensation paid under pay codes F67 – Fire Recall & Standby @ 5% and F68 – Fire Investigation Standby, the District ceased submitting contributions and reporting this compensation as of the March 2021 payroll month.*

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

SALARIES IN ACCORDANCE WITH PUBLICLY AVAILABLE PAY SCHEDULE

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

Pursuant to CCCERA's Policy On Determining "Pensionable Compensation"⁴ Under PEPRA For Purposes Of Calculating Retirement Benefits, a "publicly available pay schedule" must meet all of the following requirements:

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

➤ **Observation 5:** *None*

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

ENROLLMENT OF ELIGIBLE EMPLOYEES

➤ **Scope Item 3:** CCCERA could not locate all expected CCCFPD enrollment packets for the audit period.

1. Exclusion from Membership – By Type of Employment

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

2. Exclusion from Membership – by Compensation

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

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

2.1 Exclusion from Membership – by Waiver

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

3. Certifications

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

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

- **Observation 6:** CCCERA could not locate enrollment packets for five (5) CCCFPD employees hired in 2019. In addition, CCCERA received two (2) incomplete enrollment packets for CCCFPD employees hired in 2019 which were missing the employer certification. It was noted that until early 2020, CCCERA Member Services staff reached out to members directly and did not reach out to CCCFPD for the missing or incomplete enrollment affidavits. Since early 2020 CCCERA contacts the employer directly for missing enrollment documentation.
- Furthermore, CCCERA could not locate fourteen (14) SSA-1945 forms for CCCFPD employees hired between 2005 and 2019. The SSA-1945 form is titled Statement Concerning Your Employment in a Job Not Covered by Social Security Form. If applicable, employers are required to submit a copy of this signed form to the pension paying agency, in this case CCCERA.

CCCERA has received all outstanding enrollment documents as of November 3, 2021. One SSA-1945 Form is outstanding.

PENSION BENEFIT REVIEW

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

REVIEW OF PENSION BENEFIT CALCULATIONS

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

➤ **Observation 7:** None

RETIREE RETURN TO WORK MONITORING

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

➤ **Observation 8:** None

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

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

➤ **Observation 9:** None

INTERNAL REVENUE CODE SECTION 415 COMPLIANCE

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

➤ **Observation 10:** None

FOLLOW-UP ITEMS

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

- One SSA-1945 form is outstanding.

EMPLOYER REPLY

The following reply was received from CCCFPD by CCCERA on November 8, 2021:



CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

November 8, 2021

Wrally Dutkiewicz
Compliance Officer
Contra Costa County Employees' Retirement Association (CCCERA)
1200 Concord Avenue Suite 300
Concord, CA 94520

RE: 2021 CCCERA Employer Audit Report – Contra Costa County Fire Protection District Response

Dear Wrally:

We are in receipt of the employer audit report of Contra Costa County Fire Protection District (District), conducted pursuant to Government Code Section 31543. The District accepts the audit findings and observations, and other than noting the professionalism of CCCERA's compliance staff, has no additional comments to submit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jackie Lorrekovich".

Jackie Lorrekovich
Chief of Administrative Services

cc: Elizabeth (Lizz) Patterson, Fiscal Officer
Kristina Dohrn, Compliance Business Analyst

4005 Port Chicago Highway, Suite 250 • Concord, CA 94520-1180
Telephone: (925) 941-3300 • Fax: (925) 941-3309 • www.cccfpd.org

Meeting Date
12/08/2021
Agenda Item
#16

CCCERA 2022 COMPLIANCE ACTIVITY PLAN

Prepared by Wrally Dutkiewicz
Compliance Officer
November 2021

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Introduction

The Compliance Officer is authorized to engage in internal control reviews, business activity monitoring, risk assessments, and procedure development to support the retirement system's activities. Also, CCCERA Compliance coordinates its activities with auditors to ensure compliance with CERL, PEPRA, Board of Retirement Regulations, Internal Revenue Code, IRC, and other government statutes.

Compliance monitoring and reporting will be the principal tools for the Compliance Department to evaluate the efficacy of the CCCERA's internal controls, compliance, governance, and risk management going forward through the 2020 Compliance Activity Plan calendar and beyond.

Scope & Mission

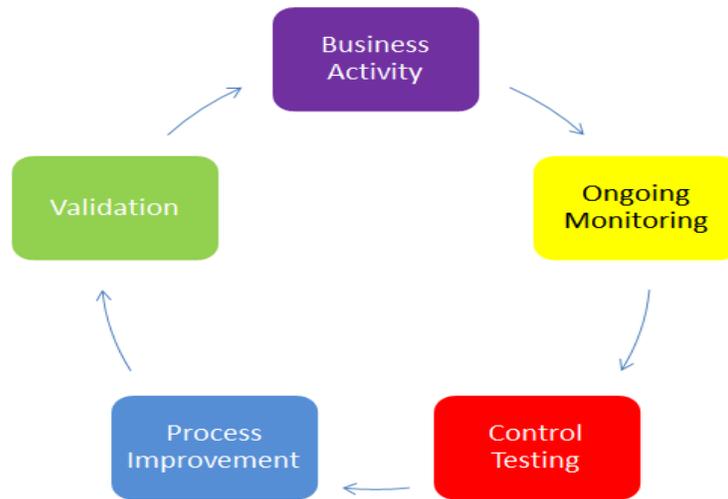
The CERL, PEPRA, and CCCERA's policies, along with the standards published by the Society of Corporate Compliance and Ethics (SCCE) and The Institute of Internal Auditors (IIA) provide the framework within which the Compliance Officer performs compliance activities to support, manage, and test CCCERA's Compliance Program and to determine the priorities for compliance activities. The Compliance Officer prepares an annual Compliance Activity Plan (CAP) to help identify, measure, and prioritize potential issues related to internal controls around business activities and the level of risk that may exist if those controls were to become impaired or rendered ineffective. The purpose of the annual CAP is to outline the work to be performed and is designed to cover high risk activities while limiting the scope of work to what can realistically be accomplished during the upcoming fiscal year.

Compliance Monitoring and Review Process

The development and implementation of updated department procedures is an ongoing goal and CCCERA Compliance will work with each of the department managers and advise on matters concerning workflow, technical applications of government code and BOR policy, and supervisory tools and structures.

The Compliance Officer will obtain a sufficiently detailed explanation of the business process from CCCERA staff. This process will be documented in the working paper files. Such documentation may take the form of a narrative description, a flowchart depiction, or a combination of both when appropriate.

The goal is to create a continually validating compliance program that is integrated into business processes:



The annual compliance planning process includes the following major planning activities:

- Defining the Compliance Universe
- Conducting a Risk Assessment
- Preparing the Compliance Activity Plan
- Presenting the Compliance Activity Plan

The Compliance Program encompasses the following five stages:

1. Planning
2. Review & Testing
3. Quality Assessment
4. Reporting
5. Follow-up

Risk Assessment

The Risk Assessment for compliance activity planning is the process of systematically scoring (or rating) the relative impact of a variety of “risk factors.” A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the outcome of a business activity. Various risk factors will be used to measure risks (such as the complexity of operations or regulations) or organizational vulnerability (such as weak internal controls).

A questionnaire is completed for each business process activity to score the level of risk for each of the risk factors identified. Also, weights are assigned to each risk factor based on relative importance as determined by input from management. The final step to complete the Risk Assessment is to calculate the total risk score for each business process activity in order from highest risk score to the lowest by tabulating the information gathered from the questionnaires and applying the weights assigned to the risk factors.

The Compliance Department prepares a Risk Assessment Worksheet that provides a weighted risk assessment score for each business activity component under review. If a business activity is comprised of several functional parts, the overall risk assessment will be the average of the sum of the risk assessment scores for its component parts.

The Risk Assessment Worksheet takes into consideration the following eight risk factors:

<p>Incapacitation: Significance of an impairment event on the ability to meet strategic and/or organizational goals and objectives. Amount of impact the business activity process has on the retirement system’s constituents.</p>
<p>External Influence: Concern about adverse publicity; laws and regulations; customer demands; and political exposure.</p>
<p>Internal Controls:</p> <ul style="list-style-type: none"> • The internal control structure takes into consideration the adequacy of written procedures and whether or not controls have been previously tested. • Degree of segregation of duties and responsibilities, supervision and training, planning for business resumption and contingency, and reconciliation controls, make exposures for this audit.
<p>Complexity:</p> <ul style="list-style-type: none"> • Business process has many steps and several control points. May include both manual and system-based steps; • Complexity can increase both the probability of error and the effort required to monitor the business activity process. Includes complexity of federal and state laws, rules and regulations governing a particular program.
<p>Information Technology Controls:</p> <ul style="list-style-type: none"> • Computer applications affect the accuracy and timeliness of completed work tasks, as well as the productivities of the staff. Information systems should process information in a secure, reliable and accurate manner. • Age, condition, extent of manual user intervention, efficiency and effectiveness of the data processing system specific to this business activity, and the perceived impact of general information technology controls related to: consistent use of an acceptable systems development methodology (including programmer and user documentation and testing procedures), consistent use of an acceptable project management system, effective computer maintenance change controls (to assure application program changes are properly authorized, managed, and recorded), and effective logical access security to guard against unwarranted access and unauthorized changes to computer programs and/or data.

Change:

- Changes in operation to meet statutory, regulatory, and legal requirements, and/or to address organizational restructuring including modifications to manual or automated procedures such as increased use of technology.
- Changes in operations can impact the efficiency and effectiveness of the retirement system's performance. Criteria include changes in staff size, processing changes (manual to computerized), systems (input and/or output), as well as staff turnover. This area includes concerns of rapid growth, which includes rapid growth of personnel size and of additional programs added to an operational area.

Risk Assessment Scoring assigns a weighting to each of the eight risk assessment factors to generate an Overall Risk Assessment Score. This scoring is used to create a risk-based map of CCCERA's operations over time to aid in its governance, risk, and compliance (GRC) strategic planning.

A "risk assignment" refers to the subjective classification of risk based on judgment rather than observation. A "risk assessment" refers to the assignment of risk based on observable facts, activities, identified threats, and empirical analysis.

The focus of the "risk assignment" review is to prioritize business activities that CCCERA's compliance department will review in connection with its Compliance Activity Plan. The following criteria are used during the "risk assignment" assignment review:

- Financial Exposure
- Compliance – Laws and Regulations
- Complexity of Operations
- Public Exposure

Internal Audit Assignments:

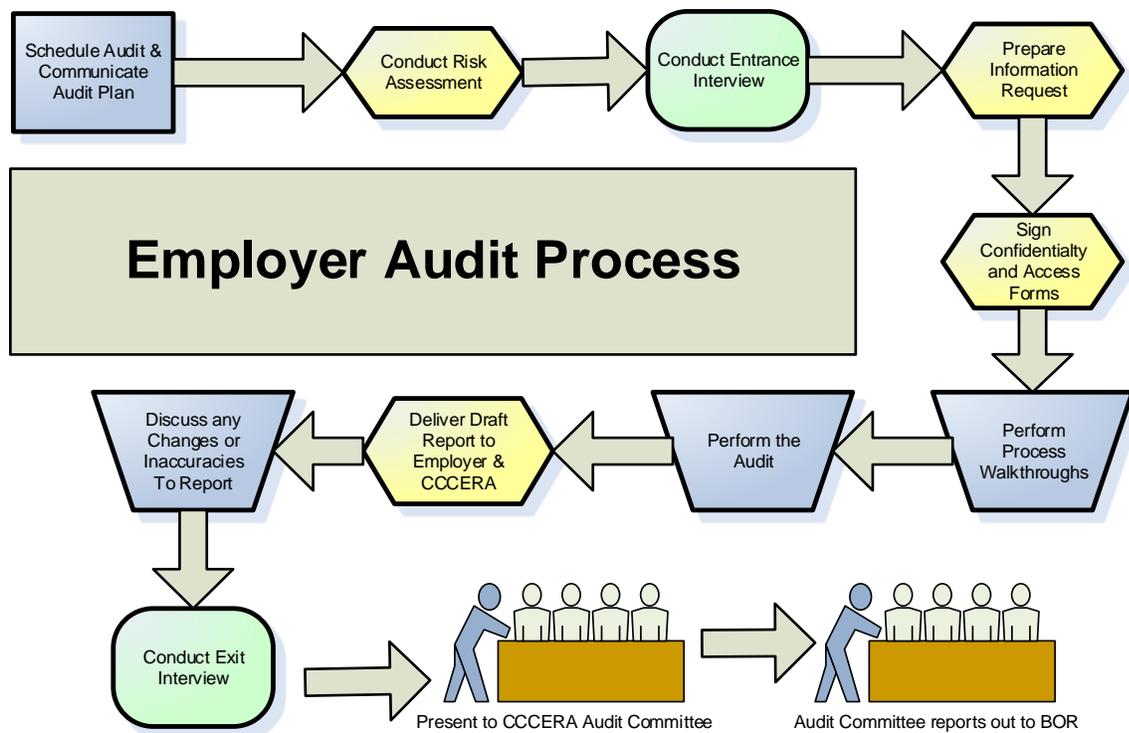
In anticipation of the eventual creation of the Internal Audit function within CCCERA, those activities that have been performed by Compliance that traditionally have fallen under the purview of Internal Audit functions, will be identified and will transfer over the Internal Auditor. The Compliance Department will collaborate with the Internal Auditor and will include the transfer of internal audit activities from compliance in the Compliance Activity Plan during the transition period.

Employer Audits:

With respect to Employer Audits, similar risk assignment criteria are used to establish a priority review framework to plan areas of focus for employer audits. The following chart indicates those employer business activities that generally fall within the employer audit scope:

Control Item	Control Test
Payroll Procedures	Review Payroll Transactions and compare district payroll register with data reported to CCCERA to ensure pay rates in compliance with posted salary information
Payroll Data & Conveyance	Review process for reporting payroll to CCCERA. i) Timeliness; ii) Validation (time keeping, vacation, sick leave, disability, overtime)
Earn Code Classifications	Inventory of earn code classification - i) allowable pensionable compensation; ii) compensation calculation - methodology
Internal Controls/EUC	Review District's Internal Controls WSPs - i) segregation of duties; ii) system access; iii) reporting levels
Contract between CCCERA & District	MOU & Clarifying Addendums - in compliance with BOS/BOR/CERL Requirements
Correspondence Between CCCERA & District	Does communication methods support SLA (Service Level Agreements?)
Personnel Procedures	Inventory of WSP (Written Supervisory Procedures) and match against regulatory & CCCERA policy requirements
Control Item	Control Test
Enrollment Procedures	Review District Employee new hire enrollment procedures and match against regulatory & CCCERA Policy Requirements i) Part-Time/Temporary Employees; ii) Retired Employees; iii) Independent Contractors
Employee Classification	Review District Employee Classification to match against reported group, function and eligibility
CCCERA Policy Compliance	Review Compliance with i) Financial Controls; ii) Administrative Controls; iii) Procedural Controls
CERL Compliance	Match governance and policies against regulatory requirements

It is anticipated that the Employer Audit program will transition from Compliance to the purview of the CCCERA Internal Audit function at a future date once the internal audit function has been developed and implemented with the guidance of CCCERA’s Audit Committee and Board of Retirement. The Compliance Department will facilitate the orientation of, and eventual transfer of, the Employer Audit program, to the Internal Auditor at that time. In the interim, the CCCERA Compliance Department will continue to conduct employer audits and include in the annual compliance activity plan.



Upon completion of the audit, CCCERA compliance staff will provide to the Board a written report of the audit results and the conclusions of the auditor and CCCERA staff. A copy of the report will be provided to the employer at least 10 days prior to any Board discussion or action.

Reporting

At the conclusion of fieldwork for each audit, the Compliance Officer will prepare a draft report of significant findings and observations including any significant risk exposures and control issues, fraud risks, or governance issues identified during the audit. The report should be accurate, objective, clear, concise, constructive, complete, and timely.

The “Audit Work-Paper Report” includes the audit objectives, the scope of audit work performed, an overview of the business or activity, an opinion on the adequacy of the internal controls, conclusions regarding significant finding and observations, and recommendations to management to address any issues found. The report will also acknowledge when satisfactory performance is determined.

Follow-Up

Follow-up work is performed after the completion of an audit. It entails the Compliance Officer reviewing recommendations with management and determining whether the weakness in procedures or processes identified have been adequately corrected in accordance with the management response and committed timelines.

All recommendations arising from the auditor are summarized in an audit recommendations file maintained by the Compliance Officer. The file is continuously updated with the implementation status of the recommendations. Any information obtained as part of the follow up process, is electronically retained in a Follow Up file. Quarterly, a formal review of the status of outstanding recommendations will be completed and presented to CCCERA Executive Management and the Audit Committee when there are recommendations outstanding that still need to be properly implemented.

2021 Compliance Activity Recap

2021 Compliance Activity Projects:

Projects	<ul style="list-style-type: none">• Account Receivables Review and Procedure Documentation – Reviewed accounts receivable process and reviewed procedure documentation; performed sample testing of expected to actual accounts receivable results;• Pension Benefit Calculation Review – performed sample testing review of pension calculations; reviewed pension calculation procedures.• Procedure Review – Risk Based Procedure Development – Ongoing with inter-departmental collaboration;
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2021 Employer Audits:

Employer audits continued to be deferred through most of 2021 and resumed in July with an audit of one fire district and a focused payroll and pension contribution audit of a sanitation district beginning in September. All audit communications, conferences, and fieldwork were performed virtually due to both CCCERA and employers' respective COVID health and safety measures that were in place.

The following employer audits were conducted:

Completed – Pending Final Report to Board	
District	Contra Costa County Fire Protection District

In-Progress –	
District	Central Contra Costa Sanitary District – Focused Payroll & Pension Contribution Audit

Compliance Activity Planned for 2022

Sources of Areas Selected For Compliance Review

Areas selected for compliance review can come from a variety of sources. These include risk assessment, management and employee requests, surprise audits and allegations of fraud, waste, and abuse.

Risk must be one of the primary factors in selecting areas for compliance review. Risk for some aspects of CCCERA operations is higher than others for many reasons. This includes the type of activities, financial and operational impact to CCCERA and its members if something were to go wrong. Those areas of the CCCERA and its participating Employers which are high risk should receive more attention than those of lower risk. It should be noted, however, that areas of lower risk should not be ignored; rather, they should be done with less frequency than the higher risk areas.

2022 Compliance Activity Projects

- Collaborative Support to Pension Administration System Project:
 - Mapping regulations, guidance, and procedures to PAS functional requirements;
 - Workflow and procedure development;
 - Policy and guidance updates.

- CCCERA Operational Activity Reporting – consolidate into departmental compliance activity reports for management and executive use and decision-making;

- CCCERA Member Guidance and Information Review – review of guidance and information made available on CCCERA website, membership guides, and participating employer guide.

2022 Employer Audits:

It is anticipated that the following employer audits will be opened during 2022:

County Department	Contra Costa County Public Works
County Department	Contra Costa County Human Resources
County Department	Contra Costa County Conservation and Development
County Department	Contra Costa County Veterans Service Office

The following employer audits of the remaining Contra Costa County departments are anticipated to be opened and performed in 2023 and beyond:

County Department	Contra Costa County District Attorney
County Department	Contra Costa County Child Support Services
County Department	Contra Costa County Animal Services
County Department	Contra Costa County Administration
County Department	Contra Costa County Treasurer - Tax Collector
County Department	Contra Costa County Counsel



Meeting Date
12/08/2021
Agenda Item
#18a.

SACRS Board of Directors Meeting

In-Person Participation is Requested

Tuesday, December 14th

9 am – 12:30 pm

Omni Rancho Las Palmas Resort & Spa
41000 Bob Hope Dr., Rancho Mirage, CA 92270

Virtual Participation Info

Virtual Link: [REDACTED]

Phone Number w/Access Code: [REDACTED]

Meeting Agenda (Draft)

1. Secretary's Report: Thomas Garcia, SACRS Secretary – ACTION ITEM

a) September 2021 Minutes

2. Treasurer's Report: Harry Hagen, SACRS Treasurer – ACTION ITEM

a) Financial Statements

3. SACRS President: Vivian Gray, SACRS President

a) Committee Appointments

b) Board of Director Strategic Goals Review

c) David MacDonald – Marketing Suggestion Overview

Committee Reports

4. Legislative Report: Eric Stern/Dave Nelsen, Legislative Committee Co-Chairs

a) Legislative Report

b) Public Pension Related Legislation

5. Nomination Committee: Dan McAllister, Nomination Committee Chair

a) 2022-2023 Election Notice

6. Education Committee: JJ Popowich, Education Committee Chair

a) No report/Fall Conference Report will be presented at January 2022 mtg

7. Program Committee: Kathryn Cavness, Program Committee Chair

a) Spring Conference 2022



- 8. Bylaws Committee: Vacant, Bylaws Committee Chair**
 - a) No report

- 9. Affiliate Committee: Scott Draper, Affiliate Committee Chair**
 - a) Verbal update

- 10. Audit Committee: Steve Delaney, Audit Committee Chair – Potential ACTION ITEM**
 - a) Audit- Fiscal year 2020-2021 Jesse Deol, James Marta & Co.

- 11. Operations: Sulema H. Peterson, SACRS Executive Director**
 - a) Fall Conference Report
 - b) Membership Report
 - c) Committee Meeting Calendar

Roundtable & Adjournment

Next meeting Tuesday, January 25, 2022 at the Claremont Hotel, Berkeley, CA. In-Person participation is requested.



 Sit Investment Associates

**40th ANNUAL CLIENT WORKSHOP
THE FOUR SEASONS RESORT, Scottsdale, AZ
FEBRUARY 17-20, 2022**

SPEAKER BIOS

Mr. Derek E. Bambauer – Legislative, Regulatory and Political Risks to the Internet and Technology Companies. Professor of Law at the University of Arizona, where he teaches internet law and intellectual property. His research treats internet censorship, cybersecurity, and intellectual property. A former principal systems engineer at Lotus Development Corp. (part of IBM), Professor Bambauer spent two years as a Research Fellow at the Berkman Center for Internet & Society at Harvard Law School. At the Berkman Center, he was a member of the OpenNet Initiative, an academic consortium that tests and studies Internet censorship in countries such as China, Iran, and Vietnam. He holds an AB from Harvard College and a JD from Harvard Law School.

Mr. Charles E. Cook, Jr. – A View of the National Political Scene. Founder and Contributor - The Cook Political Report with Amy Walter. Charlie is widely regarded as one of the nation’s leading authorities on U.S. elections and political trends. He founded the independent, non-partisan Cook Political Report in 1984, serving as Editor and Publisher until August 1, 2021 when Amy Walter took over those roles, ownership and management of the venerable newsletter. Charlie continues as a contributor to the renamed “Cook Political Report with Amy Walter.” In addition to lecturing, Charlie will continue to write his weekly column for National Journal and serving as a political analyst for both National Journal and for NBC News. Cook is also a co-author of the 2020 and 2022 editions of The Almanac of American Politics.

Ms. Monica Cornetti – Gamification: Where Are We and Where Are we Going? Founder and CEO of Sententia, Inc. and leads the company’s education and design projects at Sententia Gamification. She is also the Gamemaster of GamiCon (the annual international conference for the gamification of learning) and Head of Faculty at the Gamification Academy. She is the author of the book *Totally Awesome Training Activity Guide: Put Gamification to Work for You*. Monica is considered at the top of her field in gamification design for corporate learning. She was rated #1 among the “Gamification Gurus Power 100;” by RISE in 2015-2020 and this year was recognized as #1 in the Most Influential Women in Gamification who have created a legitimate impact in the gamification industry. She is a graduate of Seton Hill with a BA in psychology, and The University of Houston-Victoria where she earned a Masters in Economic Development and Entrepreneurship.

Dr. Julia Coronado – The Plausibility of Central Bank Digital Currencies and How It May Impact Global Markets. Founder of the economic research firm MacroPolicy Perspectives and a Clinical Associate Professor at the McCombs School of Business at the University of Texas at Austin. Julia received her BA in Economics from University of Illinois Urbana and her PhD from the University of Texas at Austin. After receiving her PhD, Julia worked as a staff economist at the Federal Reserve Board of Governors in Washington D.C. for eight years. She has published a number of scholarly articles on issues related to pension finances and market valuations, social security, retirement saving adequacy and behavior, the frontier of private and public data collection, and monetary policy. Julia has represented the U.S. at OECD meetings on financial market issues and has testified before the U.S. Congress on Social Security reform and Central Bank Digital Currencies. She is a member of the Economic Advisory Panel of the

Federal Reserve Bank of New York and the Economic Studies Council at the Brookings Institution and is currently the Vice President of the National Association of Business Economists. Julia is also on the Board of Directors of Robert Half International and Dynex Capital and serves on the Advisory Boards of the Bureau of Economic Analysis, the Pension Research Council at the Wharton School and the Cleveland Fed's Center for Inflation Research. She has previously served on the New York Fed's Treasury Market Practices Group, the Board of the National Association of Business Economists and been President of the New York Association of Business Economists. Julia is a regular commentator in financial media, including CNBC, Bloomberg, Marketplace, and the Wall Street Journal.

Dr. Michelle Michot Foss – Overview of Energy Transition, Structural and Economic Challenges and the Outlook for Global Energy Markets. Fellow in Energy, Minerals and Materials at Rice University's Baker Institute for Public Policy where she develops policies and conducts research to help build capacity on non-fuel minerals supply chains. She has nearly 40 years of experience in senior positions in energy (Oil, gas/LNG, electric power) and environmental research, consulting and investment banks, with early career exposure to mining and mined land reclamation. She received her BS from the University of Louisiana at Lafayette, an MS from Colorado School of Mines and a PhD from the University of Houston.

Dr. Sidney L. Jones – Economic Prospects and Policies. Jones served Presidents Nixon, Ford, Reagan, and Bush -- twice as Assistant Secretary of the Treasury. He also served as Under Secretary of Commerce, Senior Economist at the Council of Economic Advisers, Minister-Counselor to NATO, Deputy Assistant to the President for Economic Policy, and Assistant to the Chairman of the Board of Governors of the Federal Reserve System. He has taught finance and public policy at The University of Michigan and other major universities and has authored several publications dealing with U.S. and international economic policy.

Dr. Zachary Chase Lipton – Balancing the Benefits and Pitfalls of Artificial Intelligence. BP Junior Chair Assistant Professor of Operations Research and Machine Learning at Carnegie Mellon University and Visiting Scientist at Amazon AI. Zach directs the Approximately Correct Machine Intelligence (ACMI) lab, whose research spans core machine learning methods, applications to clinical medicine and natural language processing, and the impact of automation on social systems. He is the founder of the Approximately Correct blog and a co-author of *Dive Into Deep Learning*, an interactive open-source book drafted entirely through Jupyter notebooks. He received a BA in Economics and Mathematics at Columbia University, and a MS and PhD in Computer Science from the University of California, San Diego.

Mr. Peter Mattis – China's Ambitions and How the Party and Xi Jinping Intend to Achieve Those Objectives. Director of Research and Analysis at the Special Competitive Studies Project. Previously served as Senator Marco Rubio's staff director at the Congressional-Executive Commission on China (CECC), where he was a part of the legislative team that passed the Hong Kong Human Rights and Democracy Act, Uyghur Human Rights Policy Act, and the Tibetan Policy and Support Act. Mr. Mattis began his government experience as a counterintelligence analyst at the Central Intelligence Agency. He also worked at the National Democratic Institute for International Affairs, the Australian Strategic Policy Institute, the Jamestown Foundation, and the National Bureau of Asian Research. He has written and spoken widely about the Chinese Government and Communist Party's politics, foreign policy, internal security, intelligence, and political influence activities. Mattis is the author of *Analyzing the Chinese Military: A Review Essay and Resource Guide on the People's Liberation Army* (2015) and co-author of *Chinese Communist Espionage: An Intelligence Primer* (2019). He is a graduate of the University of Washington and Georgetown University. He will be speaking in a personal capacity.

Mr. Mason Nystrom – An Introduction to the Metaverse, NFT's and Web 3.0. Senior Research Analyst at Messari and author of *Unsyndicated*, a newsletter focused on Bitcoin, Ethereum, DeFi, Web 3.0, and all things crypto. Messari is a leading crypto data analytics research provider and market intelligence company and is building the cryptoasset industry's most reliable disclosures library and data analytics platform. Mason covers Web 3, which includes emerging trends, like NFT, social tokens, and the metaverse. He previously worked for ConsenSys, a global blockchain conglomerate and also has experience at a business analyst at Gatecoin, the first cryptocurrency exchange to list ether, Ethereum's native cryptocurrency.

Dr. Michael E. O’Hanlon – National Security In the New World. Senior Fellow and Director of Research in Foreign Policy at the Brookings Institution, where he specializes in U.S. defense strategy, the use of military force, and national security policy. He directs the Center on Security, Strategy and Technology, as well as the Defense Industrial Base working group, and will be the inaugural holder of the Philip H. Knight Chair in Defense and Strategy. He co-directs the Africa Security Initiative as well. He is an adjunct professor at Columbia, Georgetown, and George Washington universities, and a member of the International Institute for Strategic Studies. He was a member of the external advisory board at the Central Intelligence Agency from 2011-12. He received his bachelor, master and doctorate degrees from Princeton University.

Dr. Kathryn E. Stoner – Russia’s Power and the Country’s Standing in the World. Deputy Director at Freeman Spogli Institute for International Studies and Senior Fellow at the Center on Democracy, Development, and the Rule of Law, and Center on International Security and Cooperation at Stanford University. She was on the faculty at Princeton University for nine years, jointly appointed to the Department of Politics and the Woodrow Wilson School for International and Public Affairs. She also served as a Visiting Associate Professor of Political Science at Columbia University, and an Assistant Professor of Political Science at McGill University. She has held fellowships at Harvard University as well as the Woodrow Wilson Center in Washington, DC. In addition to many articles and book chapters on contemporary Russia, she is the author of two single authored books: *Resisting the State: Reform and Retrenchment in Post-Soviet Russia* (Cambridge, 2006), and *Local Heroes: The Political Economy of Russian Regional Governance* (Princeton, 1997). She is also co-editor (along with Michael McFaul) of *After the Collapse of Communism: Comparative Lessons of Transitions* (Cambridge, 2004). She received a BA and MA in Political Science from the University of Toronto, and a PhD in Government from Harvard University.

Dr. James A. Tompkins – Global Supply Chain Challenges and the Implications for the Future. Founder and Chairman of Tompkins International, Dr. Tompkins is an international authority on supply chain strategy, focusing on implementation of end-to-end supply chains that are demand driven. He has served as President of the Institute of Industrial Engineers, the Materials Management Society, and the College-Industry Council on Material Handling Education, and Purdue has named him a Distinguished Engineering Alum. He has also received more than 50 awards for his service to his profession, his most recent being the prestigious Frank and Lillian Gilbreth Industrial Engineering Award. He received his BS in Industrial Engineering, MS in Industrial Engineering and PhD, all from Purdue University.

Ms. Ingrid Vanderveldt (iV) – The SHEconomy: How Empowering Women Leads to Greater Global Economic Growth. Chairman and CEO of Empowering a Billion Women (EBW), EBW Cares Distributors (a division of EBW2020) & Vanderveldt Global Investments. Previously, she was the first Entrepreneur-in-Residence for Dell Inc. where she oversaw entrepreneurial initiatives worldwide helping to build a \$250 million business segment and founded the \$125M Dell Innovators Credit Fund, Dell Founders Club, and the Dell Center for Entrepreneurs during her 3-year term. iV has been featured on outlets including NBC, CNBC, FOX, ABC, USA Today, The Wall Street Journal, Bloomberg, CNN Money, Fortune Magazine, Fast Company, Inc Magazine and Entrepreneur Magazine. She holds a Masters in Architecture from the Savannah College of Art & Design and an MBA in Entrepreneurship from UT at Austin.

Dr. Robert M. Zemsky – The Financial Health and Evolving Landscape for Post-Secondary Institutions in the United States. Professor, Higher Education Division and Chair of the Learning Alliance for Higher Education at the University of Pennsylvania. Dr. Zemsky has spent his career at the U of Pennsylvania focusing on how best to keep universities true to their missions while at the same time remaining market smart. For twenty years, he served as the founding director of the university’s Institute for Research on Higher Education, one of the country’s major public policy centers specializing in educational research and analysis. In 1998 he received a Doctor of Humane Letters (Hon.) from Towson University and in 2008 a Doctor of Humane Letters (Hon.) from Franklin and Marshall College he holds a BA from Whittier College, and an MA and PhD from Yale University.



Sit Investment
Associates

REGISTRATION FORM

40th Annual Client Workshop

February 17 – 20, 2022

Four Seasons Resort, Scottsdale, Arizona

CLIENT

Please complete and return this form in its entirety to Debbie Beaudet (dkb@sitinvest.com) at your earliest convenience and **no later than Monday, December 20, 2021**. If you have any questions, call Debbie at 612-359-2528. *We ask that you return this form whether or not you are able to attend.*

ATTENDEE INFORMATION

Your Name:		Name of spouse/guest if attending:	
<input type="checkbox"/> I will be attending		<input type="checkbox"/> I will NOT be attending	
Organization:		Title:	
Address:			
Email Address:			
Business Phone:		Cell Phone:	

FLIGHT INFORMATION (Recommended airport is Phoenix Sky Harbor - PHX)

Arrival Date:	Arrival Airport/Airline/Flight #/Arrival Time:
Departure Date:	Arrival Airport/Airline/Flight #/Arrival Time:

GROUND TRANSPORTATION (To/From Airport - Please Check One):

<input type="checkbox"/> I will be driving or renting a car	Estimated arrival time at Resort:
<input type="checkbox"/> Request ground transportation to/from the airport (Shuttle service will be provided)	

LODGING

Sit Investment will make a room reservation in your name at The Four Seasons Scottsdale
Standard Room Rate: \$425.00 (+ applicable taxes)

Do you need a hotel room?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Room Preference (we will do our best to accommodate your request):		
<input type="checkbox"/> King	<input type="checkbox"/> 2 Double Beds	<input type="checkbox"/> Extra Person
If you have any special needs (i.e., dietary), please provide details:		

RECREATIONAL ACTIVITIES

GOLF	Friday (Scramble)		Saturday	
	You	Spouse/Guest	You	Spouse/Guest
Need Rental Clubs? (Yes/No)				
Right- or Left-Handed Rentals (R/L)	R	L		
PGA Handicap (please provide)				
Average Score, if no handicap				
Croquet (Saturday Only)				