



## AGENDA

### RETIREMENT BOARD MEETING

FIRST MONTHLY MEETING  
February 11, 2015  
9:00 a.m.

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

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

1. Pledge of Allegiance.
2. Recognition of Luz Winkler for 15 years of service.
3. Accept comments from the public.
4. Approve minutes from the December 10, 2014, December 17, 2014, January 14, 2015 and January 21, 2015 meetings.
5. Routine items for February 11, 2015.
  - a. Approve certifications of membership.
  - b. Approve service and disability allowances.
  - c. Accept disability applications and authorize subpoenas as required.
  - d. Approve death benefits.
  - e. Accept Asset Allocation Report.

#### *CLOSED SESSION*

6. The Board will go into closed session under Gov. 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>
James Lee	Service connected	Non-service connected

7. The Board will continue in closed session to consider the Hearing Officer's recommendation regarding the disability application for Kenneth Robb.
8. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding anticipated litigation (two cases).

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.

*OPEN SESSION*

9. Consider and Take Possible Action Regarding Call Back Pay Erroneously Reported As Pensionable Resulting In Overpayments of Benefits to Retirees and Overpayment of Retirement Contributions.
  - a. Update On Call Back Pay Correction
  - b. Comments From Retirees Notified of Call Back Pay Correction
10. Consider and Take Possible Action to adopt a cost-of-living increase for retirees as of April 1, 2015.
11. Consider and Take Possible Action to revise Attachment A, the CCCERA Unrepresented Employees Resolution (2015-1) due to Local 21's notice of withdrawal.
12. Consider and Take Possible Action to revise pay schedules to reflect Local 21's withdrawal from representation of CCCERA employees.
13. Consider authorizing the attendance of Board and/or staff:
  - a. 17<sup>th</sup> Annual Client Conference, Klausner Kaufman Jensen & Levinson, March 15 – 18, 2015, Ft Lauderdale, FL
  - b. Portfolio Concepts and Management, IFEBP, April 27 – 30, 2015, Philadelphia, PA
14. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' comments

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



Meeting Date  
**02/11/15**  
Agenda Item  
**#4**

MINUTES

RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY BOARD MEETING  
9:00 a.m.

December 10, 2014

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

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: William Pigeon

Staff: Gail Strohl, Retirement Chief Executive Officer, Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Karen Davis, Retirement Benefits Manager; Vickie Kaplan, Retirement Accounting Manager; Christina Dunn, Retirement Administration Manager; and Wrally Dutkiewicz, Retirement Compliance Officer

Outside Professional Support: Harvey Leiderman  
Representing: Reed Smith LLP

**1. Pledge of Allegiance**

Hast led all in the *Pledge of Allegiance*.

**2. Accept comments from the public**

No members of the public offered comment.

**3. Approval of Minutes**

It was M/S/C to approve the minutes of the October 22, 2014 meeting. (Yes: Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

Allen was present for subsequent discussion and voting.

It was M/S/C to approve the minutes of the November 5, 2014 meeting with the following two corrections to Item 7. 1) Adding the word "program" to the end of the first sentence, and 2) Changing the Government Code Section on Line 5 to 31468(1)(3). (Yes: Allen, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts. Abs.: Gordon)

**4. Routine Items**

It was M/S/C to approve the routine items of the December 10, 2014 Board meeting. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

It was the consensus of the Board to move to Item 7.

7. **Consider and take possible action regarding the Retiree Lookback Project: Review of past incidents of unusual compensation increases at the end of employment**

Strohl introduced Wrally Dutkiewicz, CCCERA Compliance Officer,

Dutkiewicz presented the CCCERA Retiree Lookback Project-Compensation Enhancement Study which is a summary of findings of Final Average Salary (FAS) versus pre-Final Average Salary Ten Year Comparative Analysis from 2004-2014.

He reported service retirements from June 2004 to June 2014 were reviewed and an analysis was performed looking at FAS and specific components that led to changes and then conducted a trending and tracking analysis to identify any ineligible compensation that may have been included in FAS calculations. Unique earning codes that were not reoccurring, earn codes that were variable in nature, and any unique codes or adjustments that didn't have sufficient documentation to support their inclusion in FAS.

Dutkiewicz reported there were 3,881 retirees during the 2004-2014 study period. Of those, there were 3,448 retirees that had an increase in their FAS of 13.59% over pre-FAS compensation. Further analysis identified 188 retirees that as a group had an average increase of 36.22% in their FAS. He reviewed the observable factors that generally contributed to the increase in FAS during the FAS year.

He reported there were seven retirees with a FAS versus pre-FAS changes in excess of 50%. Four experienced significant increases in their base earnings due to entering into higher pay classes and three were related to differentials (on-call and call back pay) which made a significant increase in the FAS.

He reviewed unique non-recurring items of FAS compensation noting that the pay codes must be manually reviewed on a case by case basis by the retirement counselor.

Schneider reviewed the percentage of change in the on-call pay differential earn codes for Hazardous Materials job classifications under the County Health Services Department. He explained the manner in which on-call duty is scheduled within the department, and noted that members of the Hazardous Materials Incident Response Team are allowed to trade, volunteer for, and give up on-call shifts.

Levy reported that on July 23, 2014, the Board adopted a statement of intent to scrutinize apparently intentional acts of pension spiking and any proposed reductions in retirement benefits would occur only after the Board has conducted a thorough examination of all applicable facts and applicable law. She noted that the Board will provide effected members with notice and an opportunity to appear before, and present their positions to, the Board before any action is taken.

Levy referred to items (a) though (c) in the memorandum from Schneider, which lists the actions and directions for the Board to consider today. The Board is being asked whether and which of the scenarios and pay items reviewed in the lookback study the Board would like to analyze further as potential improper increases in compensation caused by the member.

In public comment, Paul Andrews, retired Hazardous Materials Specialist, distributed a handout on the Hazardous Materials Program noting he worked for HazMat for 24 years prior to his retirement. He reported on the typical incidents HazMat responds to, the hours of operation, how on-call pay works, and how HazMat is funded. He noted he was on call from his first month of employment until the day he retired.

Randy Sawyer, Chief Environmental Health Officer, reported on the number of people available to be on-call. There are currently 3 teams of 6 and it takes 2 years of training to be ready to be on-call. He noted that because of employees using comp time it didn't appear people were on-call when they actually were. He feels an amount can be added to base pay then anything over that amount would be overtime and not pensionable.

Jerry Yoshioka, retired HazMat Specialist, reported there were reductions in pay and staffing that caused an increase in the team having to work on-call. He noted he was told overtime comp time was available. He also stated he would still be working but there is a shelf life for a team and wouldn't be safe for him to still be working.

It was **M/S/C** to direct staff to move forward with Items a, b & c as outlined on page 4 of Schneider's December 10, 2014 memo. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

**8. Consider and take possible action to adopt:**

- a. Policy Governing the Overpayment or Underpayment of Member Contributions
- b. Policy Governing the Overpayment or Underpayment of Member Benefits

Levy gave an overview on the background of the draft policies.

Leiderman noted there is no legal limitation period on how far back the Board can go to recapture overpayments.

After discussion, it was **M/S/C** to adopt the a) Policy Governing the Overpayment or Underpayment of Member Contributions and, b) Policy Governing the Overpayment or Underpayment of Member Benefits. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

**9. Consider and take possible action to recover erroneous spousal continuance payments to ineligible spouse**

Schneider reported this is a very unusual situation. He reported it was erroneously determined at the time of death that the surviving spouse was eligible for continuance payments under Govt. Code Section 31760.2. It was later discovered that the proper documents, including the marriage license and birth certificate, were submitted but an incorrect determination was made anyway. On the date of the member's death, the spouse had not yet attained the age of 55 years and therefore not an eligible survivor under Govt. Code Section 31760.2.

After discussion, it was **M/S/C** to seek recovery of the overpayment and appropriate interest. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey and Watts. No: Telles)

**10. Consider and take possible action to correct call back pay erroneously reported as pensionable which resulted in overpayments of benefits to retirees and overpayment of retirement contributions**

Schneider gave an overview on call-back pay noting CCCERA has notified the County to stop reporting call back pay as pensionable. He reported there are 43 retirees who are receiving overpayments from CCCERA with an average monthly overpayment of \$347. The Board is requested to consider whether to authorize making the corrections, reduce benefit amounts, and remit to retiree's their overpayment of contributions. Schneider anticipates the process can be completed in approximately four to six months, not including the time it takes to make corrections by adjusting future benefit payments for retirees and contributions for actives.

It was noted the portion of overpaid employer contributions would be a gain to the employer in the next UAAL. Strohl noted the IRS has restrictions on giving money back to employers.

In public comment, Arthur Liou, attorney with Leonard Carter on behalf of PDOCC, stated he is not clear if the call-back pay being considered is physician call-back pay. He noted physician call-back pay was a category that CCCERA and the County said was pensionable if it was scheduled based on the Ventura decision. The physician's through no fault of their own reported their time in the manner they were told whether it was scheduled time or not using the pay code they were told to use and neither CCCERA nor the County had a problem with collecting contributions and paying out the benefits. He stated PDOCC only deals with active employees and agrees they should get their money back along with interest as the policy states. He feels retirees have no idea this is going on and out of fairness they should be notified so they can understand and plan for how this will impact them. He feels instead of penalizing the retiree's, CCCERA can take action under Govt. Code Section 31542.5 which requires the County to properly report compensation earnable to CCCERA and allows CCCERA to assess the County for the costs of adjusting or correcting mistakes that are made when County knew or should have known that the mistakes or errors were being made. He feels the County should have known and should bear the cost of correcting the mistake and not the retiree's. He also feels the limitation period should be 3 years and the retiree's should be presented with options of how they can repay instead of them paying a lump sum amount.

Haj Nahal, Contra Costa County Auditor Controller's Office, stated the County was reporting all call back pay as retirement compensable until they were notified last year by CCCERA that CCCERA had determined that call back pay was not retirement compensable so they stopped reporting it that time.

It was **M/** to continue with the discovery of who is involved and mail letters for an educational presentation. This motion failed due to lack of a second.

Levy reported that tax counsel, Ice Miller, has counseled CCCERA on the matter of this correction process. Ice Miller has advised that the IRS would like to see the pension system made whole, and that can be done with a correction payment from the employer or the affected members. Levy noted the 43 retiree's that have been identified have not yet been given notice that this issue exists. If the Board decides to pursue this correction, the next step would be to provide written notice to the affected members and an opportunity to come before the Board. She also noted this is a systemic error affecting multiple members and is unusual in nature.

After a lengthy discussion, it was **M/S/C** to proceed as follows:

First, CCCERA will send a letter to all retirees who are affected by this matter and provide them with a 60 day notice period prior to the implementation of the correction as well as a date for when the Board will have this matter on the agenda and provide an opportunity for the retirees to comment;

Second, the Board authorized proceeding with items 1, 4, 5, and 6 outlined in the memorandum from Schneider, as follows:

Item 1 - Reduce retiree benefit amount to the correct amount excluding the non-pensionable call-back pay;

Item 4 - Remit to active members (through payroll adjustments) overpayment of employee contributions collected on non-pensionable call-back pay;

Item 5 - The corrections listed above can be made as an offset to benefit payments

Item 6 - All corrections are to be made with appropriate interest.

(Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

The Board directed staff to bring the remaining items (numbers 2, 3 in Schneider's memorandum): Recover past overpayment to retirees whose benefit was erroneously calculated including non-pensionable call-back pay and remit to retirees overpayment of employee contributions collected on non-pensionable call-back pay to a future meeting for discussion.

**11. Consider and take possible action to adopt BOR Resolution 2014-4 providing a 2.75% prospective adjustment in base pay for all CCCERA employees, except for the Retirement CEO position**

Bob Campbell, Auditor-Controller, reported there is still significant work that needs to be done with regards to changing CCCERA to a separate entity and the County cannot guarantee employees will see the increase on the February 10<sup>th</sup> paycheck as it will take some time to facilitate.

It was **M/S/C** to adopt BOR Resolution 2014-4 providing a 2.75% prospective adjustment in base pay for all CCCERA employees, except for the Retirement CEO position, effective January 1, 2015. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts.)

It was the consensus of the Board to move to Item 5.

**CLOSED SESSION**

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

The Board moved into open session.

5. It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits:
- a. James Argo – Service Connected – This item was continued to a future meeting.
  - b. Eugene Dick – Service Connected (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)
  - c. Matthew Hopkins – Service Connected (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)
  - d. Phillip Wisotsky – Service Connected (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)
6. There was no reportable action related to Govt. Code Section 54956.9(d)(2).

It was the consensus of the Board to move to Item 12.

**12. Conference Seminar Attendance**

- a. It was **M/S/C** to authorize the attendance of 3 Board members and 3 staff members at the 4<sup>th</sup> Annual Risk and Liquidity Forum, Institutional Investor, January 27-28, 2015, San Francisco, CA. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)
- b. It was **M/S/C** to authorize the attendance of 4 Board members and 2 staff members at the Forum 2015, Commonfund, March 14-17, 2015, Orlando, FL. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)
- c. It was **M/S/C** to authorize the attendance of 1 staff member at The Chief Investment Officer Summit, Asset International, April 15-17, 2015, New York, NY. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

13. Miscellaneous

(a) Staff Report –

Strohl reported Karen Davis was promoted to the permanent Benefits Manager position; CCCERA received 2 awards from GFOA, one for the CAFR and one for the PAFR, and congratulated staff on their work; Transwestern should be receiving proposals from the bidders for the exterior of the building next week and should start the project in the beginning of spring; Chevron on Diamond Blvd. across the street is moving in 2016; Anne Sommers has been hired as an Admin/HR Coordinator and will be starting on Dec. 29, 2014.

Levy reported she will be presenting a legislative update at the next meeting noting one of bills modifies the definition of final compensation for PEPRA members; CCCERA will be reviewing the impact of the court's furlough in light of the legislation.

Dunn reported the final phase of the internal remodel is starting; Staff is working with Joe Wiley on the labor relations documents.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Rodrigues reported he will be late for the January 21 board meeting.

Gordon reported he attended INVESCO Client Conference with Telles, Price and Chu and felt it was a very good conference.

Phillips requested a quick update on the investment consultant selection process. Price reported we are two-thirds of the way done with the staff level on-sites. He anticipates getting his notes to the sub-committee by year end and hopes the committee can convene in January. He noted there are still 3 firms left to interview.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey, Telles and Watts)

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Brian Hast, Chairman

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Jerry Telles, Secretary



Meeting Date  
**02/11/15**  
Agenda Item  
**#4**

MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY BOARD MEETING  
9:00 a.m.

December 17, 2014

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

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: None

Staff: Gail Strohl, Retirement Chief Executive Officer; Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:  
Harvey Leiderman  
Joe Wiley

Representing:  
Reed Smith LLP  
Wiley, Price & Radulovich LLP

**1. Pledge of Allegiance**

Telles led all in the *Pledge of Allegiance*.

**2. Accept comments from the public**

No members of the public offered comment.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54957.6

The Board moved into open session.

**3. CONFERENCE WITH LABOR NEGOTIATORS**

(Government Code Section 54957.6)

Agency designated representatives:

Gail Strohl, Retirement Chief Executive Officer  
Christina Dunn, Retirement Administration Manager  
Joe Wiley, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700 and IFPTE Local 21  
Unrepresented Employees: All CCCERA unrepresented positions

There was no reportable action related to Govt. Code Section 54957.6.

Gordon was no longer present for subsequent discussion and voting.

**4. Consider and take possible action on 2015 CCCERA Budget**

Strohl presented the 2015 budget noting she has separated the budget into two sections, Administrative and Non-Administrative. Strohl reported the total proposed budget is \$10.7 million which is well under the \$16 million allowed by the CERL. She stated there is a decrease of \$0.7 million compared to the 2014 budget. She reported the decreases were in part due to the proper adjustment in benefit rates, the projected timing of replacement hires and a mid-year decrease in employer retirement contribution rates. There was also a decrease in the salaries and benefits categories and the administrator's discretionary fund was eliminated. She noted she may have mid-year budget adjustments.

Phillips was no longer present for subsequent discussion and voting.

Strohl reviewed the key priorities for the next year including a fully functional hot site with all main systems available and improved security measures for greater protection of member data. She reported an organizational chart is attached noting the Compliance Officer now reports to the CEO. She also reviewed the proposed Capital Budget.

It was **M/S/C** to adopt the budget for 2015 as presented. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

It was **M/SC** to approve 3 additional staff members: a Retirement Accountant, a Member Services Manager, and an Information System Programmer/Analyst. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

Strohl thanked the Board for their consideration of the budget.

**5. Consider and take possible action to adopt Resolution 2014-5 confirming the continuing appointment of CCCERA personnel and authorizing the retirement CEO to appoint personnel pursuant to Government Code Section 31522.9.**

Levy reported the resolution is being recommended to preserve the status quo of all CCCERA personnel previously appointed by the Board or by the CEO and authorizes the CEO to appoint CCCERA personnel on the Board's behalf.

It was **M/S/C** to adopt Resolution 2014-5 Confirming Continuing Appointment of Administrator and Staff and Authorizing Administrator to Appoint Personnel Pursuant to Government Code Section 31522.9. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

**6. Update regarding CCCERA's receipt of a favorable Letter of Determination from the Internal Revenue Service effective December 4, 2014**

Levy reported that CCCERA received a favorable letter of determination from the Internal Revenue Service and is now on a 5-year filing cycle noting the next Cycle C filing is due on January 31, 2019.

Strohl thanked Levy for all her work.

7. **Legislative update**

Levy reviewed recently enacted legislation and the impact on CCCERA.

8. **Conference Seminar Attendance**

- a. It was M/S/C to authorize the attendance of 1 Board member and 1 staff member at the PIMCO Institute, PIMCO, January 14-15, 2015, Newport Beach, CA. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)
- b. There was no action taken on this item.
- c. It was M/S/C to authorize the attendance of 4 Board members at the Trustees Roundtable, CALAPRS, February 6, 2015, San Jose, CA. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)
- d. It was M/S/C to authorize the attendance of 1 staff member at the NAPPA Winter Seminar, NAPPA, February 11-13, 2015, Tempe, AZ. (Yes: Allen, Hast, Holcombe, Mitchoff, Rodrigues, Smithey, Telles and Watts)

9. **Miscellaneous**

- (a) Staff Report –

Strohl reported Dan Borenstein requested the backup data on the Lookback Project.

- (b) Outside Professionals' Report -

Leiderman congratulated CCCERA on a successful year.

- (c) Trustees' comments –

Mitchoff asked for clarification on the meeting dates in January. It was noted the January 21, 2015 meeting is a hold date for the investment consultant search.

Rodrigues commented on a previous meeting where he felt the gentleman from Hazmat who spoke about shifts deceived the Board because he contradicted himself. He didn't like it and wished he would have spoken up.

The Board discussed the structure of public comments at meetings.

There was a discussion on the timing of closed session when members of the public attend the meetings. It was noted Board Regulations state when closed session is to be held. Pigeon felt it was important to structure the agenda with important items in the beginning of the agenda. He also asked about the flow of the agenda and wondered if the Board could see a draft prior to the final agenda being sent out. Strohl will email the agenda to the Board once the Chairperson has approved it so that Board can see it before the public. Levy noted districts have a "sunshine ordinance" which can let the Board get the agenda earlier. It can also be done by practice.

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



Meeting Date  
**02/11/15**  
Agenda Item  
**#4**

MINUTES

RETIREMENT BOARD MEETING MINUTES

FIRST MONTHLY BOARD MEETING

9:00 a.m.

January 14, 2015

Retirement Board Conference Room

The Willows Office Park  
1355 Willow Way, Suite 221  
Concord, California

Present: Debora Allen, Brice Bins, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey and Jerry Telles

Absent: Russell Watts

Staff: Gail Strohl, Retirement Chief Executive Officer, Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Vickie Kaplan, Retirement Accounting Manager; Wrally Dutkiewicz, Retirement Compliance Officer; Son Lu, Retirement Information Technology Manager and Christina Dunn, Retirement Administration Manager

Outside Professional Support:  
Harvey Leiderman  
Susan Hastings

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

1. **Pledge of Allegiance**

Hast led all in the *Pledge of Allegiance*.

2. **Recognition of Ruchele Durbin for 25 years of service**

Hast recognized and congratulated Durbin for her 25 years of service.

3. **Accept comments from the public**

No members of the public offered comment.

4. **Approval of Minutes**

It was M/S/C to approve the minutes of the November 25, 2014 meeting. (Yes: Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues, Smithey and Telles. Abs.: Bins)

5. **Routine Items**

It was M/S/C to approve the routine items of the January 14, 2015 Board meeting. (Yes: Bins, Gordon, Hast, Holcombe, Mitchoff, Phillips, Rodrigues, Smithey and Telles)

It was the consensus of the Board to move to Item 11.

Allen was present for subsequent discussion and voting.

11. **Consider and take possible action regarding Marianne Irvin's request for spousal continuance following the death of CCCERA retiree Richard Irvin**

Hast gave an overview on the background of the request for spousal continuance from Marianne Irvin following the death of CCCERA retiree Richard Irvin.

Ralph Andino, attorney for Marianne Irvin, gave a brief review of the request noting that Ms. Irvin is appealing CCCERA's determination.

Ms. Irvin stated she believes she is a surviving spouse of Mr. Irvin even though they were legally separated. She stated she had power of attorney over his affairs and thought the separation papers had provided for her. She noted Mr. Irvin was told by CCCERA in 2012 that he could change her to his beneficiary.

Levy noted the original court order stated the first wife was a surviving spouse although the courts cannot designate a surviving spouse. Eligibility for spousal continuance is determined by statute rather than by designation. She also noted Ms. Irvin was the named beneficiary and is entitled to beneficiary benefits, but that is not the question before the Board today. The question before the Board is whether, at the time of the retiree's death, Ms. Irvin was a surviving spouse eligible for a spousal continuance under CERL.

The Board noted that on page 12 of the Burson decision in Item B states the court concluded that a surviving spouse under Govt. Code Section 31760.1 excludes a spouse who has entered into a legal separation agreement in which all community property interests have been terminated.

It was **M/S/C** to deny Marianne Irvin's request for spousal continuance because she does not qualify as a "surviving spouse" under Govt. Code Section 31760.2. (Yes: Allen, Bins, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey and Telles)

12. **Consider and take possible action regarding non-service connected disability retirement allowance of deceased member Shari Critchfield**

Christine Sevier, daughter of Shari Critchfield, was present to answer any questions.

Schneider reported this is an application for a non-service connected disability where the member passed away while in active status. He noted an active death form was on file and recommends granting a non-service connected disability retirement effective September 14, 2014 and approving the Optional Settlement election which was made in writing by the member.

It was **M/S/C** to grant a non-service connected disability retirement effective September 14, 2014 and approve payment to the named beneficiary of the retirement allowance to which the deceased member would have been entitled if she had retired by reason of non-service connected disability and elected Optional Settlement 2 as of the date of her death. (Yes: Allen, Bins, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey and Telles)

It was the consensus of the Board to move to Item 10.

10. **Consider and take possible action to contract with Digital Deployment, Inc. to redesign the CCCERA website** – Carsen Anthonisen, Rocky Martin, Mac Clemmens

Schneider reviewed the background on redesigning CCCERA's website.

Anthonisen gave an overview of their firm.

Clemmens asked the Board about their desires in a new website. Clemmens reviewed the products used to ensure security of their website. He also reviewed their 5-phase process for the completion of the redesigned website noting it is an 8-12 week process.

It was **M/S/C** to contract with Digital Deployment, Inc. to redesign the CCCERA website subject to legal review and authorize the CEO to sign the necessary contracts. (Yes: Allen, Bins, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey and Telles)

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

**15. Consider and take possible action regarding the impact of Court Furloughs (Reduction in Pay) on pensionable compensation for PEPRA Members**

It was **M/S/C** to consider the Court's planned furloughs for fiscal years 2014-2015 and 2015-2016 as a temporary absence that will not affect PEPRA members' pensionable compensation calculations for retirement purposes. (Yes: Allen, Bins, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey and Telles)

It was the consensus of the Board to move to Item 14.

**14. Consider and take possible action on establishment of standing Audit Committee of the Board of Retirement**

Levy gave an overview on the requirements of establishing a standing Audit Committee. She reviewed amendments to the Board Regulations noting this regulation will reference board committees in general. The regulation will add Item 8, Committees of the Board, to Section II, Meetings, changing the wording from chairman to chairperson and vice chairman to vice chairperson throughout the regulations. Once the regulation amendments are approved by the Board and subsequently by the County Board of Supervisors, they will be effective. Levy noted that a draft audit committee charter is included in the agenda packet, for the Board's discussion.

Strohl noted there are approximately thirteen '37 Act systems that have audit committees but they may use different names, for example, audit/finance committee.

It was **M/S/C** to amend the Board Regulations as presented and request approval of the County Board of Supervisors for the amendments. (Yes: Allen, Bins, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithey and Telles)

It was the consensus of the Board to move to Item 6.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54957, 54956.9(d)(2), 54956.9(d)(1) and 54956.9(d)(4).

The Board moved into open session.

6. It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits:
  - a. Maly Phommavong – Non-service Connected (Yes: Allen, Bins, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Smithy and Telles)
7. There was no reportable action related to Govt. Code Section 54956.9(d)(2).
8. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

9. There was no reportable action related to Govt. Code Section 54956.9(d)(4).

Mitchoff was no longer present for subsequent discussion and voting.

It was the consensus of the Board to move to Item 13.

**13. Presentation of the CCCERA employer audit process and the Bethel Island Municipal Improvement District Employer Audit Report**

Dutkiewicz presented the Bethel Island Municipal Improvement District Employer Audit Report. He reported on the key review items of an employer audit. He also reviewed the scope of the audit and the audit cycle. He reviewed the activities performed and the findings & observations of his audit. He discussed the items he reviews during the audit including the accuracy of payroll information provided to CCCERA, enrollment of all eligible employees, the accuracy of employee sick leave accrual balances, the accuracy of employee vacation accrual balances, and the forfeiture of benefits earned or accrued from the commission of a felony.

Pigeon was present for subsequent discussion and voting.

Dutkiewicz reviewed the follow-up items as well as the District's responses. He reported there are not any items to be brought back for review.

Dutkiewicz also noted he has had positive responses from the district's he has dealt with so far.

**16. Conference Seminar Attendance**

- a. It was **M/S/C** to authorize the attendance 1 staff member at the Winter Forum on Real Estate Opportunities and Private Fund Investing, IMN, January 21-23, 2015, Laguna Beach, CA. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)
- b. It was **M/S/C** to authorize the attendance of 2 staff members at the 2015 Annual Conference, ISS, January 29-30, 2015, Aventura, FL. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)
- c. It was **M/S/C** to authorize the attendance of 1 Board member and 1 staff member at the 26<sup>th</sup> Annual Public Retirement Seminar, Public Retirement Journal, February 24, 2015, Lakewood, CA. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)
- d. It was **M/S/C** to authorize the attendance of 1 Board member and 2 staff members at the Global Real Assets Investment Forum, Institutional Investor, February 24-25, 2015, New York, NY. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)
- e. It was **M/S/C** to authorize the attendance of 4 Board members if the conference is closed to the public or all Board members if it is open to the public; and 2 staff members at the 2015 General Assembly, CALAPRS, March 7-10, 2015, Monterey, CA. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)
- f. It was **M/S/C** to authorize the attendance of 4 Board members and 2 staff members at the Spring Conference, CII, March 30-April 1, 2015, Washington, D.C. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)
- g. It was **M/S/C** to authorize the attendance of 4 Board members and 4 staff members at The Pension Bridge Annual, Pension Bridge, April 7-8, 2015, San Francisco, CA. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)

**17. Miscellaneous**

- (a) Staff Report –

Strohl reported the County recently advised CCCERA that they can't keep CCCERA under their Workers Compensation plan and the Board of Supervisors has approved 180-days coverage, at the end of which CCCERA will have to obtain Workers Compensation coverage elsewhere. Strohl is continuing to work with the County on a service agreement which she will bring to the Board; She noted CCCERA's pay schedule will be presented to the Board at a future meeting; Staff are working to review information on the website in preparation of the new website.

Schneider reported the Bureau of Labor Statistics will be issuing the CPI on Friday which determines the retiree COLA.

Kaplan reported accounting is busy working on .Net, the new accounting upgrade; There was a GASB 67 and GASB 68 meeting for employers; Accounting is working on ledger projects, gearing up for year end, and working with the auditors to prepare for the upcoming audits; She will start working on the CAFR; and the department is down 3 people (total of 10 staff).

Dunn introduced the new Retirement Admin/HR Coordinator, Anne Sommers.

Price gave an update on PIMCO noting a portfolio manager is leaving this Friday and that they are still on the Watch List. He will have a memo for the Board and will be at PIMCO for the CIO conference in March.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Hast reported Strohl has been with CCCERA for 6 months.

Rodrigues commented on the Board of Supervisor's raise noting he is concerned that members in the system can give themselves their own raise and then can retire a year from now with an increase in Final Average Salary. He is also curious if other members can give themselves a raise.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Bins, Gordon, Hast, Holcombe, Phillips, Rodrigues, Smithey and Telles)

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Brian Hast, Chairman

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Jerry Telles, Secretary



Meeting Date  
**02/11/15**  
Agenda Item  
**#4**

MINUTES

RETIREMENT BOARD MEETING MINUTES

SPECIAL BOARD MEETING  
9:00 a.m.

January 21, 2015

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

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Russell Watts

Absent: Louie Kroll and Karen Mitchoff

Staff: Gail Strohl, Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:  
Joe Wiley

Representing:  
Wiley, Price & Radulovich LLP

**1. Pledge of Allegiance**

Rodrigues led all in the *Pledge of Allegiance*.

**2. Accept comments from the public**

No members of the public offered comment.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54957.6

The Board moved into open session.

**3. CONFERENCE WITH LABOR NEGOTIATORS  
(Government Code Section 54957.6)**

Agency designated representatives:  
Gail Strohl, Retirement Chief Executive Officer  
Christina Dunn, Retirement Administration Manager  
Joe Wiley, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700 and IFPTE Local 21  
Unrepresented Employees: All CCCERA unrepresented positions

There was no reportable action related to Govt. Code Section 54957.6.  
Rodrigues was no longer present for subsequent discussion and voting.

4. **Miscellaneous**

(a) Staff Report –

Strohl reported on the January 28, 2015 meeting agenda there will be an item regarding the differentials other '37 Act systems include in pensionable compensation for PEPRA members; The County completed the transition of moving CCCERA employee classifications into non-county classifications in Peoplesoft and processed the 2.75% salary increase for CCCERA employees as the Board requested.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

None

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

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Brian Hast, Chairman

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Jerry Telles, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Page 1

February 11, 2015

Items requiring Board Action

<p><u>Meeting Date</u>  <b>02/11/15</b>  <u>Agenda Item</u>  <b>#5</b></p>
----------------------------------------------------------------------------------------

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

**B. Service and Disability Retirement Allowances:**

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Group</u>	<u>Selected</u>
Ahmadi, Behzad	42234	10/18/14	SR	II	Unmod
Allen, Diane	68869	10/14/14	SR	II & III	Unmod
Anderson, Barbara	60235	11/15/14	SR	III	Unmod
Christensen, Steven	31454	12/04/13	SR	II & III	Unmod
Cole, Cheryl	46583	10/02/14	SR	II & III	Option 1
Galitzen, Carolyn	46808	11/15/14	SR	II & III	Unmod
Hodges, Barbara	65502	11/01/14	SR	II & III	Unmod
Hopkins, Matthew	70036	12/24/14	SCD	S/A	Unmod
Lewandowski-Spivey, Carla	D7830A/P	10/06/14	SR	S/A	Option 1
McHugh, Charlene	34752	11/01/14	SR	II & III	Unmod
Rashid, Yulanda	48041	11/29/14	SR	II & III	Unmod
Samonte, Bernardo	D9500	11/29/14	SR	II & III	Unmod
Tucker, Denise	44125	11/11/14	SR	III	Unmod
Williams, Daniel	63798	11/17/14	SR	II & III	Unmod
Williams, Rhonda	53896	10/31/14	SR	II & III	Unmod
Wilson, Christopher	69554	07/29/14	SCD	S/A	Unmod

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

<u>Name</u>	<u>Number</u>	<u>Filed</u>	<u>Type</u>
Anderson, Barbara	60235	01/16/15	SCD
Mattox, Gregory	63241	1/27/2015	NSCD

**KEY:**

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

**Option**  
 \* = County Advance  
 Selected w/option

**Type**  
 NSP = Non-Specified  
 SCD = Service Disability  
 SR = Service Retirement  
 NSD = Non-Service Disability

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Page 2

February 11, 2015

**D. Deaths:**

<u>Name</u>	<u>Date of Death</u>	<u>Employer</u>
Bergland-Serr, Jane	12/29/14	Contra Costa County
Carver, Marion	01/11/15	Contra Costa County
Dunning, Zella	12/17/14	Beneficiary
Ford, Ruthania	11/25/14	Beneficiary
Gray, Athur	12/31/14	Contra Costa County
Gruessing, Ester	01/05/15	Beneficiary
Hutchins, Gary	01/15/15	Contra Costa County
King, Edward	01/08/15	Contra Costa County
Larkins, Clotilde	01/11/15	Contra Costa County
Lessmann, Jennie	01/24/15	Contra Costa County
Martin, Edna	12/30/14	Contra Costa County
Martin, William R	12/29/14	Contra Costa County
Olbinado, Narita	01/04/15	Contra Costa County
Talent, Eroca	10/30/14	Contra Costa County
Venerable, Sandra	12/31/14	Contra Costa County
Woolard, Richard	12/14/14	Contra Costa County
Young, Vernice	12/29/14	Contra Costa County

**KEY:**

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

**Option**  
\* = County Advance  
Selected w/option

**Type**  
NSP = Non-Specified  
SCD = Service Disability  
SR = Service Retirement  
NSD = Non-Service Disability

## CERTIFICATION OF MEMBERSHIPS

*Meeting Date*  
**02/11/15**  
*Agenda Item*  
**#5a.**

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Alejo, Yolanda	81012	P5.2	12/01/14	Contra Costa County
Anderson, Sherri	80904	P5.2	11/01/14	Contra Costa County
Ashcroft, Claire	77954	P5.2	12/01/14	Contra Costa County
Atkinson, Arah	80937	P5.2	12/01/14	Contra Costa County
Bailey, Laporcha	80907	P5.2	11/01/14	Contra Costa County
Barker, Carryn	80938	S/E	12/01/14	Contra Costa County
Batchelder, Lisa	81031	P5.2	12/01/14	Contra Costa County
Beverly, Catrina	80908	P5.2	11/01/14	Contra Costa County
Bogardus, Rynne	80909	P5.2	11/01/14	Contra Costa County
Bowlby, Jose	80948	P5.2	12/01/14	Contra Costa County
Bradford, Teira	80922	P5.2	12/01/14	Contra Costa County
Brown III, Charles	55576	P5.2	12/01/14	Contra Costa County
Brumfield, Keri	80981	P5.2	12/01/14	Contra Costa County
Caballero, Cristina	80936	P5.2	12/01/14	Contra Costa County
Carnagey, Laura	80984	P5.2	12/01/14	Contra Costa County
Case, Kellie	80982	P5.2	12/01/14	Contra Costa County
Cavestany, Lizelle	80965	P5.2	12/01/14	Contra Costa County
Ceja, Veronica	80935	P5.2	12/01/14	Contra Costa County
Cheung, Timothy	80991	P5.2	12/01/14	Contra Costa County
Cisneros, Austin	79462	P5.2	12/01/14	Contra Costa County
Cisneros, Jaime	D9990	P4.3	12/01/14	Housing Authority
Cobb, Roxanne	80926	P5.2	12/01/14	Contra Costa County
Cruz, Jamie	80942	P5.2	12/01/14	Contra Costa County
Curitana, Al	80983	P5.2	12/01/14	Contra Costa County
Davis, Regina	D9990	I	12/01/14	Housing Authority
Doherty, Kevin	80923	P5.2	12/01/14	Contra Costa County
Duarte, Imara	80371	P5.2	12/01/14	Contra Costa County

**Key:**

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

## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Echavarria, Rocio	80934	P5.2	12/01/14	Contra Costa County
Ellis, Erica	80857	P5.2	12/01/14	Contra Costa County
Frazier, Nolan	80980	P5.2	12/01/14	Contra Costa County
Friend, Timothy	75914	P5.2	12/01/14	Contra Costa County
Garcia, Veronica	78859	P5.2	12/01/14	Contra Costa County
Graham, Ted	80925	P5.2	12/01/14	Contra Costa County
Green, Aiesha	81032	P5.2	12/01/14	Contra Costa County
Green, Christina	80963	P5.2	12/01/14	Contra Costa County
Gutierrez, Matthew	80961	P5.2	12/01/14	Contra Costa County
Habib, Ashumat	80079	P5.3	12/01/14	Contra Costa County
Heart, Anita	80921	P5.2	12/01/14	Contra Costa County
Honey IV, John	80972	P5.2	12/01/14	Contra Costa County
Jackson, Nedra	81033	P5.2	12/01/14	Contra Costa County
Jimenez, Chante	80970	P5.2	12/01/14	Contra Costa County
Jimenez, Mary	80954	P5.2	12/01/14	Contra Costa County
Johnson, Amanda	79357	P5.2	12/01/14	Contra Costa County
Kaur, Akwinder	79344	P5.3	12/01/14	Contra Costa County
Kipp, Kerry	80910	P5.2	11/01/14	Contra Costa County
Kirby, Matthew	80969	P5.2	12/01/14	Contra Costa County
Langford, Michael	81000	P5.2	12/01/14	Contra Costa County
Lavares, Dolores	70607	III	12/01/14	Contra Costa County
LeGree, Toni	78778	P5.2	12/01/14	Contra Costa County
Linsao, Amy	80998	P5.2	12/01/14	Contra Costa County
Lloyd, Audrey	80990	P5.2	12/01/14	Contra Costa County
Lopes, Karen	D9990	P4.3	11/14/14	Housing Authority
Manuel, Kristin	80996	P5.2	12/01/14	Contra Costa County
Margain, Melissa	81002	P5.2	12/01/14	Contra Costa County

**Key:**

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

## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Martinez, Catherine	80959	P5.2	12/01/14	Contra Costa County
Martinez, Leonardo	80994	P5.2	12/01/14	Contra Costa County
McColgin, Brian	80993	S/E	12/01/14	Contra Costa County
McGuire, Trevor	80995	P5.2	12/01/14	Contra Costa County
Melton Jr., Teroll	80899	P5.2	11/01/14	Contra Costa County
Mendoza, Estefania	80293	P5.2	12/01/14	Contra Costa County
Monge, Stefanie	D9990	P4.3	04/01/14	Housing Authority
Mullins, Jordan	81057	P5.2	12/01/14	Contra Costa County
Musawwir, Adib	D3406	P4.3	12/01/14	Central San
Nazamy, Tareq	D9500	P5.3	12/01/14	Superior Courts
Nzerem, Florence	80941	P5.2	12/01/14	Contra Costa County
Orr, Cheryl	65104	P5.2	11/01/14	Contra Costa County
Oyan, Julie	80988	P5.2	12/01/14	Contra Costa County
Piotrowski, Anastasia	80952	P4.3	12/01/14	Contra Costa County
Plizga, Nonie	79903	P5.2	12/01/14	Contra Costa County
Porter, Suzanne	80957	P5.2	12/01/14	Contra Costa County
Rubio, Rodolfo	D9990	P4.3	12/01/14	Housing Authority
Sagastume, Claudia	80947	P5.2	12/01/14	Contra Costa County
Sanchez-Arentz, Ronda	D3406	P4.3	12/01/14	Central San
Schinauer, Tammy	80933	P5.2	12/01/14	Contra Costa County
Seremak, Sylvia	80953	P4.3	12/01/14	Contra Costa County
Slaughter, Rebecca	80671	P5.2	12/01/14	Contra Costa County
Solis, David	D9990	P4.3	04/01/14	Housing Authority
Sullivan, Joshua	80989	P5.2	12/01/14	Contra Costa County
Sumner, Michael	80143	P5.2	12/01/14	Contra Costa County
Tom, Caroline	80978	P5.2	12/01/14	Contra Costa County
Truong, Stella	80958	P5.2	12/01/14	Contra Costa County

**Key:**

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

## CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Tufly, Brett	80939	P5.2	12/01/14	Contra Costa County
Ung, Emily	80992	P5.2	12/01/14	Contra Costa County
Valeros, Jeffrey	80968	P5.2	12/01/14	Contra Costa County
Van Dorn, Allison	78454	P5.2	12/01/14	Contra Costa County
Vasquez, Alyssa	78022	P5.2	12/01/14	Contra Costa County
Wagner, William	80600	P5.2	12/01/14	Contra Costa County
Wellner, David	D3406	P4.3	12/01/14	Central San

### REINSTATEMENTS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Deas, Deborah	16287	I	12/01/14	CCCERA

#### Key:

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<b>III = Tier III</b>	<b>P5.2 = PEPR Tier 5 (2% COLA)</b>	<b>S/D = Safety Tier D</b>
	<b>P5.3 = PEPR Tier 5 (3% COLA)</b>	<b>S/E = Safety Tier E</b>

## 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>
Doppe, Peter	80155	S/D	S/A	10/1/2014	ConFire	Reciprocity
Hendershott, Mark	80817	S/D	S/A	11/1/2014	ConFire	Reciprocity
Green, Leilani	62708	III	I	12/1/2014	CCCERA	Transferred Employers
Ramos, Matthew	80009	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Peters, Dustin	80010	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Downie, Jonathan	80011	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Jennings, Kirsten	80012	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Yupanqui, Alex	80014	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Smith, Miriam	80034	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Potter, John	80035	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Harris, Daniel	80036	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff
Barkley, Brendan	80940	P5.2	S/E	12/1/2014	Contra Costa County	Recruit to Sheriff

**Key:**

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

## ASSET ALLOCATION

Current Assets (Market Value)

\$7,024,888,000

Reporting Month End: December 31, 2014

Prepared By: Chih-Chi Chu

**Robeco**

Jackson Square Partners (fka Delaware)

Emerald Advisors

Intech (Core)

PIMCO Stocks+ Absolute Return

Ceredex

Total Domestic Equity

Pyrford (BMO)

William Blair

Total International Equity

JPMorgan Global Opportunities

First Eagle

Artisan Global Opportunities

Intech (Global Low Volatility)

Total Global Equity

Total Equity

AFL-CIO Housing Investment Trust

PIMCO Total Return

GSAM "Park" Portfolio

Goldman Sachs Asset Management

Lord Abbett

Torchlight Debt Opportunity Funds

Total Domestic Fixed Income

Lazard Asset Management

Total Global Fixed Income

Allianz Global Investors (fka Nicholas Applegate)

Total High Yield Fixed Income

Wellington Real Total Return

PIMCO All Asset

Private Real Asset

Total Real Asset

Total Real Estate

Total Alternative Investments

County Treasurer

State Street Bank

Total Cash & Equivalents

Oaktree 2009

Total Market Opportunities

TOTAL ASSETS

Meeting Date  
02/11/15  
Agenda Item

#5e.

A	B	C	D	C-B	D-A	D-A
% of Target	Target Assets	Market Value	Actual Assets	Over (Under)	Over (Under)	Range
4.3%	302,070,184	317,756,000	4.52%	15,685,816	0.22%	
4.3%	302,070,184	323,398,000	4.60%	21,327,816	0.30%	
3.0%	210,746,640	225,510,000	3.21%	14,763,360	0.21%	
4.0%	280,995,520	306,814,000	4.37%	25,818,480	0.37%	
4.0%	280,995,520	261,039,000	3.72%	(19,956,520)	(0.28%)	
3.0%	210,746,640	206,303,000	2.94%	(4,443,640)	(0.06%)	
22.6%	1,587,624,688	1,640,820,000	23.36%	53,195,312	0.76%	
5.3%	372,319,064	351,423,000	5.00%	(20,896,064)	(0.30%)	
5.3%	372,319,064	354,169,000	5.04%	(18,150,064)	(0.26%)	
10.6%	744,638,128	705,592,000	10.04%	(39,046,128)	(0.56%)	
4.0%	280,995,520	278,154,000	3.96%	(2,841,520)	(0.04%)	
4.0%	280,995,520	271,770,000	3.87%	(9,225,520)	(0.13%)	
4.0%	280,995,520	275,366,000	3.92%	(5,629,520)	(0.08%)	
0.3%	21,074,664	23,764,000	0.34%	2,689,336	0.04%	
12.3%	864,061,224	849,054,000	12.09%	(15,007,224)	(0.21%)	
45.5%	3,196,324,040	3,195,466,000	45.49%	(858,040)	(0.01%)	40% TO 55%
3.3%	231,821,304	232,302,000	3.31%	480,696	0.01%	
5.6%	393,393,728	400,762,000	5.70%	7,368,272	0.10%	
0.0%	0	4,000	0.00%	4,000	0.00%	
4.6%	323,144,848	324,202,000	4.62%	1,057,152	0.02%	
4.6%	323,144,848	322,831,000	4.60%	(313,848)	(0.00%)	
1.9%	133,472,872	130,039,000	1.85%	(3,433,872)	(0.05%)	
20.0%	1,404,977,600	1,410,140,000	20.07%	5,162,400	0.07%	
4.0%	280,995,520	266,470,000	3.79%	(14,525,520)	(0.21%)	
24.0%	1,685,973,120	1,676,610,000	23.87%	(9,363,120)	(0.13%)	20% TO 30%
5.0%	351,244,400	326,584,000	4.65%	(24,660,400)	(0.35%)	
5.0%	351,244,400	326,584,000	4.65%	(24,660,400)	(0.35%)	2% TO 9%
0.8%	52,686,660	192,315,000	2.74%	139,628,340	1.99%	
1.8%	122,935,540	111,593,000	1.59%	(11,342,540)	(0.16%)	
2.5%	175,622,200	26,908,000	0.38%	(148,714,200)	(2.12%)	
5.0%	351,244,400	330,816,000	4.71%	(20,428,400)	(0.29%)	0% TO 10%
12.5%	878,111,000	899,435,000	12.80%	21,324,000	0.30%	10% TO 16%
7.0%	491,742,160	524,032,000	7.46%	32,289,840	0.46%	5% TO 12%
			0.00%			
		39,896,000	0.57%			
0.5%	35,124,440	39,896,000	0.57%	4,771,560	0.07%	0% TO 1%
0.5%	35,124,440	32,049,000	0.46%	(3,075,440)	(0.04%)	
0.5%	35,124,440	32,049,000	0.46%	(3,075,440)	(0.04%)	0% TO 5%
100.0%	7,024,888,000	7,024,888,000	100%	0	0%	

### UNDER REVIEW:

DBL - Organizational & Personnel, Board Action 7/9/2014

Nogales Investors - Performance, Board Action 05/28/08

Lord Abbett - Personnel, Board Action 10/20/13

PIMCO - Organization & Personnel, Board Action 2/12/14

**Private Real Estate Alternative Investments  
As of December 31, 2014**

REAL ESTATE INVESTMENTS	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. II	07/31/99	07/31/09	3rd 2 YR	LP	6/30/2015	40,000,000	3,828,000	0.05%	
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	1st 2 YR	GP	6/30/2016	75,000,000	47,842,000	0.68%	18,958,000
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/16				100,000,000	79,226,000	1.13%	19,476,000
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	23,858,000	0.34%	48,201,000
Hearthstone Partners II	06/17/98	12/31/09				6,250,000	(32,000)	0.00%	
Invesco IREF I	10/22/03	04/30/11	3rd 1 YR	GP	4/30/2014	50,000,000	9,769,000	0.14%	
Invesco IREF II	05/30/07	12/31/15				85,000,000	37,694,000	0.54%	
Invesco IREF III	08/01/13	08/01/20				35,000,000	25,353,000	0.36%	12,958,000
Invesco IREF IV	12/01/14	12/01/21				35,000,000	0	0.00%	35,000,000
Long Wharf FREG II	07/18/03	02/28/12	NOT DEF	LP	12/31/2014	50,000,000	794,000	0.01%	
Long Wharf FREG III	03/30/07	12/30/15				75,000,000	25,923,000	0.37%	
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	13,915,000	0.20%	
Oaktree Real Estate Opportunities Fund V	12/15/11	12/31/16				50,000,000	44,547,000	0.63%	8,204,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	59,100,000	0.84%	29,682,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	0	0.00%	65,000,000
Siguler Guff Distressed Real Estate Opp. Fund I	12/31/11	12/31/16				75,000,000	70,893,000	1.01%	19,518,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/20				70,000,000	25,000,000	0.36%	64,000,000
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	12,026,000	0.17%	8,524,000
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	65,279,000	0.93%	18,145,000
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	0	0.00%	65,000,000
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	77,285,000	1.10%	3,946,000
Adelante Capital Management (REIT)						0	174,040,000	2.48%	
INVESCO International REIT						0	93,095,000	1.33%	
Willows Office: \$10,774,100 ***						0	10,000,000	0.14%	
						<b>1,336,250,000</b>	<b>899,435,000</b>	<b>12.80%</b>	<b>416,612,000</b>
							<b>416,612,000</b>		
						<b>632,300,000</b>	<b>1,316,047,000</b>		

\*\*\* Purchase price \$10,600,000 plus acquisition cost and fees \$174,100.

Outstanding Commitments

Total

PRIVATE DEBT INVESTMENTS	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund II	09/28/06	09/30/14				128,000,000	69,830,000	0.99%	
Torchlight Debt Opportunity Fund III	09/30/08	09/30/16				75,000,000	11,341,000	0.16%	
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	48,868,000	0.70%	3,143,000
Torchlight Debt Opportunity Fund V	09/17/14	09/17/22				75,000,000	0	0.00%	75,000,000
						<b>338,000,000</b>	<b>130,039,000</b>	<b>1.85%</b>	<b>78,143,000</b>
							<b>78,143,000</b>		
							<b>208,182,000</b>		

Outstanding Commitments

Total

**Private Real Estate Alternative Investments  
As of December 31, 2014**

ALTERNATIVE INVESTMENTS	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE				180,000,000	118,853,000	1.69%	114,955,000
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	28,912,000	0.41%	13,283,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	12,128,000	0.17%	28,042,000
Pathway	11/09/98	05/31/21				125,000,000	73,424,000	1.05%	18,249,000
Pathway 2008	12/26/08	12/26/23				30,000,000	23,173,000	0.00%	9,532,000
Pathway 6	05/24/11	05/24/26				40,000,000	16,671,000	0.00%	28,199,000
Pathway 7	02/07/13	02/07/28				70,000,000	11,107,000	0.00%	58,793,000
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	17,159,000	0.00%	182,841,000
EIF USPF I	11/08/02	11/08/12	3rd YR	LP	11/08/15	30,000,000	835,000	0.01%	0
EIF USPF II	06/15/05	06/15/15				50,000,000	40,060,000	0.57%	0
EIF USPF III	02/28/07	02/28/17				65,000,000	49,839,000	0.71%	0
EIF USPF IV	06/28/10	06/28/20				50,000,000	24,473,000	0.35%	28,979,000
Nogales Investment	02/15/04	02/15/14			UNTIL LIQ	15,000,000	3,342,000	0.05%	1,651,000
Bay Area Equity Fund	06/14/04	01/15/13	1st 2 YR	LP	1/15/2015	10,000,000	23,266,000	0.33%	0
Bay Area Equity Fund II	2/29/09	12/31/17				10,544,000	10,544,000	0.15%	1,604,000
Paladin III	11/30/07	12/31/17				25,000,000	22,145,000	0.32%	0
Carpenter Community BancFund	01/31/08	01/31/16				30,000,000	38,409,000	0.55%	6,032,000
Ocean Avenue Fund II	06/11/14	05/31/24				30,000,000	9,692,000	0.14%	19,384,000
<b>Total</b>						<b>1,030,000,000</b>	<b>524,032,000</b>	<b>6.35%</b>	<b>511,544,000</b>

Outstanding Commitments **511,544,000**  
**1,035,576,000**

MARKET OPPORTUNITIES	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Oaktree Private Investment Fund 2009	02/28/10	01/31/17				40,000,000	32,049,000	0.46%	5,163,000
<b>Total</b>							<b>37,212,000</b>		<b>5,163,000</b>

REAL ASSET INVESTMENTS	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	12,719,000	0.18%	38,250,000
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	14,189,000	0.20%	61,089,000
<b>Total</b>						<b>125,000,000</b>	<b>26,908,000</b>	<b>0.38%</b>	<b>99,339,000</b>

Outstanding Commitments **99,339,000**  
**126,247,000**

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



Meeting Date  
**02/11/15**  
Agenda Item  
**#9**

## ***MEMORANDUM***

Date: February 11, 2015  
To: CCCERA Board of Retirement  
From: Kurt Schneider, Deputy Retirement Chief Executive Officer  
Subject: Call Back Pay Erroneously Reported As Pensionable Which Resulted In Overpayments of Benefits to Retirees

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### ***Background***

For many years the County has been erroneously reporting call back pay to CCCERA as "compensation earnable." At the December 10, 2014 meeting, the Board directed staff to make appropriate corrections to the prospective retirement allowances of those members whose "final compensation" had been improperly increased due to the inclusion of call back pay. The Board also directed that no such change should be made before the member received at least 60 days' notice.

As directed by the Board, CCCERA sent letters to the 43 members whose allowances are expected to be impacted by this issue. The letters included the amount that their prospective retirement allowances will be reduced when call back pay is removed from their "final compensation" and the amount they have been overpaid since retirement. The letters explained that a prospective change in retirement allowances is contemplated to be made in March, and that the Board has not yet decided whether to collect past overpayments from them. Enclosed is a sample notice letter (Attachment 1). The letters sent in early January are first individualized written notifications these retirees have received from CCCERA regarding this issue.

CCCERA has received several responses to the letters. The responses CCCERA has received as of February 3, 2015, are included with the agenda back up materials (Attachment 2) and any additional letters we receive before the February 11, 2015 meeting will be distributed to the Board before or at the meeting.

At the February 11, 2015 meeting, the members impacted by this issue (or their counsel) will be given the opportunity to make whatever presentations they deem appropriate, subject to the Chair's ordinary management of the meeting. If any member believes that CCCERA should not implement the prospective change to that member's retirement allowance in March, this is the opportunity for that member to explain why that is the case.

The Board may decide to move forward with the contemplated prospective corrections, or, if the Board believes that any particular member or group of members has raised legitimate points

warranting further consideration, the Board could direct staff to deviate from the Board's prior direction, in any manner that the Board deems appropriate.

There is one issue that staff has identified that may require further analysis, which is described below.

***Call Back Pay vs. Weekend Rounds***

The determination of the Board in 1997 was that being called back to duty from an on call status due to an emergency resulted in overtime, which should be excluded. Thus, call back pay is non-pensionable. However, normally scheduled work on a weekend by physicians should be included. The enclosed 1998 memorandum (Attachment 3) states that "pay for time once an 'on call' employee is actually called in to work . . . is a form of overtime and therefore not includible." It notes regarding Pay Code 19 – "this pay item should be used to report pay for scheduled work on a weekend."

Some physicians have explained that that the "Physician Call-Back Pay" pay code was used by some physicians to report both call back pay and physicians' weekend rounds. They argue that, if they had known that Physician Call-Back Pay was not properly reported as pensionable, they would have properly reported some of that time under the appropriate pay code for weekend rounds.

In 2013, the Board affirmed the determination that call back pay was excluded from compensation for retirement purposes (BOR Reso. 2014-1, Attachment 4). CCCERA was advised that active physicians now report scheduled physicians' weekend rounds work as "weekend rounds" as opposed to "Physicians Call-Back Pay." Thus, when a physician retires in the future, their time should be properly reported.

There are 13 retired physicians, however, who may claim that some of their time reported as call back was actually for weekend rounds and that time should have been reported as such. We understand that some of these physicians will be at the February 11, 2015 Board meeting. After considering their written submissions and hearing their arguments, the Board can then direct staff to proceed in whatever manner the Board deems appropriate.

# Attachment

#1



January 2, 2015

<<NAME>>  
<<ADDRESS>>  
<<CITY>> <<STATE>> <<ZIP>>

CERTIFIED MAIL

Re: Notice to Retirees Re Call-Back Pay Error Correction

Dear <<NAME>>:

As you may know, your retirement allowance was calculated based on compensation paid to you during a period of one year (for Tiers 1, 3 and Safety) or three years (for Tier 2). It has come to our attention that your former employer, Contra Costa County, incorrectly reported to CCCERA call-back pay received by you as pensionable compensation. Call-back pay is and always has been considered overtime pay and has never qualified as pensionable compensation. The inclusion of call-back pay as part of the pensionable compensation data sent to CCCERA was part of the County's standard procedure for 15 years. This means that your retirement allowance was initially calculated incorrectly, based on an overstated amount of pensionable compensation. Each year since your retirement, you have been overpaid by this incorrect amount plus compounding cost-of-living increases on the incorrect amount.

In addition, if the County collected retirement contributions from you on your non-pensionable call-back pay, then that too would have been an error.

We have now carefully reviewed and recalculated benefits and are in the process of recalculating contribution amounts for all affected participants. Your current benefit amount is \$<<\_\_\_>> and after recalculating your benefit without call-back pay your current benefit amount should be \$<<\_\_\_>>. You have received excess pension benefits since your retirement in the amount of \$<<\_\_\_>>. The total amount of excess employee contributions you paid to CCCERA has not been determined yet, but will be applied to reduce the overpayment you received.

Although the CCCERA Board of Retirement has not yet decided whether and to what extent it will require repayment of excess pension payments at this time (net of excess contributions you may have paid), CCCERA must immediately reduce your retirement benefit to the correct amount. This will be done effective with the March 2, 2015 benefit payment.

The Retirement Board will discuss this issue at its February 11, 2015 meeting and will accept comments from the public. You are invited to attend this important meeting and offer your comments. Board meetings begin at 9:00 a.m., and meeting agendas are posted on the CCCERA website at [cccera.org](http://cccera.org) the week before each meeting.

Sincerely,

Contra Costa County Employees' Retirement Association

# Attachment

#2

CCCERA  
1355 Willow way, Suite 221  
Concord, CA 94520

January 23, 2015

Dear Member or Employee of the Contra Costa County Employees'  
Retirement Board;

On Thursday, January 8, 2015, I received an unsigned certified letter purporting to be a "Notice to Retirees Re Call-Back Pay Error Correction". The letter goes on to assert that during my employment with Contra Costa County the County "incorrectly reported to CCCERA call-back pay as pensionable compensation". The letter then states that my monthly pension is to be reduced immediately by approximately \$ 1,387 and that I had received excess pension benefits of \$ 84,272.03. The letter then invites me to attend the February 11, 2015 Retirement Board meeting to offer comments as a member of the public.

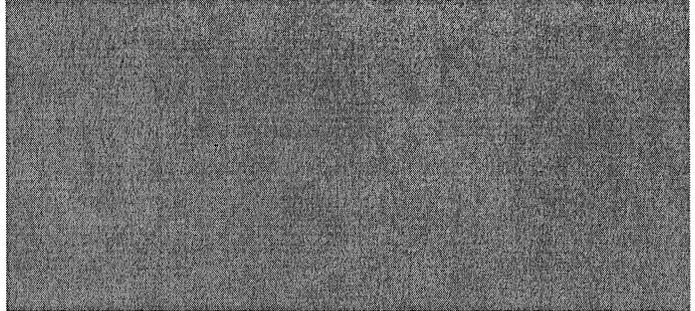
Please be advised that I hereby request an individualized retirement hearing concerning the above referenced determinations, apparently already made by your staff with no notice to me, so that the full circumstances of my situation can be presented. As I am out of the country from January 27, 2015, returning February 28, 2015 on a prepaid and nonrefundable vacation, I request that the individual hearing occur in March of 2015.

As you must know, your Policy Governing The Overpayment Or Underpayment Of Member Benefits adopted on December 10, 2014, clearly provides in Section III subdivision B that where an alleged overpayment exceeds \$5,000 your staff is directed to contact the affected member "by phone to schedule a meeting to discuss the contents of the letter **before** the letter is sent out for delivery" (emphasis added). This procedure was completely ignored as no contact or notice was made to me despite the staff having full access to all of my current contact information.

Further, the letter's reference to my call-back pay as overtime and thus non-pensionable is a mischaracterization of the work I performed. It has come to my attention that, at the direction of the county, certain inaccurate pay codes may have been utilized in processing my time sheets during the relevant time frame. However, the nature of the pay code should not be determinative of the issue; rather, the relevant question is the nature of the work performed.

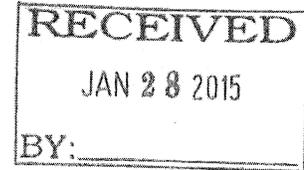
Since I am unable to attend the February 11, 2015 meeting of the Retirement Board in person, I will ask a colleague to read a statement on my behalf. Note that a full presentation of the issues will not be possible during the public comment section of that meeting.

Regards,



January 27, 2015

CCCERA  
1355 Willow Way Suite 221  
Concord, CA 94520



Dear Members or Employees of the Contra Costa County Employee Retirement Board:

On Saturday, January 10, 2015, I received an unsigned certified letter purporting to be a "Notice to Retirees Re Call-Back Pay Error Correction". The letter goes on to assert that during my employment with Contra Costa County, the County "incorrectly reported to CCCERA call-back pay as pensionable compensation". The letter also states that my monthly pension is to be reduced immediately by approximately \$ 1841.86 and that I had received excess pension benefits of \$ 88700.40 . The letter then invites me to attend the February 11, 2015 Retirement Board meeting to offer comments as a member of the public.

**Please be advised that I hereby request an individualized retirement hearing concerning the above referenced determinations, apparently already made by your staff with no notice to me, so that the circumstances of my situation (as presented below) can be fully presented and properly recognized.**

**I. Insufficient Notification**

As you already know, your Policy Governing the Overpayment or Underpayment of Member Benefits adopted on December 10, 2014, clearly provides in Section III subdivision B that where an alleged overpayment exceeds \$5,000, your staff is directed to contact the affected member "by phone to schedule a meeting to discuss the contents of the letter **before** the letter is sent out for delivery" (emphasis added). This procedure was completely ignored as no contact or notice was made to me despite the staff having full access to all of my current contact information.

**II. Inaccurate Categorization of Work**

Further, the letter's reference to my call-back pay as overtime, and thus non-pensionable, is a mischaracterization of the work I performed. It has come to my attention that at the direction of the county, certain inaccurate pay codes may have been utilized in processing my time sheets during the relevant time frame. However, the nature of the pay code should not be determinative of the issue; rather, the relevant question is the nature of the work performed.

As a pathologist specialist, the call back hours are to provide the consultation and the diagnosis immediately to the other medical specialists, including the surgeons, the gynecologists, the emergency room physicians and the generalists.

A few examples of the situations include following:

- With the cases of some medically emergent situation where the immediate diagnosis would determine how and where the patients would be treated immediately
- With the case of the unexpected findings during a complicated surgical procedures where immediate diagnosis is required for the general surgeons or the gynecological surgeons to decide the surgical management of the patient during the surgery
- The immediate diagnosis by the pathologist is necessary for the emergency room physician to make the referral decision to the other tertiary care facilities.

As you can see, the nature of our call back works is not voluntary, but mandatory, required of and worked by all pathologists and is scheduled to respond to the request of the other medical providers in an urgent situations.

### **III. Incorrect Grouping of Call-Back & Overtime Work**

Ms. Marilyn Leedon included the following statement in her letter to Dr. McDonald on Aug. 23, 2013:

As mentioned during our meeting, since call back pay is a form of payment for *overtime* work, regular overtime rules apply. Under statutes and Board policy, overtime is generally excluded from compensation for retirement purposes (Govt. Code § 31461.6). The exception is that pay for mandatory overtime that the employer requires all employees in the same job classification to

work is included in compensation or retirement purposes.<sup>1</sup> As we discussed, the County is well aware of this overtime exclusion and the exception. For the purposes of this inquiry, however, CCCERA staff has limited its inquiry to whether or not any of the call-back pay is "pay for scheduled work on a weekend" as directed by the standard adopted by the Board in 1997.

Furthermore, the CCCERA Board meeting minutes on May 7, 2014, includes the following statement:

*Consider and take possible action to adopt resolution regarding the exclusion of physicians' call-back pay from compensation for retirement purposes Leiderman reported the Board had previously requested a presentation on the use of call-back pay in compensation earnable for members of PDOCC. He provided an overview of compensation earnable under the California Employees ' Retirement Law ("CERL") and case law prior to AB 197. He noted that CERL Section 31461 excludes overtime pay in compensation earnable if it is outside normal working hours and voluntary.*

According to the above quotes, the call back work of the pathologist should not be grouped together with the overtime works since it was mandatory, required for all pathologists to work and was not voluntary.

#### **IV. Improper Retroactive Application of Changes that Occurred After My Retirement**

I would also like to bring to your attention that I was notified about the controversy regarding physician's call back pay through your letter dated January 2, 2015, four years after my retirement date of January of 2011.

On Oct. 24, 2013, Mr. Carter, the lawyer representing PDOCC wrote to the CCCERA Board of Retirement in response to the change:

*"CCCERA announced on June 19, 2013, that it would cease collecting contributions on call back pay and inclusion of call back pay in pension calculation. Additionally CCCERA made its decision retroactive to April 2013."*

These dates are also more than two years after my retirement. Since the notification of the change in my pension calculation came to me four years after my retirement, I was not given a

fair chance of either explaining the on-call pay situation of pathologists being classified differently from the overtime by PDOCC and by my employer ( including the call back paid at different rate from the overtime) or given a chance to modify with PDOCC and my employer through a different compensatory system for the professional service, if call back pay to the pathologists were to be classified as a "non-pensionable compensation".

In summary, I intend to attend the February 11, 2015 meeting of the Retirement Board, but request an individualized retirement hearing concerning the aforementioned issues due to the fact that a full presentation will not be possible during the public comments section of the scheduled board meeting.

Regards,



REC'D JAN 29 2015

CCCERA  
1355 Willow way, Suite 221  
Concord, CA 94520

January 17, 2015

Dear Member or Employee of the Contra Costa County Employees' Retirement Board;

On Saturday, January 10 2015, I received an unsigned certified letter purporting to be a "Notice to Retirees Re Call-Back Pay Error Correction". The letter goes on to assert that during my employment with Contra Costa County the County "incorrectly reported to CCCERA call-back pay as pensionable compensation". The letter then states that my monthly pension is to be reduced immediately by approximately \$1,900 and that I had received excess pension benefits of \$81, 782.64. The letter then invites me to attend the February 11, 2015 Retirement Board meeting to offer comments as a member of the public.

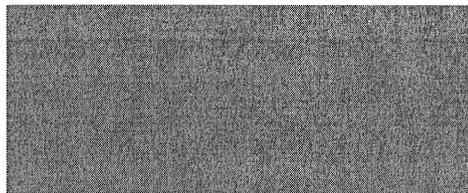
Please be advised that I hereby request an individualized retirement hearing concerning the above referenced determinations, apparently already made by your staff with no notice to me, so that the full circumstances of my situation can be presented.

As you must know, your Policy Governing The Overpayment Or Underpayment Of Member Benefits adopted on December 10, 2014, clearly provides in Section III subdivision B that where an alleged overpayment exceeds \$5,000 your staff is directed to contact the affected member "by phone to schedule a meeting to discuss the contents of the letter **before** the letter is sent out for delivery" (emphasis added). This procedure was completely ignored as no contact or notice was made to me despite the staff having full access to all of my current contact information.

Further, the letter's reference to my call-back pay as overtime and thus non-pensionable is a mischaracterization of the work I performed. It has come to my attention that, at the direction of the county, certain inaccurate pay codes may have been utilized in processing my time sheets during the relevant time frame. However, the nature of the pay code should not be determinative of the issue; rather, the relevant question is the nature of the work performed.

I do indeed intend to attend the February 11, 2015 meeting of the Retirement Board, but a full presentation of the issues will not be possible during the public comment section of that meeting.

Regards,



# Attachment

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#3

# MEMO

Date: January 14, 1998

To: Roger Edwards

From: Pat Wiegert *PW*

Subject: County DOE's includible in Compensation under the "Ventura County Decision"

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Attached is what we understand to be the complete list of the County's pay items, their DOE code, and an indication of whether or not they are to be reported as "compensation" for retirement purposes pursuant to the Retirement Board's actions on November 25, December 5, and December 9

What's now reported under DOE code 32 (On call Pay) will need to be separated into those pay items that are includible and those which aren't. As I understand it, DOE 32 now includes pay for those times an employee is scheduled to be in "on call" status and pay for time once an "on call" employee is actually called in to work. The first instance is includible compensation, the second is a form of overtime and therefore not includible. Because both types of pay reported under DOE code 32 in the past, the payroll system will need to distinguish between the two in future.

DOE 70 (Miscellaneous) presents a real problem because this, too, could be used to report just about anything. We would prefer that there not be a "Miscellaneous" category at all. This would eliminate the mystery of "What is it?" and avoid the potential for this DOE to be the dumping ground for anything new or unique. If you feel the continued need for a Miscellaneous pay item, we ask that this be included in compensation rather than excluded.

See "Special Notes" on the attached for other pay items of concern,

I understand that Craig was able to handle the problems identified at our recent meeting which had to do with not enough "accumulators" and an old, less than user friendly, payroll system. I understand further that testing of the modifications is being conducted with the hope that it'll all be ready by the February 10 payroll.

I applaud you and Craig for the extraordinary effort you're putting forth on this issue. None of us wanted to be in the position of having to modify the old payroll system when the new PeopleSoft system is just around the corner. Your work is much appreciated!

If you have questions on the attached, give me a call.

attachment



**IMPLEMENTING THE "VENTURA DECISION"  
 INCLUDIBLE COUNTY PAY ITEMS  
 DECEMBER 9, 1997**

Included	Code	Pay Item	Explanation
no	01	Taxable Auto	Additional mileage that Assessors receive in excess of the Fed. Maximum. Also includes \$3/day charged to employees using a county car to commute.
yes	03	Dept Head Auto	Pay for business use of personal auto.
yes	04	Riteoway Pay	Form of hazardous duty pay for work in traffic situations.
yes	05	Longevity Pay	Bonus based upon length of County service.
yes	06	Career Incentive	Similar to Longevity Pay
yes	07	Career Incentive CTG	Similar to Longevity Pay
yes	08	Management Incentive	Similar to Longevity Pay
yes	09	Assessors Education	Bonus for achieving professional certification for certain employees.
yes	10	Holiday Pay	Pay for work on a scheduled holiday.
yes	11	Agric.Differential	For possession of Commisioner License
yes	12	Wght/Meas Incentive	For possession of Weights and Measures License
yes *	13	Lump Sum Payment	
yes	14	Nurses Weekend Bonus	Pay to nurses who work a weekend shift
yes	15	Holiday Pay (1996)	Pay for hours not otherwise scheduled to work.
yes	15	Search Warrant Pay (1997)	Animal Services employees for special assignments
yes	16	Nurses Longvity	Same as Management Pay
yes	17	Watch Commander	Safety category, form of shift differential
yes	18	Mental Hlth Lead Diff.	Paid to mental health lead positions under terms of The Local 1 contract.
yes *	19	Call Back/Weekend	Pay to med. Personnel if called in on weekend or After hours due to patient illness.
yes	20	Scheduled FLSA	Overtime that's normally expected to be worked
no	21	FLSA Overtime	

no	22	Overtime Adj. Prior Yr.	Payroll adjusting entry
no	23	Overtime Adj. Curr. Yr.	Payroll adjusting entry
no *	25	Gross Pay Adj.	Used for multiple purposes. Negative offset for SDI Buybacks, late time reporting, late WC clearances. All require negative offset to previously taxed wages that are to be changed to nontaxable. At times has been used for regular or differential pay missed in prior periods.
no	26	AWOP	Reported as a negative number.
yes	27	#2 Base Pay	Used when an employee works a portion of a month at different pay rate. Working out of class or mid-month promotions.
yes	30	Training Diff.	Flat monthly amount paid to Sheriff staff for periods they train staff.
yes	31	BLS Cert-Fire	Basic Life Support Training bonus
yes *	32	On Call Pay	Pay for being in "on call" status.
No *	new	On-Call Overtime	Pay for work when actually called in while in "on call" status.
yes	33	EMT Diff-Fire	Emergency Medical Technician bonus
yes	34	ER Bonus	Emergency room differential
no	35	Workers Comp Pay	Paid by WC on account of illness and in lieu of salary. Not taxed
yes	36	Retirement Allotment	
yes	37	Word Processing	Pay for work on keyboard/VDT's
yes	38	VDT diferential	Pay for work on keyboard/VDT's.
yes	39	Prof Acct Differential	CPA/CIA/CMA certification
no	40	Reserve Pay	The regular pay of hourly firefighters working as Reserves. Hourly firefighters are not covered by CCCERA.
yes	41	OES Differential	Pay for assignment to Office of Emergency Services.
yes	42	Grade All Differential	Pay for work on a particular piece of equipment.
yes	43	Investigator Pay	Paid to Sheriff's investigators.
yes	44	Charge Nurse Diff	Assignment to charge nurse duties.
yes	45	Building Inspector Diff.	Self-explanatory

yes	47	Acting Pay	Pay for work in a temporary assignment. Currently paid to San Ramon firefighters only.
Yes	48	Performance Stipend	
yes	49	Double Shift Premium	self explanatory
yes	52	Shift Pay	Pay for working any shift after 5:00 p.m.
yes	53	Shift Pay Adj.	Adjustment to Shift Pay previously recorded.
yes	54	Hazard Duty Pay	Pay for exposure to hazards on the job.
yes	55	Hazard Pay Adjustment	Adjustment to Hazard Duty Pay
yes	56	Board and Commission	Paid to Board of Supervisors while "sitting" in the capacity of a commission. Also paid to Ret. Bd. Sheriff, Planning Dept. and Transportation Dept.
yes	57	Bilingual Pay	Bonus for being bilingual in specified positions
yes	58	Truck Allowance	Received by 7 Animal Services and Health Services employees for using a truck while commuting to and from work.
no	59	Mgmt. Disability Pay	This is in lieu of salary paid to managers under a special disability insurance program
no	60	Court Reporter Pay	Per diem paid to hourly court reporters not in the Retirement System
yes	62	Sale of Vacation	Value of vacation time sold back to county annually
yes *	63	Vac/PTO Payoff	Lump sum of accumulated, unused vacation, paid upon termination, that was earned in the final comp period.
no *	new	Vac/PTO Payoff	Lump sum of accumulated, unused vacation, paid upon termination, that was NOT earned in the final compensation period.
yes	64	Uniform Allowance	Pay in recognition that uniforms must be worn for the Job. Paid to non-safety employees: animal services, Plumbers, painters, etc.
yes	65	Structural Engineer	Pay for achieving/maintaining this certification.
yes	66	Haz Mat	Pay for working with hazardous materials
yes	67	Officer in Charge	Self explanatory
yes	68	Standby Diff.	Similar to On Call pay
yes	70	Miscellaneous	To the extent that this pay code continues, it will be includible.

no	71	Pay in Lieu	Extra amount received by employees who don't receive regular County benefits and aren't covered by CCCERA.
yes *	72	Sickleave Payoff	Paid to hourly employees, not covered by CCCERA. Paid to CCCERA members who terminate without retiring.
yes	73	Physical Fitness	For safety members
yes	74	Crt. Appearance Pay (1996)	Self explanatory
yes	74	Advncd. Life Support(1997)	Pay for achieving/maintaining this certification.
no	76	Hospital Contract Pay	
no	77	Contract Pay	
yes	78	Uniform-Safety	Pay in recognition that uniforms must be worn for the job; safety members
yes	79	Special Bonus	Used to pay bonuses for special assignment.
yes	83	Evening Clinic Bonus	Similar to shift differential.
Yes	84	Holiday overtime adj.	Adjustment to Holiday Pay
yes	85	Graveyard Pay	Similar to shift differential.
no	86	SDI Buyback	Offsetting payments in the state disability insurance program. Not a wage item.
yes	87	Rad/Angio Pay	A form of hazardous duty pay.
yes	90	Phys. Weekend Rounds	A form of shift differential for physicians.
yes	94	RN Hospital Diff.	Registered nurses.
yes	95	Incident Response Team	Pay for serving on this team.
yes	96	Lead Worker Bonus	self explanatory.

**\* SPECIAL NOTES:**

13 We understand that this pay item is used to reflect a variety of lump sum payments not otherwise given their own code. This pay item should be used in the future for only those lump sum pay items which are includible as compensation under the Board's policy.

19 We understand that this pay item has been used to report time both scheduled and unscheduled. In this pay item should be used to report pay for scheduled work on a weekend.

32 The payroll system will have to distinguish between the pay for being in "on call" status (which is includible) versus the additional pay received if an employee is actually called in to work (which is not includible and will need a new pay item code.).

63 The payroll system will have to distinguish between that portion of a lump sum payoff which is includible under the Board's policy and that portion which is not includible.

72 For those employees who are covered by CCCERA, we will expect that only the portion of a lump sum sick leave payoff which could have been earned in the final compensation period will be reported here.

1/14/98

# Contra Costa County

3/98

Office of  
COUNTY AUDITOR-CONTROLLER

625 Court Street  
Martinez, California 94553-1282  
Telephone (510) 646-2181  
Fax (510) 646-2649



**Kenneth J. Corcoran**  
Auditor-Controller

**Stephen J. Ybarra**  
Assistant Auditor-Controller

TO: Ed Lane, Asst. County Counsel  
FROM: Craig Loop, Sr. Systems Accountant  
DATE: March 16, 1998  
SUBJECT: Payroll Earnings History

Hi Ed :

Per your request, I went back in the historical Payroll records, to research when the various payroll earnings first began to appear on employee paychecks... Attached to this letter, you should find a worksheet I put together as I viewed the old payroll microfiche data.

In going back through time, there was a single major event dating back to about 1988, that should be noted... Prior to 1988, we utilized an "older version" of the Management Science of America (MSA) Payroll software ( Though it was 'state of the art' at the time)... This system restricted us to a maximum of 90 "Buckets" or accumulators which we could use to keep track of employee earnings and deductions as well as employer costs. Therefore, up until 1988, we restricted earnings to the first 39 "Buckets", and deductions to the last 51 "Buckets"... This will have significance to the "Ventura" discussions, because prior to 1988, We didn't have the proliferation of "Other Earnings" that we got after the new version of the MSA software was installed about 1989... As you can see from my worksheet, going back to 1980, we only had 26 different types of earnings used in the payroll system, including many like "Overtime Adjustment" and "Travel Fees" that probably wouldn't be impacted by the "Ventura" decision...

Even as late as 1988, (before the new MSA system was installed) we only utilized 25 different earnings accumulators... Once the new system went in, we see a major increase in the number of new "Earnings Types"... Some earnings like the "Canine Differential" came and went in the years since 1989, others were added, and subsequently split into separate accumulators like the "BLS / EMT Differential"....

Today, we've got 81 different and distinct earning "types" that appear separately on employee paychecks, and many of these are now included in the retirement base per Retirement Board action and the "Ventura" decision.

At this point, I didn't have time to go back prior to 1980, and I didn't recover data for every year between 1980 and the present, but I think the worksheet will provide you with enough data to make some informed decisions... Because of the nature of the data, which is available on magnetic tape for some years, microfiche for others, and microfilm for older periods, any significant additional research will probably require staff time, and possibly assistance from our "IT" department...

I hope this letter and the accompanying worksheet provide you with most of the information you and the Actuary require...

LATER !

A handwritten signature in black ink, appearing to be "CJ", is written over the "LATER !" text.

CONTRA COSTA COUNTY  
AUDITOR-CONTROLLER  
PAYROLL EARNINGS

CJL	NOTE THESE DOE'S NOT INCLUDED IN RETIREMENT BASE	DOE'S INCLUDED IN R-BASE SINCE BEFORE "VENTURA"	DOE'S NOW INCLUDED BECAUSE OF VENTURA	DOE'S NOW INCLUDED BECAUSE OF VENTURA	
DOE CODE	DESCRIPTION OF EARNING	DOE CODE	DESCRIPTION OF EARNING	DOE CODE	
01	Taxable Auto	03	Dept Head Auto Allowance	52	Shift Pay
02	Other Non-Retiree Pay	04	RPA Member Cert	53	Shift Adj Curr Year
21	FLSA O/T Pay	05	Longevity Pay	54	Hazard Duty Pay
22	O/T Adj- Prior Year	06	Career Incent-(Perm)	55	Hazard Pay Adjustment
23	O/T Adj- Curr Year	07	Career Incent-(Cont)	56	Board/Commission Pay
24	Gross Pay Adj-Prior Yr	08	Management Incentive	57	Bilingual Pay
25	Gross Pay Adj-Curr Yr	09	Appraiser Certificate	58	Truck Allowance
26	AWOP	10*	HOLIDAY PAY-(Scheduled)	62	Sale of Vacation (1 x yr)
27	#2 Base Pay	11	Agriculture Cert	64	Uniform Allowance
28	#3 Base Pay	12	Weights&Measures Cert	65	Struct Engineer Cert
29	FURLough	13*	Lump Sum Payment	67	Officer In Chg (Fire)
35	Workers Comp	17	Watch Command 5%	69	Canine Allowance
40	Reserve Pay	20	Scheduled FLSA (Fire)	74	Advance Life Support Diff
59	Mgmt Disability Pay	31	BLS Certificate (Fire)	79	Special Bonus
60	Court Reporter Pay	33	EMT Differential 2%	80*	Ret Incd Termination Pay
63	Vacation/PTO Payout	36	SR-FIRE Retirement Allot.	83	Dr's Clinic Bonus
70	Misc Differential	39	Prof Accounting Diff	85	Graveyard Shift Pay
71	Pay in Lieu	48	Performance Stipend	87	Rad / Anglo Differential
72	Sickleave Payout	66	2% Hazardous Materials Diff	90	Dr's Weekend Rnds(Sched)
75	FICA Refund	68*	Standby Differential	94	RN Hosp Differential
76	Hospital Contract Pay	73	PFWD Fitness Differential	95	Incident Response Pay
77	Contract Pay	78	Uniform Allowance-Safety	96	Lead Worker Bonus
82	"OPEN"	84*	Holiday O/T Adj (Scheduled)		
86	SDI Buyback				
88	Flex Medical Refund				
89	Medical Reimbursement				
92	"OPEN"				
93	"OPEN"				

2/10/98 "VENTURA" DECISION RETIREMENT EARNINGS ANALYSIS

DOE's identified with "\*" are included in the Retirement base, but we need to make sure that the amounts paid through these DOE's should be fully included... If portions of the amounts due should NOT be included in the Retirement Base, the non-includable portion can be paid using a non-includable DOE like DOE "02"... (The General Rule is that pay for SCHEDULED work is includable in the Retirement Base, while pay for non-scheduled/overtime work is NOT includable).

# Attachment

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#4

**RESOLUTION OF THE BOARD OF RETIREMENT  
CONTRA COSTA COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**PHYSICIAN CALL-BACK PAY**

WHEREAS, Section 31461(a) of the County Employees' Retirement Law of 1937, Government Code sections 31450, et seq. ("CERL") provides, in part, that "compensation earnable" for purposes of calculating the final compensation on which retirement benefits are based shall include only such compensation (as defined) received by the member during the final compensation period based on "the average number of days ordinarily worked by persons in the same grade or class of positions..."; and

WHEREAS, the Policy of the Contra Costa County Employees' Retirement Association ("CCCERA") for "Determining Which Pay Items are 'Compensation' for Retirement Purposes," as amended ("Policy") provides, in part, that "[o]vertime compensation is not included in compensation earnable if it is in excess of what is considered normal working hours. If the time worked is ordinarily expected to be worked, then it is included regardless of its formal characterization as overtime for pay purposes"; and

WHEREAS, in 1999, CCCERA, the County and others entered into a Court-approved Settlement Agreement which identified County pay codes as either included in or excluded from "compensation earnable" for retirement purposes, and which indicated that includable "Physician Call-Back Pay – Pay Code 19" (the predecessor to Pay Code D-16) was to be used only "to report pay for scheduled work on a weekend"; and

WHEREAS, in or about 2013 CCCERA discovered that the County of Contra Costa had been reporting to CCCERA all "Physician Call-Back Pay" under County Pay Code D-16 as pensionable "compensation earnable," notwithstanding the fact that some or all of that reportable pay was not scheduled for, required of and ordinarily worked by all persons in the subject physicians' same grade or class of positions during their final compensation periods; and

WHEREAS, following the discovery of the miss-reporting of Pay Code D-16, CCCERA determined that the pay code was not pensionable and instructed the County to cease reporting such pay as pensionable compensation; and

WHEREAS, CCCERA members who are members of the Physicians and Dentists Organization of Contra Costa ("PDOCC") objected to CCCERA's determination regarding Pay Code D-16, and requested that pay received under that pay code be treated as pensionable "compensation earnable" for determining their retirement benefits; and

WHEREAS, the Board of Retirement of CCCERA has considered the findings of CCCERA staff following staff's investigation of the relevant facts, the factual representations of PDOCC members presented in writing and in oral testimony before the Board of Retirement, the arguments of counsel for both CCCERA and for PDOCC members and the recommendations of CCCERA staff and counsel to the Retirement Board; and

WHEREAS, section 31461(a) of CERL provides that the Board of Retirement shall determine the elements of "compensation earnable" for members of CCCERA.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. CCCERA's determination to exclude pay received by members of PDOCC under County Pay Code D-16 is affirmed. The Board of Retirement determines that such pay does not represent pensionable "compensation earnable" because it is not regularly scheduled for, ordinarily required of and received by all other persons in the same grade or class of positions. Such pay, in whatever form, shall not be included as pensionable "compensation earnable" on which the retirement benefits of members of PDOCC will be calculated.
2. The foregoing determination is without prejudice to the right of any individual member of PDOCC, in connection with his or her retirement application, to present evidence that some or all of the pay such individual received under Pay Code D-16 during his or her final compensation period was, in fact, paid for services regularly scheduled for, ordinarily required of and received by all other persons in the same grade or class of positions in the County.
3. This Resolution shall be effective as to all retirements with an effective date on or after the date on which this Resolution is adopted by the Board of Retirement.

THIS RESOLUTION WAS ADOPTED BY THE AFFIRMATIVE VOTE OF THE BOARD OF RETIREMENT OF THE CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION THIS SEVENTH DAY OF MAY, 2014.

AYES: Allen, Bins (Deputy County Treasurer, for County Treasurer Watts), Gordon, Hast, Kroll, Mitchoff, Phillips

NOES: None

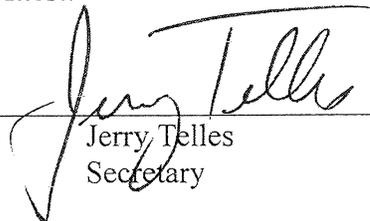
ABSTAIN: Rodrigues

ABSENT: Pigeon, Telles, Watts



Brian Hast  
Chairperson of the Board of Retirement

Attest:



Jerry Telles  
Secretary

## **MEMORANDUM**

Date: February 11, 2015  
To: CCCERA Board of Retirement  
From: Kurt Schneider, Deputy Retirement Chief Executive Officer  
Subject: Cost-of-Living Adjustments as of April 1, 2015

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In accordance with Government Code §§31870, 31870.1 and 31870.3, the Board must determine the annual cost-of-living adjustments (COLAs) to be effective April 1, 2015.

### **Determination of COLA**

Based on the statutes noted above, the increase or decrease of the retiree allowances must “approximate to the nearest one-half of 1 percent, the percentage of annual increase or decrease in the cost of living as of January 1<sup>st</sup> of each year as shown by the then current Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the area in which the county seat is situated.” The only difference in the three COLA statutes that apply to CCCERA members is that the annual maximum adjustment is either 2%, 3%, or 4% depending on which section is applicable.

The consumer price index values used by CCCERA are the December values from the San Francisco-Oakland-San Jose, California table. The increase in the index from December 2013 to December 2014 was 2.67%. In accordance with the statute this is rounded to 2.5%.

When this value is greater than the annual allowable maximum increase, the excess above the allowance increase is accumulated or “banked”. When the value is less than the annual allowable maximum increase, retirees with sufficient bank will receive the maximum allowable increase and have their banks reduces accordingly.

The attached Segal letter shows the determination of the consumer price index increase and the annual adjustment retirees will receive depending on Tier and bank. The letter also shows the adjustments to the banks.

### **Recommendation**

Adopt the 2015 COLA and bank adjustments as outlined in the Segal letter.



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308  
T 415.263.8200 www.segalco.com

John W. Monroe, ASA, MAAA  
Vice President & Actuary  
jmonroe@segalco.com

January 27, 2015

Mr. Kurt Schneider  
Deputy Chief Executive Officer  
Contra Costa County Employees' Retirement Association  
1355 Willow Way, Suite 221  
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association  
Cost-of-Living Adjustments (COLA) as of April 1, 2015**

Dear Kurt:

We have determined the cost-of-living adjustments for the Association in accordance with Sections 31870.1, 31870.3 and 31870, as provided in the enclosed exhibits.

The cost-of-living factor to be used by the Association on April 1, 2015 is determined by comparing the December CPI for the San Francisco-Oakland-San Jose Area (with 1982-84 as the base period) in each of the past two years. The ratio of the past two December indices, 252.273 in 2014 and 245.711 in 2013, is 1.0267. The County Law sections cited above indicate that the resulting percentage change of 2.67% should be rounded to the nearest one-half percent, which is 2.5%.

Please note the above cost-of-living adjustments calculated using established procedures for CCCERA may result in adjustments different from those calculated using alternative procedures by other systems.

The actual cost-of-living adjustment is dependent on tier and date of retirement. The CPI adjustment to be applied on April 1, 2015 is provided in Column (4) of the enclosed exhibits. The COLA bank on April 1, 2015 is provided in Column (5).

Pease give us a call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "John Monroe".

John Monroe

AW/bqb  
Enclosures

5353198v1/05337.001



Contra Costa County Employees' Retirement Association  
 Cost-Of-Living Adjustment  
 As of April 1, 2015

(1)                      (2)                      (3)                      (4)                      (5)

Retirement Date	April 1, 2014 Accumulated Carry-over	CPI Change*	CPI Rounded**	CPI Used***	April 1, 2015 Accumulated Carry-over****
Tier 2, Tier 3 (disability retirement only) and Tier 5 (3%/4% COLA and disability retirement only) Section 31870.3					
<b>Maximum Annual COLA</b>	<b>4.0%</b>				
04/01/1984                      to                      03/31/2014	0.0%	2.67%	2.5%	2.5%	0.0%
04/01/2014                      to                      03/31/2015		2.67%	2.5%	2.5%	0.0%

- \* Based on ratio of December 2014 CPI to December 2013 CPI for the San Francisco - Oakland - San Jose Area.
- \*\* Based on CPI change rounded to nearest one-half percent.
- \*\*\* These are the cost-of-living adjustment factors to be applied on April 1, 2015.
- \*\*\*\* These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2015.

Contra Costa County Employees' Retirement Association  
 Cost-Of-Living Adjustment  
 As of April 1, 2015

(1)                      (2)                      (3)                      (4)                      (5)

Retirement Date	April 1, 2014 Accumulated Carry-over	CPI Change*	CPI Rounded**	CPI Used***	April 1, 2015 Accumulated Carry-over****		
Tier 4 (2% COLA), Tier 5 (2% COLA), Safety Tier C and Safety Tier E Section 31870							
<b>Maximum Annual COLA</b>		<b>2.0%</b>					
04/01/2007	to	03/31/2012	1.5%	2.67%	2.5%	2.0%	2.0%
04/01/2012	to	03/31/2014	0.5%	2.67%	2.5%	2.0%	1.0%
04/01/2014	to	03/31/2015		2.67%	2.5%	2.0%	0.5%

\* Based on ratio of December 2014 CPI to December 2013 CPI for the San Francisco - Oakland - San Jose Area.

\*\* Based on CPI change rounded to nearest one-half percent.

\*\*\* These are the cost-of-living adjustment factors to be applied on April 1, 2015.

\*\*\*\* These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2015.



<u>Meeting Date</u> 02/11/15 <u>Agenda Item</u> #11 & 12
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## **MEMORANDUM**

Date: February 11, 2015  
To: CCCERA Board of Retirement  
From: Christina Dunn, Retirement Administration Manager  
Subject: IFPTE Local 21 Disclaimer of CCCERA Employees

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### ***Background***

On January 30, 2015 IFPTE Local 21 informed CCCERA that effective January 1, 2015 they will no longer be able to provide ongoing representation of the staff members at CCCERA. This change affected four classifications at CCCERA: Retirement Accountant, Retirement Information Technology Coordinator I, Retirement Information Systems Programmer/Analyst and Retirement Supervising Accountant. Due to the disclaimer from IFPTE Local 21 the four listed classifications are unrepresented as of January 1, 2015.

On January 28, 2015, the Board adopted Resolution 2015-1 providing salary and benefits for the CCCERA unrepresented employees as well as a pay schedule for all CCCERA job classifications. Due to Local 21's disclaimer, it is now necessary to revise both documents to reflect the change in the four affected classifications from represented to unrepresented.

### ***Recommendation***

1. Consider and take possible action to adopt the revised Attachment A to Resolution 2015-1, the CCCERA Unrepresented Employees Resolution.
2. Consider and take possible action to adopt the revised pay schedules for all CCCERA classifications effective January 1, 2015.



*PROFESSIONAL & TECHNICAL ENGINEERS, LOCAL 21, AFL-CIO*  
*An Organization of Professional, Technical, and Administrative Employees*

January 30, 2015

Christina Dunn  
Admin/HR Manager  
Contra Costa Employee' Retirement Association  
1355 Willow Way Suite 221  
Concord, CA 94520

Re: Ongoing representation of CCCERA employees

Dear Christina,

IFPTE Local 21 has a policy of not pursuing representation of bargaining unit of fewer than fifty workers and, therefore, no longer represent employees at CCCERA effective January 1, 2015.

We are strongly encouraging the four workers whom we did represent to sign authorization cards with AFSCME Local 2700 so that they may continue to benefit from the collective bargaining process.

Sincerely,

Jonathan T. Wright  
Lead Representative/Organizer

## Attachment A

Effective January 1, 2015

Class Title	Monthly Salary Range					
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Retirement Accountant	\$5,451.24	\$5,723.80	\$6,009.99	\$6,310.48	\$6,625.97	
Retirement Information Technology Coordinator I	\$5,483.72	\$5,757.90	\$6,045.80	\$6,348.09	\$6,665.50	
Retirement Information System Programmer/Analyst	\$5,941.63	\$6,238.71	\$6,550.65	\$6,878.19	\$7,222.09	\$7,583.20
Retirement Supervising Accountant	\$6,120.78	\$6,426.81	\$6,748.15	\$7,085.56	\$7,439.84	
Retirement Administrative/HR Coordinator	\$6,009.02	\$6,309.47	\$6,624.93	\$6,956.19	\$7,303.99	\$7,669.19
Retirement Benefits Program Coordinator	\$6,307.74	\$6,623.12	\$6,954.27	\$7,301.99	\$7,667.09	
Retirement Information Technology Coordinator II	\$6,307.74	\$6,623.12	\$6,954.27	\$7,301.99	\$7,667.09	
Retirement Communications Coordinator	\$6,491.48	\$6,816.05	\$7,156.86	\$7,514.70	\$7,890.43	
Retirement Administration Manager	\$6,747.06	\$7,084.41	\$7,438.63	\$7,810.56	\$8,201.08	
Retirement Information Technology Manager	\$7,545.81	\$7,923.09	\$8,319.25	\$8,735.21	\$9,171.97	\$9,630.56
Retirement Investment Analyst	\$7,842.89	\$8,235.02	\$8,646.78	\$9,079.11	\$9,533.07	
Retirement Accounting Manager	\$8,257.27	\$8,670.13	\$9,103.63	\$9,558.81	\$10,036.76	
Retirement Benefits Manager	\$8,257.27	\$8,670.13	\$9,103.63	\$9,558.81	\$10,036.76	
Retirement Compliance Officer	\$8,257.27	\$8,670.13	\$9,103.63	\$9,558.81	\$10,036.76	\$10,538.59
Deputy Retirement Chief Executive Officer	\$9,838.93	\$10,330.88	\$10,847.42	\$11,389.80	\$11,959.29	\$12,556.22
Retirement General Counsel	\$10,971.88	\$11,520.47	\$12,096.50	\$12,701.32	\$13,336.38	
Retirement Chief Investment Officer	\$12,577.39	\$13,206.25	\$13,866.57	\$14,559.90	\$15,287.90	
Retirement Chief Executive Officer	\$15,166.67					

**Meeting Date**  
**02/11/15**  
**Agenda Item**  
**#12**

CCCERA Position Pay Schedules - Effective 1/1/15

Class Title	Monthly Pay						Step 8	Eligible for Differential 10 year Longevity	2.50%
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6			
Retirement Office Specialist	\$3,276.95	\$3,440.80	\$3,612.83	\$3,793.48	\$3,983.16	\$4,182.32	\$4,391.43	\$4,611.00	Yes
Retirement Member Services Technician	\$3,276.95	\$3,440.80	\$3,612.83	\$3,793.48	\$3,983.16	\$4,182.32	\$4,391.43	\$4,611.00	Yes
Retirement Accounting Specialist I	\$3,587.28	\$3,766.65	\$3,954.98	\$4,152.72	\$4,360.36	\$4,569.37	\$4,581.11		Yes
Retirement Counselor I	\$3,587.28	\$3,766.65	\$3,954.98	\$4,152.72	\$4,360.36	\$4,569.37	\$4,581.11		Yes
Retirement Accounting Technician	\$3,943.50	\$4,140.67	\$4,347.71	\$4,565.09	\$4,793.35	\$5,033.01			Yes
Retirement Accounting Specialist II	\$4,139.54	\$4,346.52	\$4,563.85	\$4,792.03	\$5,031.64	\$5,283.22			Yes
Retirement Counselor II	\$4,139.54	\$4,346.52	\$4,563.85	\$4,792.03	\$5,031.64	\$5,283.22			Yes
Retirement Member Services Data Specialist	\$4,139.54	\$4,346.52	\$4,563.85	\$4,792.03	\$5,031.64	\$5,283.22			Yes
Retirement Administrative Assistant	\$4,209.81	\$4,420.31	\$4,641.31	\$4,873.38	\$5,117.05				Yes
Retirement Accounting Specialist III	\$4,773.90	\$5,012.60	\$5,263.22	\$5,526.39	\$5,802.71	\$6,092.85			Yes
Retirement Counselor III	\$4,773.90	\$5,012.60	\$5,263.22	\$5,526.39	\$5,802.71	\$6,092.85			Yes
Retirement Senior Member Services Data Specialist	\$4,773.90	\$5,012.60	\$5,263.22	\$5,526.39	\$5,802.71	\$6,092.85			Yes

Positions represented by Local 2700:

Class Title	Monthly Pay						Eligible for Differential*						
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	10 year Longevity	15 year Longevity	20 year Longevity	CPA, CGFM, CIA, CMA	CFA	CEBS	ASA
Retirement Accountant	\$5,451.24	\$5,723.80	\$6,009.99	\$6,310.48	\$6,625.97		Yes	Yes	No	Yes	Yes	Yes	Yes
Retirement Information Technology Coordinator I	\$5,483.72	\$5,757.90	\$6,045.80	\$6,348.09	\$6,665.50		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Information System Programmer/Analyst	\$5,941.63	\$6,238.71	\$6,550.65	\$6,878.19	\$7,222.09	\$7,583.20	Yes	Yes	No	No	Yes	Yes	Yes
Retirement Supervising Accountant	\$6,120.78	\$6,426.81	\$6,748.15	\$7,085.56	\$7,439.84		Yes	Yes	No	Yes	Yes	Yes	Yes
Retirement Administrative/HR Coordinator	\$6,009.02	\$6,309.47	\$6,624.93	\$6,956.19	\$7,303.99	\$7,669.19	Yes	Yes	No	No	Yes	Yes	Yes
Retirement Benefits Program Coordinator	\$6,307.74	\$6,623.12	\$6,954.27	\$7,301.99	\$7,667.09		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Information Technology Coordinator II	\$6,307.74	\$6,623.12	\$6,954.27	\$7,301.99	\$7,667.09		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Communications Coordinator	\$6,491.48	\$6,816.05	\$7,156.86	\$7,514.70	\$7,890.43		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Administration Manager	\$6,747.06	\$7,084.41	\$7,438.63	\$7,810.56	\$8,201.08		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Information Technology Manager	\$7,545.81	\$7,923.09	\$8,319.25	\$8,735.21	\$9,171.97	\$9,630.56	Yes	Yes	No	No	Yes	Yes	Yes
Retirement Investment Analyst	\$7,842.89	\$8,235.02	\$8,646.78	\$9,079.11	\$9,533.07		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Accounting Manager	\$8,257.27	\$8,670.13	\$9,103.63	\$9,558.81	\$10,036.76		Yes	Yes	No	Yes	Yes	Yes	Yes
Retirement Benefits Manager	\$8,257.27	\$8,670.13	\$9,103.63	\$9,558.81	\$10,036.76		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Compliance Officer	\$8,257.27	\$8,670.13	\$9,103.63	\$9,558.81	\$10,036.76	\$10,538.59	Yes	Yes	No	No	Yes	Yes	Yes
Deputy Retirement Chief Executive Officer	\$9,838.93	\$10,330.88	\$10,847.42	\$11,389.80	\$11,959.29	\$12,557.25	Yes	Yes	No	No	Yes	Yes	Yes
Retirement General Counsel	\$10,971.88	\$11,520.47	\$12,096.50	\$12,701.32	\$13,336.38		Yes	Yes	Yes	No	Yes	Yes	Yes
Retirement Chief Investment Officer	\$12,577.39	\$13,206.25	\$13,866.57	\$14,559.90	\$15,287.90		Yes	Yes	No	No	Yes	Yes	Yes
Retirement Chief Executive Officer	\$15,166.67						Yes	Yes	No	No	Yes	Yes	Yes

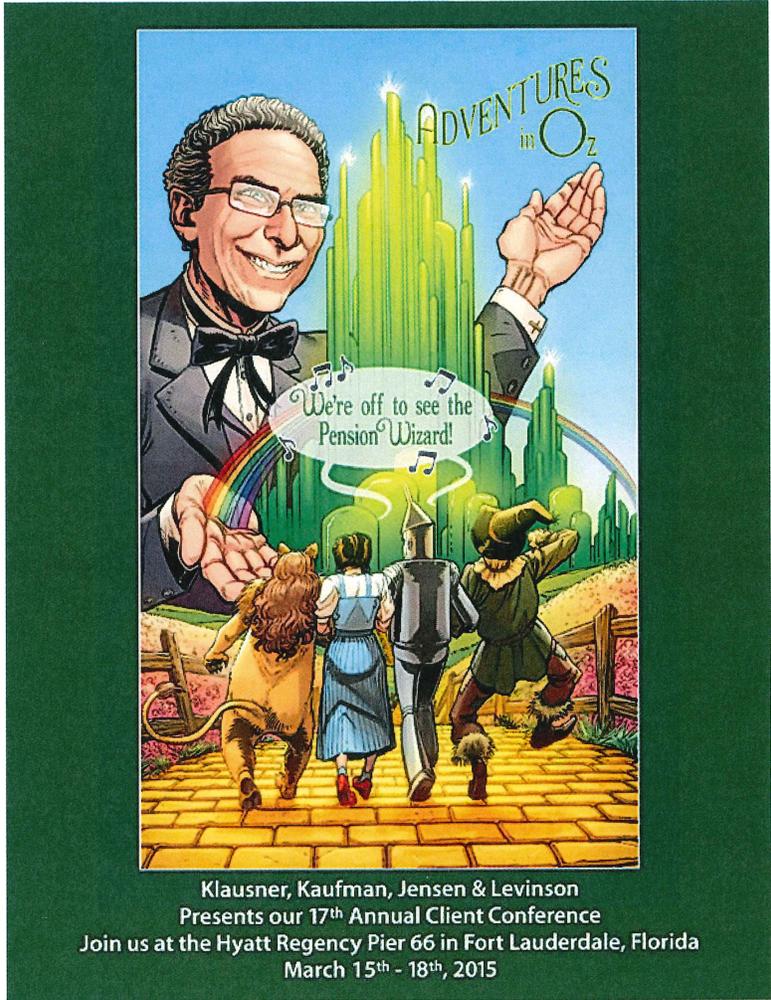
Positions unrepresented:

\*NOTE: Certificate Differentials can not be combined with other certificate differentials



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Search  
**Meeting Date**  
**02/11/15**  
**Agenda Item**  
**#13 a.**



Name of Attendee <input type="text"/>	SUNDAY - March 15, 2015 Evening Welcome Dessert Reception Windows on the Green (Casual Dress)	8:00pm - 10:00pm (SPOUSE/GUEST WELCOME)	ATTENDING <input type="text"/>
Name of Organization <input type="text"/>	MONDAY - March 16, 2015 Registration Breakfast & Morning GENERAL SESSION Lunch & Afternoon GENERAL SESSION Dinner - Special Event (Casual Dress)	(Times to be announced) (ATTENDEE ONLY) (ATTENDEE ONLY) (SPOUSE/GUEST WELCOME)	<input type="text"/> <input type="text"/> <input type="text"/>
Telephone Number <input type="text"/>	TUESDAY - March 17, 2015	(Times to be announced)	<input type="text"/>
E-mail Address <input type="text"/>			
Name of Spouse/Guest <input type="text"/>			

I have received a formal invitation to the Klausner, Kaufman, Jensen & Levinson 2015 client conference.

[Complete Registration](#)

<b>Registration</b>	(ATTENDEE ONLY)	<input type="checkbox"/>
Breakfast & Morning GENERAL SESSION	(ATTENDEE ONLY)	<input type="checkbox"/>
Lunch & Afternoon GENERAL SESSION	(SPOUSE/GUEST WELCOME)	<input type="checkbox"/>
Cocktails/Dinner/Show (Business Casual)	8:30am - 10:30am	
<b>WEDNESDAY - March 18, 2015</b>	(ATTENDEE ONLY)	<input type="checkbox"/>
<b>Wisdom from the Wizards - Legal Update</b>		

[Book Now](#)

For questions or concerns please contact Dana Kornfeld at [Dana@robertdklausner.com](mailto:Dana@robertdklausner.com)

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# Portfolio Concepts and Management

April 27-30, 2015

The Wharton School | University of Pennsylvania | Philadelphia, Pennsylvania

Meeting Date

**02/11/15**

Agenda Item

**#13b.**

Portfolio Concepts and Management is a 3½-day program that offers lecture/discussion sessions, problem-solving exercises and an interactive case study. Portfolio Concepts and Management is offered every year at the Wharton School on the University of Philadelphia campus.

## Objective

This program lays the groundwork for the **core principles** of portfolio theory and investment performance measurement, offering the practical tools and experiences needed to make sound investment management decisions. It is intended for those who have limited experience with investment-related coursework or those looking to refresh their past experience.

## Outline

### MONDAY, APRIL 27

7:15-8:15 a.m.

Registration and Breakfast

Steinberg Conference Center

8:15 a.m.-12:00 noon

Introduction and Overview  
of Financial Assets

- The difference between a bond and a stock
- How bonds and stocks are evaluated
- Discounted value of coupons
- What happens to bonds when interest rates change?
- Call features
- Rating services
- Different types of indexes
- Different definitions of earnings
- Illustrations of actual examples
- Management styles

### MONDAY, APRIL 27 (Cont.)

12:00 noon-1:00 p.m.

Lunch

Provided at the conference center

1:00-4:15 p.m.

Fundamentals of Portfolio Theory

- Time-weighted and value-weighted rates of return
- Principles of diversification
- The concept of efficiency
- How to construct well-diversified portfolios
- How to build portfolios for a targeted risk level

4:30-5:30 p.m.

Welcome Reception (optional)

Sheraton Philadelphia University City Hotel

# Portfolio Concepts and Management

## TUESDAY, APRIL 28

7:30-8:30 a.m.

### Breakfast

Provided at the conference center

8:30 a.m.-12:00 noon

### Performance Evaluation

- Elements of manager monitoring
- Risk-adjusted measures
- Factors behind the numbers
- Role of investment style
- What do the numbers in a performance evaluation report mean?
- Using your performance measurement tools (practical framework)
- Impact of investment policy

12:00 noon-1:00 p.m.

### Lunch

Provided at the conference center

1:00-4:15 p.m.

### Fundamentals of Valuation

- How does an analyst determine the price of stock?
- What determines the volatility of a bond?
- Mechanics of compounding and discounting
- Valuation of annuities
- Present and future value

4:15-4:30 p.m.

### Introduction to Case Study

## WEDNESDAY, APRIL 29

7:30-8:30 a.m.

### Breakfast

Provided at the conference center

8:30 a.m.-12:00 noon

### Macroeconomic Issues and Financial Markets

- Basics of price and return
- Monetary and fiscal policy structures and current stances
- Exchange rates and international factors

## WEDNESDAY, APRIL 29 (Cont.)

12:00 noon-1:00 p.m.

### Lunch

Provided at the conference center

1:00-4:15 p.m.

### The Current Markets

- Recent trends
- Determining the discount rate
- Historical risk and return patterns
- The capital asset pricing model
- Price distortions

4:15-6:00 p.m.

### Case Study Group Work

(Dinner on your own)

## THURSDAY, APRIL 30

7:30-8:30 a.m.

### Breakfast

Provided at the conference center

8:30-9:45 a.m.

### Asset Allocation and Impacts of Risk on Return

- Trends in pension management
- Investment policy
- Overall asset allocation and allocation within asset class
- Rebalancing vs. reinforcing asset allocation

10:00-11:15 a.m.

### Case Study

Required to earn a certificate

11:15 a.m.-12:00 noon

### Examination

Required to earn a certificate