



November 9, 2022
Agenda Item 14

AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

September 14, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 824 0975 3046, Passcode: 284461, or via the web at:

<https://us06web.zoom.us/j/82409753046?pwd=blQzVHI5NGxoV3g3S0xrOHJnek5VQT09>

Passcode: 284461

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

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

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the August 10, 2022 meeting.
5. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.

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

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

CLOSED SESSION

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

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Bartholomew Corrie	Service Connected	Service Connected
b. Frank Oathout	Service Connected	Service Connected

8. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Marchese v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N22-1435

OPEN SESSION

9. Pension administration system project update:
 - a. Update from staff
 - b. Presentation from Segal
 - c. Presentation from Sagitec
10. Consider and take possible action to update CCCERA's Conflict of Interest Code.
11. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
12. Consider and take possible action on SACRS voting proxy form.
13. Report from Audit Committee Chair on August 24, 2022 Audit Committee meeting.
14. Consider authorizing the attendance of Board:
 - a. CALAPRS Trustees Round Table, October 28, 2022, Virtual.
 - b. SACRS Fall Conference, November 8-11, 2022, Long Beach, CA.
 - c. 9th Annual N. California Institutional Forum, December 7, 2022, Napa, CA.
15. 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.



September 22, 2022

RE: September 28, 2022 CCCERA Retirement Board Meeting

To All Employers,

The agenda for the September 28, 2022 CCCERA Retirement Board Meeting includes the following item of interest to all employers:

- Consider and take possible action to accept the GASB 68 report from Segal Consulting.

You are invited to attend the meeting and learn more about this topic.

Sincerely,

Gail Strohl
Chief Executive Officer



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

September 28, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 898 2382 4289 Passcode: 767317, or via the web at:

<https://us06web.zoom.us/j/89823824289?pwd=MXozTzdsUjU0MEV3bTFLV2pYZFYvZz09>

Passcode: 767317

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

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the August 24, 2022 meeting.
5. Consider and take possible action to accept the GASB 68 report from Segal Consulting.
6. Review of report on growth sub-portfolio.
7. Presentation from Artisan Partners.

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.

8. Retirement application processing update.
9. Presentation of year-to-date 2022 CCCERA budget vs. actual expenses report.
10. Consider authorizing the attendance of Board:
 - a. Blackstone meeting, October 11, 2022, New York, NY.
11. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

October 12, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 812 1150 4070, Passcode: 198404, or via the web at:

<https://us06web.zoom.us/j/81211504070?pwd=cW4zVlMzVUtUbnRkSlo4Z2VqU3NJUT09>

Passcode: 198404

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

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

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the September 14, 2022 meeting.
5. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.

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

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

CLOSED SESSION

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

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Javier Espinoza	Service Connected	Service Connected
b. Julie Murphy	Service Connected	Service Connected

8. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer's recommendation regarding the disability application for Mark Emery.

OPEN SESSION

9. Presentation of disability retirement process.
10. Presentation of semi-annual disability retirement report.
11. Presentation of travel reimbursement and education tracking process.
12. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
13. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

<p>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.</p>
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180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

Via Email

October 7, 2022

Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association (CCCERA)
Five-Year Projection of Employer Contribution Rate as of December 31, 2021**

Dear Gail:

As requested, we have updated our five-year projection of estimated employer contribution rate changes for CCCERA. This projection is derived from the December 31, 2021 Actuarial Valuation results. Key assumptions and methods are detailed below. **It is important to understand that these results are entirely dependent on those assumptions used in the December 31, 2021 valuation being met and remaining unchanged in future valuations. Actual results as determined in future actuarial valuations will differ from these results. In particular, actual investment returns, actual salary levels, and actual retiree cost-of-living adjustments different than assumed can have a significant impact on future contribution rates.**

Results

In the next several years, assuming the above highlighted conditions were to come true, CCCERA is likely to become fully funded, with 100% funded ratio and no Unfunded Actuarial Accrued Liability (UAAL). As we pointed out to the Board during our presentation of results in the December 31, 2021 valuation, at that time the employer UAAL contribution rates would be reduced to 0% of payroll before considering the 0.15% of payroll that would continue to be charged for the payment of administrative expense. However, the timing of when that is expected to take place varies among the different cost groups based on the current level of funding and the expected annual UAAL contributions for each cost group as of the most recent valuation. In order to more accurately capture those differences, we have continued to use a method that takes into consideration the various differences among the cost groups.

Effective July 1, 2022, East Contra Costa Fire Protection District ("East Fire") was annexed into Contra Costa Fire Protection District ("Con Fire"). This annexation was reflected in the December 31, 2021 valuation. As part of the annexation, East Fire made a prepayment of \$3.3 million on June 30, 2022 towards their December 31, 2020 UAAL. As requested by East Fire, this prepayment has been used to reduce Con Fire's UAAL contribution rates effective

July 1, 2022. In preparing this projection, we have included Con Fire's contribution rates effective July 1, 2023 in Cost Groups #5 and #8 after reflecting this prepayment as provided in the December 31, 2021 valuation.

The estimated contribution rate changes shown below apply to the recommended average employer contribution rate. Estimated contribution rate changes for each cost group are shown in the attached exhibit.

Aside from the reduction in Con Fire's employer rates in the December 31, 2021 valuation as discussed above, the other changes in the contribution rate starting in the December 31, 2022 valuation are due to:

1. Recognition of deferred investment gains and losses under the actuarial asset smoothing methodology;
2. Gains due to investment income earned on the excess of the Market Value of Assets (MVA) over the Actuarial Value of Assets (AVA) (and losses when the opposite occurs);
3. Contribution gains and losses which occur from delaying the implementation of new rates until 18 months after the actuarial valuation date;
4. The December 31, 2007 UAAL restart charge and Pension Obligation Bonds (POB) credit amortization layers dropping off as they become fully amortized; and
5. The reduction in UAAL rate due to reaching full funding. For cost groups that are projected to reach full funding, all outstanding UAAL layers of the cost group would be fully amortized and there would be no UAAL payments in accordance with CCCERA's Actuarial Funding Policy. However, as noted above, 0.15% of payroll would continue to be included in the UAAL rate for the payment of administrative expense

The following table provides the year-to-year rate changes and the cumulative rate change over the five-year projection period from the above components in aggregate.¹ To obtain the estimated average employer contribution rate at each successive valuation date, these cumulative rate changes should be added to the rates developed in the December 31, 2021 Actuarial Valuation. These rate changes represent the average rate, expressed as a percent of payroll, for the aggregate plan and they become effective 18 months following the actuarial valuation date shown in the table.

¹ We no longer show the rate changes by component as the rate changes due to full funding could overwrite the impact of the other rate change components.

Rate Change	Valuation Date (12/31)				
	2022	2023 ²	2024	2025	2026
Incremental Rate Change	(9.04%)	(6.14%)	(2.42%)	(1.70%)	(0.46%)
Cumulative Rate Change	(9.04%)	(15.18%)	(17.60%)	(19.29%)	(19.75%)

If we use the average employer contribution rate as of the December 31, 2021 Actuarial Valuation of 35.55% of payroll, based on the cumulative rate changes above the average employer contribution rate is projected to progress as follows:

Employer Contribution Rate ³	Valuation Date (12/31)				
	2022	2023	2024	2025	2026
Average Normal Cost Rate ⁴	15.65%	15.65%	15.65%	15.65%	15.65%
Average UAAL Rate	<u>10.86%</u>	<u>4.72%</u>	<u>2.30%</u>	<u>0.61%</u>	<u>0.15%</u>
Average Employer Contribution Rate	26.51%	20.37%	17.95%	16.26%	15.80%

We have estimated the rate change due to investment related gains and losses over the five valuation dates for each individual cost group by allocating the investment related gains and losses based on each cost group's proportional share of the Valuation Value of Assets as of December 31, 2021 valuation. The actual rate changes by group may differ from those shown in the exhibit if there are changes to their proportional share of the Valuation Value of Assets in future valuations.

In addition, the projected rate changes for the December 31, 2022 Actuarial Valuation reflect the December 31, 2007 UAAL restart charge and POB credit amortization layers dropping off as they become fully amortized. That impact has been explicitly calculated and reflected for each cost group as it varies significantly by cost group depending on the UAAL and POB layers established for each cost group. In particular, the impact of POB credit layers dropping off varies significantly by employer depending on whether the employer issued POBs or made additional contributions towards their UAAL. Therefore, we also show results separated out for employers that are in a cost group that has an employer with a POB credit.

For most employers without a POB credit, there is a significant reduction in the employer rate that is projected to occur in the December 31, 2022 Actuarial Valuation due to that UAAL restart

² There is an additional UAAL and higher UAAL contribution rate required to implement the new actuarial assumptions in the December 31, 2021 valuation. The additional UAAL is expected to cause a one year delay in most cost groups to become fully funded (from 2022 to 2023). This is the reason why comparing the rate changes in this letter versus those included in our earlier five-year projection letter dated March 16, 2022, we show a smaller UAAL rate reduction for 2022 but a larger UAAL rate reduction for 2023.

³ The Normal Cost and UAAL rates shown include an explicit administrative expense load of 0.50% and 0.15% of payroll, respectively.

⁴ As noted on next page, the Normal Cost projections do not reflect any changes in the employer contribution rates that could result due to future changes in the demographics of CCCERA's active members or decreases in the employer contribution rates that might result from new hires going into the PEPRAs tiers.

layer becoming fully amortized. For other employers that have a POB credit, the reduction in the employer rate is not as significant since their current contribution rates have already been reduced to reflect that they paid off a portion of that UAAL layer through the issuance of the POB or additional UAAL payments. For some other employers, such as Con Fire and Moraga-Orinda Fire Protection District, since they already paid off that UAAL restart amortization layer via POBs and additional UAAL payments, they will not see a reduction in their employer contribution rate at that time.

The projected rate changes that are due to the 18-month rate delay for each cost group have also been determined based on the different incremental rate changes from the prior valuations.

We have also projected the year when each cost group would become fully funded and most Cost Groups are expected to become fully funded in 2023⁵. In accordance with CCCERA's Actuarial Funding Policy, all outstanding UAAL layers of the cost group would be fully amortized and there would be no UAAL payments (other than the continuation of the payment of the 0.15% administrative expense) when the cost group reaches full funding. The reduction in UAAL rate due to full funding has been reflected.

These estimated rate changes for each cost group are shown in the attached exhibit. We have also included the projected UAAL rate for the projection period in the exhibit.

Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- December 31, 2021 non-economic assumptions remain unchanged.
- December 31, 2021 retirement benefit formulas remain unchanged.
- December 31, 2021 1937 Act statutes remain unchanged.
- UAAL amortization method remains unchanged.
- December 31, 2021 economic assumptions remain unchanged, including the 6.75% investment earnings assumption.
- We have assumed that returns of 6.75% are actually earned each year on a market value basis starting in 2022.
- Active payroll grows at 3.00% per annum.
- Deferred investment gains and losses are recognized per the asset smoothing schedule prepared by the Association as of December 31, 2021. They are funded as a level percentage of the Association's total active payroll base.
- All other actuarial assumptions used in the December 31, 2021 Actuarial Valuation are realized.

⁵ See explanation provided in footnote 2 on the previous page as to why there is a one-year delay in most Cost Groups to become fully funded (from 2022 to 2023) relative to our earlier five-year projection letter dated March 16, 2022.

- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance and the continuation of the current pooling arrangement among different employers within a cost group.
- The projections do not reflect any changes in the employer contribution rates that could result due to future changes in the demographics of CCCERA's active members or decreases in the employer contribution rates that might result from new hires going into the PEPRA tiers.
- The projections assumed a fixed administrative expense loads of 0.50% and 0.15% payroll that applied to employer Normal Cost and UAAL rates, respectively.
- On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA. That decision has important implications for CCCERA and its members. In particular, the decision requires pension systems like CCCERA to exclude certain pay items from a legacy member's compensation earnable. It is our understand that the CCCERA Board of Retirement has taken action to return member contributions that were previously made on certain terminal pay and on-call pay items impacting approximately 6,400 members, as well as to reduce the benefit of 7 retirees that had estoppel included in their retirement calculation. We further understand that the December 31, 2021 participant data as well as the assets as of that date, do not reflect the return of member contributions that totaled approximately \$4 million, however the participant data does reflect the reduction of benefit for the 7 members.
- It is important to note that these projections are based on plan assets as of December 31, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. Moreover, these projections do not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021.

Finally, we emphasize that projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and

the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary

Unless otherwise noted, all of the above calculations are based on the December 31, 2021 Actuarial Valuation results including the participant data, actuarial assumptions, methods, and models on which that valuation was based. That valuation and these projections were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.

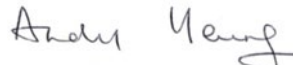
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

EK/bbf
Enclosure

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#1 & 2 County and Courts with POB	CG#1 & 2 Moraga-Orinda FD with POB	CG#1 & 2 First Five with Prepayment	CG#1 & 2 LAFCO with Prepayment	CG#1 & 2 Other District without POB
Estimated Incremental Rate Change as of 12/31/2022*	-7.33%	-7.07%	-8.04%	-16.20%	-16.20%
Estimated Incremental Rate Change as of 12/31/2023	-6.40%	-6.40%	-6.40%	-0.98%	-6.40%
Estimated Incremental Rate Change as of 12/31/2024	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Incremental Rate Change as of 12/31/2025	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	0.00%	0.00%	0.00%	0.00%
Cumulative Rate Change as of 12/31/2022*	-7.33%	-7.07%	-8.04%	-16.20%	-16.20%
Cumulative Rate Change as of 12/31/2023	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Cumulative Rate Change as of 12/31/2024	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Cumulative Rate Change as of 12/31/2025	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Cumulative Rate Change as of 12/31/2026	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Employer UAAL rate as of 12/31/2021**	13.88%	13.62%	14.59%	17.33%	22.75%
Employer UAAL rate as of 12/31/2022**	6.55%	6.55%	6.55%	1.13%	6.55%
Employer UAAL rate as of 12/31/2023**	0.15%	0.15%	0.15%	0.15%	0.15%
Employer UAAL rate as of 12/31/2024**	0.15%	0.15%	0.15%	0.15%	0.15%
Employer UAAL rate as of 12/31/2025**	0.15%	0.15%	0.15%	0.15%	0.15%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%	0.15%	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2023	2023	2023	2023	2023

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#3 Enhanced CCC Sanitary District	CG#4 Enhanced Housing Authority	CG#5 Enhanced CCCFPD***	CG#6 Non-Enhanced District
Estimated Incremental Rate Change as of 12/31/2022*	0.00%	-18.87%	-0.35%	0.00%
Estimated Incremental Rate Change as of 12/31/2023	0.00%	-8.65%	-1.74%	0.00%
Estimated Incremental Rate Change as of 12/31/2024	0.00%	0.00%	-1.44%	0.00%
Estimated Incremental Rate Change as of 12/31/2025	0.00%	0.00%	-1.53%	0.00%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	0.00%	-15.07%	0.00%
Cumulative Rate Change as of 12/31/2022*	0.00%	-18.87%	-0.35%	0.00%
Cumulative Rate Change as of 12/31/2023	0.00%	-27.52%	-2.09%	0.00%
Cumulative Rate Change as of 12/31/2024	0.00%	-27.52%	-3.52%	0.00%
Cumulative Rate Change as of 12/31/2025	0.00%	-27.52%	-5.05%	0.00%
Cumulative Rate Change as of 12/31/2026	0.00%	-27.52%	-20.12%	0.00%
Employer UAAL rate as of 12/31/2021**	0.15%	27.67%	20.27%	0.15%
Employer UAAL rate as of 12/31/2022**	0.15%	8.80%	19.92%	0.15%
Employer UAAL rate as of 12/31/2023**	0.15%	0.15%	18.18%	0.15%
Employer UAAL rate as of 12/31/2024**	0.15%	0.15%	16.75%	0.15%
Employer UAAL rate as of 12/31/2025**	0.15%	0.15%	15.22%	0.15%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2021	2023	2026	2021

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

*** Reflects the UAAL prepayment in the amount of \$3,344,437 made by East Fire on June 30, 2021 for the General and Safety groups

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#7 & 9 Combined Enhanced County	CG#8 Enhanced CCCFPD***	CG#10 Enhanced Moraga-Orinda FD	CG#11 Enhanced San Ramon Valley FD
Estimated Incremental Rate Change as of 12/31/2022*	-19.84%	-2.39%	1.19%	-38.64%
Estimated Incremental Rate Change as of 12/31/2023	-5.54%	-4.39%	-4.18%	-16.20%
Estimated Incremental Rate Change as of 12/31/2024	-19.95%	-3.69%	-3.74%	0.00%
Estimated Incremental Rate Change as of 12/31/2025	0.00%	-30.62%	-4.08%	0.00%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	0.00%	-40.27%	0.00%
Cumulative Rate Change as of 12/31/2022*	-19.84%	-2.39%	1.19%	-38.64%
Cumulative Rate Change as of 12/31/2023	-25.38%	-6.79%	-2.99%	-54.83%
Cumulative Rate Change as of 12/31/2024	-45.33%	-10.48%	-6.73%	-54.83%
Cumulative Rate Change as of 12/31/2025	-45.33%	-41.10%	-10.81%	-54.83%
Cumulative Rate Change as of 12/31/2026	-45.33%	-41.10%	-51.07%	-54.83%
Employer UAAL rate as of 12/31/2021**	45.48%	41.25%	51.22%	54.98%
Employer UAAL rate as of 12/31/2022**	25.64%	38.86%	52.41%	16.34%
Employer UAAL rate as of 12/31/2023**	20.10%	34.46%	48.23%	0.15%
Employer UAAL rate as of 12/31/2024**	0.15%	30.77%	44.49%	0.15%
Employer UAAL rate as of 12/31/2025**	0.15%	0.15%	40.41%	0.15%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2024	2025	2026	2023

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

*** Reflects the UAAL prepayment in the amount of \$3,344,437 made by East Fire on June 30, 2021 for the General and Safety groups

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#12 Non-Enhanced Rodeo-Hercules FPD	Total Plan
Estimated Incremental Rate Change as of 12/31/2022*	-24.07%	-9.04%
Estimated Incremental Rate Change as of 12/31/2023	-5.18%	-6.14%
Estimated Incremental Rate Change as of 12/31/2024	-3.95%	-2.42%
Estimated Incremental Rate Change as of 12/31/2025	-37.30%	-1.70%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	-0.46%
Cumulative Rate Change as of 12/31/2022*	-24.07%	-9.04%
Cumulative Rate Change as of 12/31/2023	-29.25%	-15.18%
Cumulative Rate Change as of 12/31/2024	-33.20%	-17.60%
Cumulative Rate Change as of 12/31/2025	-70.50%	-19.29%
Cumulative Rate Change as of 12/31/2026	-70.50%	-19.75%
Employer UAAL rate as of 12/31/2021**	70.65%	19.90%
Employer UAAL rate as of 12/31/2022**	46.58%	10.86%
Employer UAAL rate as of 12/31/2023**	41.40%	4.72%
Employer UAAL rate as of 12/31/2024**	37.45%	2.30%
Employer UAAL rate as of 12/31/2025**	0.15%	0.61%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2025	

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.



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Via Email

October 7, 2022

Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association (CCCERA)
Five-Year Projection of Employer Contribution Rate as of December 31, 2021**

Dear Gail:

As requested, we have updated our five-year projection of estimated employer contribution rate changes for CCCERA. This projection is derived from the December 31, 2021 Actuarial Valuation results. Key assumptions and methods are detailed below. **It is important to understand that these results are entirely dependent on those assumptions used in the December 31, 2021 valuation being met and remaining unchanged in future valuations. Actual results as determined in future actuarial valuations will differ from these results. In particular, actual investment returns, actual salary levels, and actual retiree cost-of-living adjustments different than assumed can have a significant impact on future contribution rates.**

Results

In the next several years, assuming the above highlighted conditions were to come true, CCCERA is likely to become fully funded, with 100% funded ratio and no Unfunded Actuarial Accrued Liability (UAAL). As we pointed out to the Board during our presentation of results in the December 31, 2021 valuation, at that time the employer UAAL contribution rates would be reduced to 0% of payroll before considering the 0.15% of payroll that would continue to be charged for the payment of administrative expense. However, the timing of when that is expected to take place varies among the different cost groups based on the current level of funding and the expected annual UAAL contributions for each cost group as of the most recent valuation. In order to more accurately capture those differences, we have continued to use a method that takes into consideration the various differences among the cost groups.

Effective July 1, 2022, East Contra Costa Fire Protection District ("East Fire") was annexed into Contra Costa Fire Protection District ("Con Fire"). This annexation was reflected in the December 31, 2021 valuation. As part of the annexation, East Fire made a prepayment of \$3.3 million on June 30, 2022 towards their December 31, 2020 UAAL. As requested by East Fire, this prepayment has been used to reduce Con Fire's UAAL contribution rates effective

July 1, 2022. In preparing this projection, we have included Con Fire's contribution rates effective July 1, 2023 in Cost Groups #5 and #8 after reflecting this prepayment as provided in the December 31, 2021 valuation.

The estimated contribution rate changes shown below apply to the recommended average employer contribution rate. Estimated contribution rate changes for each cost group are shown in the attached exhibit.

Aside from the reduction in Con Fire's employer rates in the December 31, 2021 valuation as discussed above, the other changes in the contribution rate starting in the December 31, 2022 valuation are due to:

1. Recognition of deferred investment gains and losses under the actuarial asset smoothing methodology;
2. Gains due to investment income earned on the excess of the Market Value of Assets (MVA) over the Actuarial Value of Assets (AVA) (and losses when the opposite occurs);
3. Contribution gains and losses which occur from delaying the implementation of new rates until 18 months after the actuarial valuation date;
4. The December 31, 2007 UAAL restart charge and Pension Obligation Bonds (POB) credit amortization layers dropping off as they become fully amortized; and
5. The reduction in UAAL rate due to reaching full funding. For cost groups that are projected to reach full funding, all outstanding UAAL layers of the cost group would be fully amortized and there would be no UAAL payments in accordance with CCCERA's Actuarial Funding Policy. However, as noted above, 0.15% of payroll would continue to be included in the UAAL rate for the payment of administrative expense

The following table provides the year-to-year rate changes and the cumulative rate change over the five-year projection period from the above components in aggregate.¹ To obtain the estimated average employer contribution rate at each successive valuation date, these cumulative rate changes should be added to the rates developed in the December 31, 2021 Actuarial Valuation. These rate changes represent the average rate, expressed as a percent of payroll, for the aggregate plan and they become effective 18 months following the actuarial valuation date shown in the table.

¹ We no longer show the rate changes by component as the rate changes due to full funding could overwrite the impact of the other rate change components.

Rate Change	Valuation Date (12/31)				
	2022	2023 ²	2024	2025	2026
Incremental Rate Change	(9.04%)	(6.14%)	(2.42%)	(1.70%)	(0.46%)
Cumulative Rate Change	(9.04%)	(15.18%)	(17.60%)	(19.29%)	(19.75%)

If we use the average employer contribution rate as of the December 31, 2021 Actuarial Valuation of 35.55% of payroll, based on the cumulative rate changes above the average employer contribution rate is projected to progress as follows:

Employer Contribution Rate ³	Valuation Date (12/31)				
	2022	2023	2024	2025	2026
Average Normal Cost Rate ⁴	15.65%	15.65%	15.65%	15.65%	15.65%
Average UAAL Rate	<u>10.86%</u>	<u>4.72%</u>	<u>2.30%</u>	<u>0.61%</u>	<u>0.15%</u>
Average Employer Contribution Rate	26.51%	20.37%	17.95%	16.26%	15.80%

We have estimated the rate change due to investment related gains and losses over the five valuation dates for each individual cost group by allocating the investment related gains and losses based on each cost group's proportional share of the Valuation Value of Assets as of December 31, 2021 valuation. The actual rate changes by group may differ from those shown in the exhibit if there are changes to their proportional share of the Valuation Value of Assets in future valuations.

In addition, the projected rate changes for the December 31, 2022 Actuarial Valuation reflect the December 31, 2007 UAAL restart charge and POB credit amortization layers dropping off as they become fully amortized. That impact has been explicitly calculated and reflected for each cost group as it varies significantly by cost group depending on the UAAL and POB layers established for each cost group. In particular, the impact of POB credit layers dropping off varies significantly by employer depending on whether the employer issued POBs or made additional contributions towards their UAAL. Therefore, we also show results separated out for employers that are in a cost group that has an employer with a POB credit.

For most employers without a POB credit, there is a significant reduction in the employer rate that is projected to occur in the December 31, 2022 Actuarial Valuation due to that UAAL restart

² There is an additional UAAL and higher UAAL contribution rate required to implement the new actuarial assumptions in the December 31, 2021 valuation. The additional UAAL is expected to cause a one year delay in most cost groups to become fully funded (from 2022 to 2023). This is the reason why comparing the rate changes in this letter versus those included in our earlier five-year projection letter dated March 16, 2022, we show a smaller UAAL rate reduction for 2022 but a larger UAAL rate reduction for 2023.

³ The Normal Cost and UAAL rates shown include an explicit administrative expense load of 0.50% and 0.15% of payroll, respectively.

⁴ As noted on next page, the Normal Cost projections do not reflect any changes in the employer contribution rates that could result due to future changes in the demographics of CCCERA's active members or decreases in the employer contribution rates that might result from new hires going into the PEPRAs tiers.

layer becoming fully amortized. For other employers that have a POB credit, the reduction in the employer rate is not as significant since their current contribution rates have already been reduced to reflect that they paid off a portion of that UAAL layer through the issuance of the POB or additional UAAL payments. For some other employers, such as Con Fire and Moraga-Orinda Fire Protection District, since they already paid off that UAAL restart amortization layer via POBs and additional UAAL payments, they will not see a reduction in their employer contribution rate at that time.

The projected rate changes that are due to the 18-month rate delay for each cost group have also been determined based on the different incremental rate changes from the prior valuations.

We have also projected the year when each cost group would become fully funded and most Cost Groups are expected to become fully funded in 2023⁵. In accordance with CCCERA's Actuarial Funding Policy, all outstanding UAAL layers of the cost group would be fully amortized and there would be no UAAL payments (other than the continuation of the payment of the 0.15% administrative expense) when the cost group reaches full funding. The reduction in UAAL rate due to full funding has been reflected.

These estimated rate changes for each cost group are shown in the attached exhibit. We have also included the projected UAAL rate for the projection period in the exhibit.

Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- December 31, 2021 non-economic assumptions remain unchanged.
- December 31, 2021 retirement benefit formulas remain unchanged.
- December 31, 2021 1937 Act statutes remain unchanged.
- UAAL amortization method remains unchanged.
- December 31, 2021 economic assumptions remain unchanged, including the 6.75% investment earnings assumption.
- We have assumed that returns of 6.75% are actually earned each year on a market value basis starting in 2022.
- Active payroll grows at 3.00% per annum.
- Deferred investment gains and losses are recognized per the asset smoothing schedule prepared by the Association as of December 31, 2021. They are funded as a level percentage of the Association's total active payroll base.
- All other actuarial assumptions used in the December 31, 2021 Actuarial Valuation are realized.

⁵ See explanation provided in footnote 2 on the previous page as to why there is a one-year delay in most Cost Groups to become fully funded (from 2022 to 2023) relative to our earlier five-year projection letter dated March 16, 2022.

- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance and the continuation of the current pooling arrangement among different employers within a cost group.
- The projections do not reflect any changes in the employer contribution rates that could result due to future changes in the demographics of CCCERA's active members or decreases in the employer contribution rates that might result from new hires going into the PEPRA tiers.
- The projections assumed a fixed administrative expense loads of 0.50% and 0.15% payroll that applied to employer Normal Cost and UAAL rates, respectively.
- On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA. That decision has important implications for CCCERA and its members. In particular, the decision requires pension systems like CCCERA to exclude certain pay items from a legacy member's compensation earnable. It is our understand that the CCCERA Board of Retirement has taken action to return member contributions that were previously made on certain terminal pay and on-call pay items impacting approximately 6,400 members, as well as to reduce the benefit of 7 retirees that had estoppel included in their retirement calculation. We further understand that the December 31, 2021 participant data as well as the assets as of that date, do not reflect the return of member contributions that totaled approximately \$4 million, however the participant data does reflect the reduction of benefit for the 7 members.
- It is important to note that these projections are based on plan assets as of December 31, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. Moreover, these projections do not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021.

Finally, we emphasize that projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and

the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary

Unless otherwise noted, all of the above calculations are based on the December 31, 2021 Actuarial Valuation results including the participant data, actuarial assumptions, methods, and models on which that valuation was based. That valuation and these projections were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.

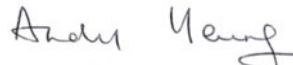
The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

EK/bbf
Enclosure

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#1 & 2 County and Courts with POB	CG#1 & 2 Moraga-Orinda FD with POB	CG#1 & 2 First Five with Prepayment	CG#1 & 2 LAFCO with Prepayment	CG#1 & 2 Other District without POB
Estimated Incremental Rate Change as of 12/31/2022*	-7.33%	-7.07%	-8.04%	-16.20%	-16.20%
Estimated Incremental Rate Change as of 12/31/2023	-6.40%	-6.40%	-6.40%	-0.98%	-6.40%
Estimated Incremental Rate Change as of 12/31/2024	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Incremental Rate Change as of 12/31/2025	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	0.00%	0.00%	0.00%	0.00%
Cumulative Rate Change as of 12/31/2022*	-7.33%	-7.07%	-8.04%	-16.20%	-16.20%
Cumulative Rate Change as of 12/31/2023	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Cumulative Rate Change as of 12/31/2024	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Cumulative Rate Change as of 12/31/2025	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Cumulative Rate Change as of 12/31/2026	-13.73%	-13.47%	-14.44%	-17.18%	-22.60%
Employer UAAL rate as of 12/31/2021**	13.88%	13.62%	14.59%	17.33%	22.75%
Employer UAAL rate as of 12/31/2022**	6.55%	6.55%	6.55%	1.13%	6.55%
Employer UAAL rate as of 12/31/2023**	0.15%	0.15%	0.15%	0.15%	0.15%
Employer UAAL rate as of 12/31/2024**	0.15%	0.15%	0.15%	0.15%	0.15%
Employer UAAL rate as of 12/31/2025**	0.15%	0.15%	0.15%	0.15%	0.15%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%	0.15%	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2023	2023	2023	2023	2023

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#3 Enhanced CCC Sanitary District	CG#4 Enhanced Housing Authority	CG#5 Enhanced CCCFPD***	CG#6 Non-Enhanced District
Estimated Incremental Rate Change as of 12/31/2022*	0.00%	-18.87%	-0.35%	0.00%
Estimated Incremental Rate Change as of 12/31/2023	0.00%	-8.65%	-1.74%	0.00%
Estimated Incremental Rate Change as of 12/31/2024	0.00%	0.00%	-1.44%	0.00%
Estimated Incremental Rate Change as of 12/31/2025	0.00%	0.00%	-1.53%	0.00%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	0.00%	-15.07%	0.00%
Cumulative Rate Change as of 12/31/2022*	0.00%	-18.87%	-0.35%	0.00%
Cumulative Rate Change as of 12/31/2023	0.00%	-27.52%	-2.09%	0.00%
Cumulative Rate Change as of 12/31/2024	0.00%	-27.52%	-3.52%	0.00%
Cumulative Rate Change as of 12/31/2025	0.00%	-27.52%	-5.05%	0.00%
Cumulative Rate Change as of 12/31/2026	0.00%	-27.52%	-20.12%	0.00%
Employer UAAL rate as of 12/31/2021**	0.15%	27.67%	20.27%	0.15%
Employer UAAL rate as of 12/31/2022**	0.15%	8.80%	19.92%	0.15%
Employer UAAL rate as of 12/31/2023**	0.15%	0.15%	18.18%	0.15%
Employer UAAL rate as of 12/31/2024**	0.15%	0.15%	16.75%	0.15%
Employer UAAL rate as of 12/31/2025**	0.15%	0.15%	15.22%	0.15%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2021	2023	2026	2021

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

*** Reflects the UAAL prepayment in the amount of \$3,344,437 made by East Fire on June 30, 2021 for the General and Safety groups

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#7 & 9 Combined Enhanced County	CG#8 Enhanced CCCFPD***	CG#10 Enhanced Moraga-Orinda FD	CG#11 Enhanced San Ramon Valley FD
Estimated Incremental Rate Change as of 12/31/2022*	-19.84%	-2.39%	1.19%	-38.64%
Estimated Incremental Rate Change as of 12/31/2023	-5.54%	-4.39%	-4.18%	-16.20%
Estimated Incremental Rate Change as of 12/31/2024	-19.95%	-3.69%	-3.74%	0.00%
Estimated Incremental Rate Change as of 12/31/2025	0.00%	-30.62%	-4.08%	0.00%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	0.00%	-40.27%	0.00%
Cumulative Rate Change as of 12/31/2022*	-19.84%	-2.39%	1.19%	-38.64%
Cumulative Rate Change as of 12/31/2023	-25.38%	-6.79%	-2.99%	-54.83%
Cumulative Rate Change as of 12/31/2024	-45.33%	-10.48%	-6.73%	-54.83%
Cumulative Rate Change as of 12/31/2025	-45.33%	-41.10%	-10.81%	-54.83%
Cumulative Rate Change as of 12/31/2026	-45.33%	-41.10%	-51.07%	-54.83%
Employer UAAL rate as of 12/31/2021**	45.48%	41.25%	51.22%	54.98%
Employer UAAL rate as of 12/31/2022**	25.64%	38.86%	52.41%	16.34%
Employer UAAL rate as of 12/31/2023**	20.10%	34.46%	48.23%	0.15%
Employer UAAL rate as of 12/31/2024**	0.15%	30.77%	44.49%	0.15%
Employer UAAL rate as of 12/31/2025**	0.15%	0.15%	40.41%	0.15%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2024	2025	2026	2023

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

*** Reflects the UAAL prepayment in the amount of \$3,344,437 made by East Fire on June 30, 2021 for the General and Safety groups

Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2021 Valuation

	CG#12 Non-Enhanced Rodeo-Hercules FPD	Total Plan
Estimated Incremental Rate Change as of 12/31/2022*	-24.07%	-9.04%
Estimated Incremental Rate Change as of 12/31/2023	-5.18%	-6.14%
Estimated Incremental Rate Change as of 12/31/2024	-3.95%	-2.42%
Estimated Incremental Rate Change as of 12/31/2025	-37.30%	-1.70%
Estimated Incremental Rate Change as of 12/31/2026	0.00%	-0.46%
Cumulative Rate Change as of 12/31/2022*	-24.07%	-9.04%
Cumulative Rate Change as of 12/31/2023	-29.25%	-15.18%
Cumulative Rate Change as of 12/31/2024	-33.20%	-17.60%
Cumulative Rate Change as of 12/31/2025	-70.50%	-19.29%
Cumulative Rate Change as of 12/31/2026	-70.50%	-19.75%
Employer UAAL rate as of 12/31/2021**	70.65%	19.90%
Employer UAAL rate as of 12/31/2022**	46.58%	10.86%
Employer UAAL rate as of 12/31/2023**	41.40%	4.72%
Employer UAAL rate as of 12/31/2024**	37.45%	2.30%
Employer UAAL rate as of 12/31/2025**	0.15%	0.61%
Employer UAAL rate as of 12/31/2026**	0.15%	0.15%
Year to Reach Full Funding (Valuation as of 12/31)	2025	

* Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off due to being fully amortized.

** The employer UAAL rates include an explicit administrative expense load of 0.15% of payroll.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.



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Via Email

October 7, 2022

Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association (CCCERA)
Reconciliations of Employer Contribution Rate and Unfunded Actuarial Accrued
Liability by Cost Group & Allocation of Unfunded Actuarial Accrued Liability by
Employers Based on the December 31, 2021 Actuarial Valuation**

Dear Gail:

As requested, we are providing the following information regarding the December 31, 2021 valuation:

Exhibit A – A reconciliation of employer contribution rate changes separately for each of CCCERA's cost groups.

Exhibit B – A reconciliation of the Unfunded Actuarial Accrued Liability (UAAL) separately for each of CCCERA's cost groups.

Exhibit C – Allocation of the UAAL for each participating employer.

Reconciliation of Employer Contribution Rate Changes for Each Cost Group

Exhibit A details the changes in the recommended employer contribution rates for each cost group from the December 31, 2020 valuation to the December 31, 2021 valuation.

Observations

- The average employer rate increased from 33.87% of payroll as of December 31, 2020 to 35.55% of payroll as of December 31, 2021. As discussed in our December 31, 2021 actuarial valuation report, this increase is primarily due to the effect of change in assumptions, individual salary increases greater than expected, and COLA increases greater than expected, offset to some degree by an investment return on actuarial value (i.e. after asset smoothing) greater than the 7.00% assumed rate used in the December 31, 2020 valuation, and the effect of changes in member demographics on Normal Cost.

- The investment gain was allocated to each cost group in proportion to the assets for each cost group.
- There are other various changes shown in Exhibit A including the effect of changes in assumptions, actual contributions less/more than expected due to scheduled 18-month lag in implementation of the contribution rates calculated in the December 31, 2020 valuation and smaller/greater than projected total payroll for calendar year 2021, and additional UAAL contribution made by various employers.
- On March 9, 2022, Local Agency Formation Commissions (LAFCO) approved the annexation of East Contra Costa Fire Protection District (East Fire) into Contra Costa Fire Protection District (Con Fire) effective July 1, 2022. Prior to the annexation, Con Fire's and East Fire's Safety members were in Cost Group #8 and Cost Group #13, respectively and they were the sole employer in each of those two cost groups. For General members, Con Fire was the sole employer in Cost Group #5 while East Fire was a part of Cost Group #1, pooled with members from other employers in that Cost Group. After the annexation, East Fire's Safety members became part of Cost Group #8 and East Fire's General members became part of Cost Group #5.
- As part of the annexation, East Fire made a prepayment of \$3,344,437 on June 30, 2022 towards their December 31, 2020 UAAL. As requested by East Fire, this prepayment has been used to reduce Con Fire's UAAL contribution rates effective July 1, 2022. The first actuarial valuation to reflect the prepayment in the Table of Amortization Bases for Con Fire (Cost Groups #5 and #8) will be as of December 31, 2022, as that will be the first valuation in which the prepayment will be reflected in the assets provided for the valuation. However, in this letter we have shown Con Fire's contribution rates in Cost Group #5 and #8 after reflecting this prepayment effective with the December 31, 2021 valuation.
- Central Contra Costa Sanitary District made a prepayment in the amount of \$70,763,669 towards their UAAL on June 25, 2021 and the District's UAAL contribution rate has been reduced effective July 1, 2021. Therefore, we have shown the District's contribution rate in Cost Group #3 after reflecting the prepayment effective with the December 31, 2020 valuation. However, the December 31, 2021 actuarial valuation is the first valuation to reflect the prepayment in the UAAL amortization bases.

Reconciliation of UAAL for Each Cost Group

Exhibit B presents the changes in the UAAL by cost group from the December 31, 2020 valuation to the December 31, 2021 valuation. Note that we have combined the results for Cost Group #1 with #2 and Cost Group #7 with #9 as the UAAL for these cost groups is still pooled.

Exhibit B shows that the decrease in UAAL is mainly due to an investment return on actuarial value (i.e. after asset smoothing) more than the 7.00% assumed rate used in the December 31, 2020 valuation and contributions paying down a portion of the UAAL, offset to some degree by the change in assumptions, individual salary increases greater than expected, and COLA increases greater than expected. The investment gain was again generally allocated amongst the cost groups in proportion to the valuation value of assets for

each cost group. All other elements of the changes in UAAL were determined based on the data specific to each separate cost group.

Allocation of UAAL by Employer

Exhibit C provides an allocation of the UAAL as of December 31, 2021 by employer.

Since the depooling action taken by the Board effective December 31, 2009, employers that are now in their own cost group have their UAAL determined separately in the valuation. For employers that do not have their own cost group, there is no UAAL maintained on an employer-by-employer basis in the valuation. In those cases, we develop contributions to fund the UAAL strictly according to projected payroll for each employer. We then use those UAAL contributions to develop a UAAL for each participating employer.

Note that the UAAL we calculate for each employer is not necessarily the liability that would be allocated to that employer in the event of a plan termination or withdrawal by that employer. It is also not the Net Pension Liability (NPL) allocated to each employer for financial reporting purposes as shown in the Governmental Accounting Standards (GAS) Statement No. 68 report.

Based on the above method, we have prepared the breakdown of the UAAL for each participating employer as shown in the enclosed Exhibit C. We also show the projected payroll for each participating employer that was used in the determination of the UAAL.

Summary of Cost Groups and Employers

The following table provides a brief summary of the employers included within each cost group, as referenced in Exhibit A and Exhibit B.

Cost Group	Employers
Cost Group #1	General County and Small Districts
Cost Group #2	General County and Small Districts
Cost Group #3	Central Contra Costa Sanitary District
Cost Group #4	Contra Costa Housing Authority
Cost Group #5 ¹	Contra Costa County Fire Protection District - General
Cost Group #6	Small Districts Non-Enhanced
Cost Group #7	Safety County (Tiers A and D)
Cost Group #8 ¹	Contra Costa County Fire Protection District - Safety
Cost Group #9	Safety County (Tiers C and E)
Cost Group #10	Moraga-Orinda Fire District
Cost Group #11	San Ramon Valley Fire District
Cost Group #12	Rodeo-Hercules Fire Protection District Non-Enhanced

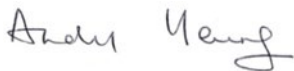
¹ Effective July 1, 2022, East Fire was annexed into Con Fire.

All results shown in this letter are based on the December 31, 2021 actuarial valuation including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

If you have any questions, please do not hesitate to give us a call.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andy Yeung", is positioned above the printed name.

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

EK/bbf
Enclosures

Reconciliation of Recommended Employer Contribution from December 31, 2020 to December 31, 2021 Valuation

	Cost Group #1	Cost Group #2	Cost Group #3 ^{1, 2}	Cost Group #4	Cost Group #5 ³	Cost Group #6 ²	Cost Group #7
Recommended Employer Contribution Rate in December 31, 2020 Valuation	32.60%	25.99%	15.63%	41.51%	35.63%	15.33%	70.95%
1. Effect of investment return greater than expected (after asset smoothing)	(0.67%)	(0.67%)	(1.08%)	(0.90%)	(0.71%)	(0.73%)	(1.69%)
2. Effect of actual contributions less/(more) than expected ⁴	0.06%	0.06%	1.42%	0.04%	0.24%	0.14%	0.02%
3. Effect of additional UAAL contributions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4. Effect of individual salary increases higher/(lower) than expected	0.03%	0.03%	0.26%	0.66%	(0.07%)	(0.49%)	0.75%
5. Effect of amortizing prior year's UAAL over a smaller/(larger) than expected projected total payroll	0.09%	0.09%	(0.40%)	(0.18%)	0.70%	0.01%	(0.03%)
6. Effect of COLA increases greater than expected in 2022	0.32%	0.32%	0.41%	0.44%	0.53%	0.26%	1.08%
7. Effect of changes in active member demographics on Normal Cost ⁵	(0.23%)	(0.19%)	(0.15%)	(0.29%)	(0.41%)	0.37%	(0.18%)
8. Effect of other experience (gains)/losses ^{6, 7}	0.28%	(0.04%)	(0.40%)	(0.75%)	(1.64%)	0.09%	(0.79%)
9. Effect of change in assumptions	1.50%	1.31%	2.36%	2.14%	1.91%	1.43%	5.36%
10. Effect of setting Cost Groups #3 and #6 contribution rate equal to Normal Cost	<u>0.00%</u>	<u>0.00%</u>	<u>(2.23%)</u>	<u>0.00%</u>	<u>0.00%</u>	<u>(0.30%)</u>	<u>0.00%</u>
Total Change	1.38%	0.91%	0.19%	1.16%	0.55%	0.78%	4.52%
Recommended Employer Contribution Rate in December 31, 2021 Valuation	33.98%	26.90%	15.82%	42.67%	36.18%	16.11%	75.47%

Note: These rates do not include any employer subvention of member contributions, or member subvention of employer contributions. This Exhibit also excludes withdrawn employers.

¹ The employer contribution rates shown as of December 31, 2020 has been recalculated since the prior valuation to reflect the UAAL prepayment made by Central Contra Costa Sanitary District in the amount of \$70,763,669 on June 25, 2021.

² Cost Groups #3 and #6 have no UAAL as of December 31, 2021.

³ The employer contribution rates shown as of December 31, 2020 has been recalculated since the prior valuation to reflect the UAAL prepayment made by East Fire in the amount of \$3,344,437 on June 30, 2022. The employer contribution rates for Cost Group #1 and Cost Group #5 shown as of December 31, 2020 also reflect the annexation of East Fire into Con Fire.

⁴ Primarily due to smaller than projected total payroll for calendar year 2021. For Cost Group #3, that actual contributions are less than expected because the expected contributions excluded the effect of additional UAAL prepayment made by Central Contra Costa Sanitary District in the amount of \$70,763,669 on June 25, 2021.

⁵ This is the net impact of: a) reduction in normal cost rate due to the replacement of legacy members by PEPRA members, b) change in entry age and other demographic profiles, and c) the effect of legacy Safety members who for the first time reached 30 years of reported service as of December 31, 2021 and stopped making member basic contributions.

⁶ Other differences in actual versus expected experience including (but not limited to) mortality, retirement, disability, termination and leave cashout experience.

⁷ The effect of other experience gains for Cost Group #5 of 1.64% includes a mortality gain of 1.10%.

Reconciliation of Recommended Employer Contribution from December 31, 2020 to December 31, 2021 Valuation

	Cost Group #8 ¹	Cost Group #9	Cost Group #10	Cost Group #11	Cost Group #12	Total Average Recommended Rate
Recommended Employer Contribution Rate in December 31, 2020 Valuation	63.35%	61.32%	67.47%	77.24%	90.21%	33.87%
1. Effect of investment return greater than expected (after asset smoothing)	(1.79%)	(1.69%)	(1.90%)	(1.76%)	(1.44%)	(0.90%)
2. Effect of actual contributions less/(more) than expected ²	(0.39%)	0.02%	0.17%	0.00%	0.11%	0.08%
3. Effect of additional UAAL contributions	0.00%	0.00%	0.00%	(0.09%)	0.00%	(0.00%)
4. Effect of individual salary increases higher/(lower) than expected	0.86%	0.75%	(0.39%)	1.34%	1.25%	0.19%
5. Effect of amortizing prior year's UAAL over a smaller/(larger) than expected projected total payroll	(0.90%)	(0.03%)	2.13%	0.16%	(1.55%)	0.08%
6. Effect of COLA increases greater than expected in 2022	1.43%	1.08%	1.22%	1.04%	0.89%	0.49%
7. Effect of changes in active member demographics on Normal Cost ³	0.12%	(0.39%)	0.48%	(0.79%)	(0.55%)	(0.24%)
8. Effect of other experience (gains)/losses ^{4, 5}	0.70%	(0.79%)	3.11%	0.09%	1.32%	(0.06%)
9. Effect of change in assumptions	4.92%	5.02%	5.82%	5.69%	5.48%	2.13%
10. Effect of setting Cost Groups #3 and #6 contribution rate equal to Normal Cost	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>(0.09%)</u>
Total Change	4.95%	3.97%	10.64%	5.68%	5.51%	1.68%
Recommended Employer Contribution Rate in December 31, 2021 Valuation	68.30%	65.29%	78.11%	82.92%	95.72%	35.55%

Note: These rates do not include any employer subvention of member contributions, or member subvention of employer contributions. This Exhibit also excludes withdrawn employers.

¹ The employer contribution rates shown as of December 31, 2020 has been recalculated since the prior valuation to reflect the UAAL prepayment made by East Fire in the amount of \$3,344,437 on June 30, 2022 and the annexation of East Fire into Con Fire.

² Primarily due to smaller than projected total payroll for calendar year 2021.

³ This is the net impact of: a) reduction in normal cost rate due to the replacement of legacy members by PEPRA members, b) change in entry age and other demographic profiles, and c) the effect of legacy Safety members who for the first time reached 30 years of reported service as of December 31, 2021 and stopped making member basic contributions.

⁴ Other differences in actual versus expected experience including (but not limited to) mortality, retirement, disability, termination and leave cashout experience.

⁵ The effect of other experience losses for Cost Group #10 of 3.11% includes the impact of a change in benefit amount for one member of 2.86%. The effect of other experience losses for Cost Group #12 of 1.32% includes the net impact of a retirement experience loss of 3.09% and a disability experience gain of 2.08%.

Reconciliation of UAAL from December 31, 2020 to December 31, 2021 Valuation

	Cost Groups #1 & #2 ¹	Cost Group #3	Cost Group #4	Cost Group #5	Cost Group #6	Cost Groups #7 & #9 ¹
1. UAAL as of December 31, 2020	\$387,636,307	\$63,666,968	\$5,813,475	\$13,291,227	\$(861,048)	\$195,574,885
2. Total Normal Cost at middle of year ²	169,911,446	9,693,192	1,618,942	1,949,713	283,974	43,209,026
3. Expected administrative expenses	8,515,254	427,680	72,618	70,082	11,718	1,224,328
4. Expected employer and member contributions	(275,173,042)	(23,656,582)	(3,373,250)	(3,521,649)	(295,692)	(89,497,224)
5. Interest (whole year on (1) plus half year on (2) + (3) + (4))	<u>24,065,044</u>	<u>4,029,985</u>	<u>354,056</u>	<u>883,088</u>	<u>(60,273)</u>	<u>12,272,872</u>
6. Expected UAAL as of December 31, 2021	\$314,955,009	\$54,161,243	\$4,485,841	\$12,672,461	\$(921,321)	\$162,783,887
7. Actuarial (gain)/loss due to all changes:						
a. Investment return greater than expected (after asset smoothing)	\$(67,279,019)	\$(5,533,860)	\$(777,960)	\$(692,452)	\$(97,913)	\$(24,505,011)
b. Actual contributions less/(more) than expected ³	5,776,749	7,248,338	35,259	233,531	18,394	272,800
c. Gain from additional UAAL contributions ⁴	(31,804)	(73,198,508)	0	0	0	0
d. Individual salary increases higher/(lower) than expected	3,120,924	1,338,863	567,539	(66,476)	(65,964)	10,809,143
e. COLA increases greater than expected in 2022	31,460,347	2,082,915	380,109	517,834	34,787	15,624,982
f. Other experience (gain)/loss ^{5, 6}	(2,914,342)	(2,032,318)	(644,297)	(1,804,028)	12,361	(11,208,169)
g. Assumption changes	<u>114,962,352</u>	<u>10,169,571</u>	<u>1,519,858</u>	<u>1,486,425</u>	<u>138,952</u>	<u>58,980,022</u>
h. Total changes	\$85,095,207	\$(59,924,999)	\$1,080,508	\$(325,166)	\$40,617	\$49,973,767
8. UAAL as of December 31, 2021	\$400,050,216	\$(5,763,756)	\$5,566,349	\$12,347,295	\$(880,704)	\$212,757,654

Note: Results may not add due to rounding.

¹ Starting with the December 31, 2016 valuation, the three withdrawn employers (i.e., Diablo Water District, Delta Diablo Sanitation District and City of Pittsburg) have been moved from Cost Groups #1, #2 and #7 to their own Withdrawn Employers Cost Group.

² Excludes administrative expense load.

³ Primarily due to smaller than projected total payroll for calendar year 2021. For Cost Group #3, that actual contributions are less than expected because the expected contributions excluded the effect of additional UAAL prepayment made by Central Contra Costa Sanitary District in the amount of \$70,763,669 on June 25, 2021.

⁴ \$71,056,669 in total additional contributions (\$70,763,699 made by Central Contra Costa Sanitary District, \$263,000 made by San Ramon Valley Fire Department and \$30,000 made by LAFCO) adjusted with \$2,444,309 in interest to the end of the year.

⁵ Other differences in actual versus expected experience including (but not limited to) mortality, retirement, disability, termination and leave cashout experience.

⁶ The effect of other experience gains for Cost Group #4 of \$644,297 includes a mortality gain of \$784,983. The effect of other experience gains for Cost Group #5 of \$1,804,028 includes a mortality gain of \$1,079,599.

Reconciliation of UAAL from December 31, 2020 to December 31, 2021 Valuation

	Cost Group #8	Cost Group #10	Cost Group #11	Cost Group #12	Withdrawn Employers	Total
1. UAAL as of December 31, 2020	\$113,577,315	\$27,898,621	\$36,984,213	\$8,232,400	\$7,530,886	\$859,345,249
2. Total Normal Cost at middle of year ¹	20,313,887	3,692,739	9,878,286	872,419	0	261,423,624
3. Expected administrative expenses	553,346	101,479	265,926	28,908	0	11,271,338
4. Expected employer and member contributions	(39,145,005)	(7,541,848)	(21,721,324)	(2,569,570)	(1,067,164)	(467,562,349)
5. Interest (whole year on (1) plus half year on (2) + (3) + (4))	<u>7,377,908</u>	<u>1,834,773</u>	<u>2,224,742</u>	<u>523,697</u>	<u>(131,872)</u>	<u>53,374,020</u>
6. Expected UAAL as of December 31, 2021	\$102,677,451	\$25,985,764	\$27,631,843	\$7,087,854	\$6,331,850	\$717,851,882
7. Actuarial (gain)/loss due to all changes:						
a. Investment return greater than expected (after asset smoothing)	\$(12,017,459)	\$(2,171,442)	\$(5,495,210)	\$(503,452)	\$(617,763)	\$(119,691,541)
b. Actual contributions less/(more) than expected ²	(2,622,057)	198,706	13,855	39,990	0	11,215,564
c. Gain from additional UAAL contributions ³	0	0	(270,666)	0	0	(73,500,978)
d. Individual salary increases higher/(lower) than expected	5,755,438	(442,961)	4,204,598	435,874	0	25,656,978
e. COLA increases greater than expected in 2022	9,625,308	1,391,716	3,257,375	310,279	217,732	64,903,384
f. Other experience (gain)/loss ^{4, 5}	6,274,914	3,561,567	249,587	461,606	1,310,627	(6,732,491)
g. Assumption changes	<u>25,946,537</u>	<u>5,301,507</u>	<u>13,908,945</u>	<u>1,416,650</u>	<u>1,027,582</u>	<u>234,858,401</u>
h. Total changes	\$32,962,681	\$7,839,093	\$15,868,484	\$2,160,947	\$1,938,178	\$136,709,317
8. UAAL as of December 31, 2021	\$135,640,132	\$33,824,857	\$43,500,327	\$9,248,801	\$8,270,028	\$854,561,199

Note: Results may not add due to rounding.

¹ Excludes administrative expense load.

² Primarily due to smaller than projected total payroll for calendar year 2021.

³ \$71,056,669 in total additional contributions (\$70,763,699 made by Central Contra Costa Sanitary District, \$263,000 made by San Ramon Valley Fire Department and \$30,000 made by LAFCO) adjusted with \$2,444,309 in interest to the end of the year.

⁴ Other differences in actual versus expected experience including (but not limited to) mortality, retirement, disability, termination and leave cashout experience.

⁵ The effect of other experience losses for Cost Group #10 of \$3,561,567 includes the impact of a change in benefit amount for one member with a present value of \$3,257,307.

Contra Costa County Employees' Retirement Association UAAL Breakdown December 31, 2021 Valuation

Employer	Unfunded Actuarial Accrued Liability (UAAL)	Projected Payroll
County	\$588,842,714	\$831,254,712
Superior Court	12,132,388	23,235,967
Districts:		
• Bethel Island Municipal Improvement District	210,123	345,733
• Byron, Brentwood, Knightsen Union Cemetery District	(276,942)	321,312
• Central Contra Costa Sanitary District	(5,763,756)	39,063,159
• First Five - Contra Costa Children & Families Commission	1,509,495	2,853,655
• Contra Costa County Employees' Retirement Association	3,965,383	6,524,590
• Contra Costa County Fire Protection District	147,987,427	58,963,156
• Contra Costa Housing Authority	5,566,349	6,602,093
• Contra Costa Mosquito and Vector Control District	2,186,194	3,597,135
• In-Home Supportive Services Authority	615,022	1,011,949
• Local Agency Formation Commission ¹	(8,697)	188,947
• Moraga-Orinda Fire Protection District	34,405,061	9,861,526
• Rodeo Sanitary District	(603,762)	700,496
• Rodeo-Hercules Fire Protection District	9,311,926	2,779,261
• San Ramon Valley Fire Protection District	46,212,246	28,451,696
• Withdrawn Employers ²	<u>8,270,028</u>	<u>0</u>
Grand Total	\$854,561,199	\$1,015,755,387

Note: Results may not add due to rounding.

¹ The outstanding balance of LAFCO's UAAL prepayments is \$123,532. This outstanding balance, together with Cost Group #1 and #2's UAAL allocated to LAFCO resulted in a net UAAL of (\$8,697). However, since Cost Groups #1 and #2 are not in surplus, any participating employers in Cost Groups #1 and #2 are not considered to be in surplus based on CCCERA's funding policy.

² Withdrawn employers include Diablo Water District, Delta Diablo Sanitation District, and City of Pittsburg.



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

October 26, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 878 8021 6868, Passcode: 330294, or via the web at:

<https://us06web.zoom.us/j/87880216868?pwd=blVqc3ZHTXk4UmlxMUZKa3RuRHNSQT09>

Passcode: 330294

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

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

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the September 28, 2022 meeting.
5. Review of private credit by StepStone.
6. 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.



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

November 2, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 837 8153 0670, Passcode: 764481, or via the web at:

<https://us06web.zoom.us/j/83781530670?pwd=ZHR3MEt2VG13cFZJckdEcFpISFQrZz09>

Passcode: 764481

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

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

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

1. Pledge of Allegiance.
2. Roll Call.
3. Public Comment (3 minutes/speaker).
4. Recognition of Stephanie Shedd for 5 years of service.
5. Approve minutes from the October 12, 2022 meeting.
6. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.

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

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

CLOSED SESSION

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

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Jaime Ramirez	Non-Service Connected	Non-Service Connected
b. Casey Reel	Service Connected	Service Connected

9. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider the motion for reconsideration regarding the disability application for Mark Emery.

OPEN SESSION

10. Pension administration system project update:
 - a. Update from staff
 - b. Presentation from Segal
 - c. Presentation from Sagitec
11. Review of report on Risk Diversifying Sub-portfolio.
12. Educational presentation from AQR on trend following strategies.
13. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
14. Consider and take possible action on 2023 Board meeting schedule.
15. Consider authorizing the attendance of Board:
 - a. NCPERS 2023 Legislative Conference & Pension Communications Summit, January 22-24, 2023, Washington, D.C.
16. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

<p>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.</p>
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