



Agenda

POST RETIREMENT HEALTH BENEFITS TRUST AGREEMENT ADVISORY BODY

August 7, 2014
8:30 A.M.

651 Pine Street, 11th Floor, Martinez

Robert Campbell, Auditor-Controller - Chair
Lisa Driscoll, County Finance Director
Patrick Godley, HSD Chief Financial Officer
David Twa, County Administrator
Russell Watts, Treasurer-Tax Collector

Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Committee

1. Introductions
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes)
3. Quarterly Report Review (Andrew Brown, HighMark Capital Management)
4. Annual Client Review (Rachael Sanders and Mitch Barker, Public Agency Retirement Services)
5. LAFCO Participation in Trust, Next Steps (Lisa Driscoll, County Administrator's Office)
6. 2014 meetings – November 6

☺ *The Post Retirement Health Benefits Trust Agreement Advisory Body will provide reasonable accommodations for persons with disabilities planning to attend Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.*

📁 *Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.*

✉ *Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.*

For Additional Information Contact:

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Treasurer Tax Collector
Phone (925) 957-2888
RWatt@tax.cccounty.us

Glossary of Acronyms, Abbreviations, and other Terms (in alphabetical order):

Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in its meetings and written materials. Following is a list of commonly used language that may appear in oral presentations and written materials associated with meetings:

AB	Assembly Bill	HCD	(State Dept of) Housing & Community Development
ABAG	Association of Bay Area Governments	HHS	Department of Health and Human Services
ACA	Assembly Constitutional Amendment	HIPAA	Health Insurance Portability and Accountability Act
ADA	Americans with Disabilities Act of 1990	HIV	Human Immunodeficiency Syndrome
AFSCME	American Federation of State County and Municipal Employees	HOV	High Occupancy Vehicle
AICP	American Institute of Certified Planners	HR	Human Resources
AIDS	Acquired Immunodeficiency Syndrome	HUD	United States Department of Housing and Urban Development
ALUC	Airport Land Use Commission	Inc.	Incorporated
AOD	Alcohol and Other Drugs	IOC	Internal Operations Committee
BAAQMD	Bay Area Air Quality Management District	ISO	Industrial Safety Ordinance
BART	Bay Area Rapid Transit District	JPA	Joint (exercise of) Powers Authority or Agreement
BCDC	Bay Conservation & Development Commission	Lamorinda	Lafayette-Moraga-Orinda Area
BGO	Better Government Ordinance	LAFCo	Local Agency Formation Commission
BOS	Board of Supervisors	LLC	Limited Liability Company
CALTRANS	California Department of Transportation	LLP	Limited Liability Partnership
CalWIN	California Works Information Network	Local 1	Public Employees Union Local 1
CalWORKS	California Work Opportunity and Responsibility to Kids	LVN	Licensed Vocational Nurse
CAER	Community Awareness Emergency Response	MAC	Municipal Advisory Council
CAO	County Administrative Officer or Office	MBE	Minority Business Enterprise
CCHP	Contra Costa Health Plan	M.D.	Medical Doctor
CCTA	Contra Costa Transportation Authority	M.F.T.	Marriage and Family Therapist
CDBG	Community Development Block Grant	MIS	Management Information System
CEQA	California Environmental Quality Act	MOE	Maintenance of Effort
CIO	Chief Information Officer	MOU	Memorandum of Understanding
COLA	Cost of living adjustment	MTC	Metropolitan Transportation Commission
ConFire	Contra Costa Consolidated Fire District	NACo	National Association of Counties
CPA	Certified Public Accountant	OB-GYN	Obstetrics and Gynecology
CPI	Consumer Price Index	O.D.	Doctor of Optometry
CSA	County Service Area	OES-EOC	Office of Emergency Services-Emergency Operations Center
CSAC	California State Association of Counties	OSHA	Occupational Safety and Health Administration
CTC	California Transportation Commission	Psy.D.	Doctor of Psychology
dba	doing business as	RDA	Redevelopment Agency
EBMUD	East Bay Municipal Utility District	RFI	Request For Information
EIR	Environmental Impact Report	RFP	Request For Proposal
EIS	Environmental Impact Statement	RFQ	Request For Qualifications
EMCC	Emergency Medical Care Committee	RN	Registered Nurse
EMS	Emergency Medical Services	SB	Senate Bill
EPSDT	State Early Periodic Screening, Diagnosis and treatment Program (Mental Health)	SBE	Small Business Enterprise
et al.	et ali (and others)	SWAT	Southwest Area Transportation Committee
FAA	Federal Aviation Administration	TRANSPAC	Transportation Partnership & Cooperation (Central)
FEMA	Federal Emergency Management Agency	TRANSPLAN	Transportation Planning Committee (East County)
F&HS	Family and Human Services Committee	TRE or TTE	Trustee
First 5	First Five Children and Families Commission (Proposition 10)	TWIC	Transportation, Water and Infrastructure Committee
FTE	Full Time Equivalent	VA	Department of Veterans Affairs
FY	Fiscal Year	vs.	versus (against)
GHAD	Geologic Hazard Abatement District	WAN	Wide Area Network
GIS	Geographic Information System	WBE	Women Business Enterprise
		WCCTAC	West Contra Costa Transportation Advisory Committee

Schedule of Upcoming Board of Supervisor Meetings

May 6 & 13, June 3, 17 & 24, July 8 & 29, August 5 & 12, September 9, 16 & 23, October 7, 21 & 28

Post Retirement Healthcare Plan Trust Funding Client Review



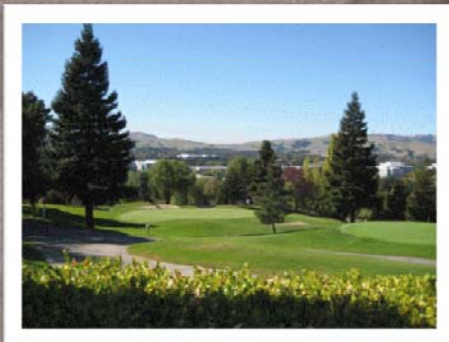
County of Contra Costa

August 7, 2014

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



Contacts

PARS

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HighMark Capital Management

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PROGRAM OVERVIEW & RESPONSIBLE PARTIES

OPEB TRUST TEAM DETAILS

	 		
ROLE	TRUST ADMINISTRATOR AND CONSULTANT <ul style="list-style-type: none"> • Recordkeeping/Sub-trust accounting • Actuarial Coordination • Monitor Contributions/ Process Disbursements • Monitor Plan Compliance • Ongoing Client Liaison •Prefund Pension Option- New	TRUSTEE <ul style="list-style-type: none"> • Safeguard plan assets • Oversight protection <ul style="list-style-type: none"> • Plan Fiduciary • Custodian of assets 	INVESTMENT MANAGER <ul style="list-style-type: none"> • An investment sub-advisor to U.S. Bank <ul style="list-style-type: none"> • Open architecture • Investment policy assistance
CORPORATE EXPERIENCE	30 years (1983 – 2014)	150 years (1863 – 2014)	94 years (1919 – 2014)
OPEB EXPERIENCE	18 years	9 years	18 years
NUMBER OF PLANS UNDER ADMINISTRATION	1,113 Plans For 600 Public Agencies		
DOLLARS UNDER ADMINISTRATION	More than \$1.4 billion	More than \$4 trillion	More than \$21.5 billion under management

MORE THAN 130 OPEB CLIENT AGENCIES

CITIES

Alameda
 Allen
 Atherton
 Bakersfield
 Camarillo
 Conroe
 Coronado
 Covina
 Crescent City
 Cupertino
 Duarte
 Elk Grove
 Eules
 Fountain Valley
 Ft Worth
 Galt
 Garland
 Half Moon Bay
 Haltom City
 Hercules
 Hermosa Beach
 Hurst
 La Verne
 Lake Forest
 Lakewood
 Livermore
 Mammoth Lakes
 Mansfield
 North Richland Hills
 Novato

COUNTIES

Redding
 Rialto
 Richmond
 Rosemead
 San Leandro
 Santa Clara
 Santa Clarita
 Southlake
 Temple City
 Tyler
 Union City
 Woodland
 Yountville
 Yucca Valley
 Amador
 Contra Costa
 Imperial
 Inyo
 Kern
 Merced
 Mono
 Plumas
 Shasta
 Solano
 Sonoma
 Trinity
 Yolo

SPECIAL DISTRICTS

Calaveras County Water District
 California JPIA
 Central Contra Costa Sanitary District
 Central Contra Costa Transit Authority
 Coachella Valley Water District
 Coastside Fire Protection District
 Contra Costa Mosquito & Vector Control District
 Crestline Village Water District
 Delta Diablo
 Desert Recreation District
 Eastern Sierra Community Services District
 Fresno Irrigation District
 Fresno Metropolitan Flood Control District
 Glenn-Colusa Irrigation District
 Great Basin Unified Air Pollution Control District
 Hayward Area Recreation & Park District
 Housing Authority of the County of San Bernardino
 INTELECOM
 Menlo Park Fire Protection District
 Mesa Water District
 Metropolitan Transportation Commission
 Mid-Peninsula Water District
 Mojave Desert Air Quality Management District
 Montecito Fire Protection District
 Monterey Bay Unified Air Pollution Control District
 Municipal Water District of Orange County
 Orange County Vector Control District
 Orange County Water District
 Placer County Resource Conservation District
 Rancho Murieta Community Services District
 Rowland Water District
 Santa Barbara County Law Library
 South Montebello Irrigation District
 South Orange County Wastewater Authority

South Placer Fire Protection District
 Southern Marin Fire Protection District
 Superior Court of CA, Counties of:
 Contra Costa, Imperial, Inyo, Kern,
 Marin, Merced, Orange, San Mateo,
 Shasta, Siskiyou, Sonoma
 Tarrant Regional Water District
 Vallejo Sanitation & Flood Control District
 Ventura Regional Sanitation District
 Walnut Valley Water District
 West County Wastewater District
 Western Riverside Council of Governments

SCHOOL DISTRICTS

Bass Lake Joint UESD
 Bellflower USD
 Calistoga Joint USD
 Centinela Valley UHSD
 Corning Union ESD
 El Dorado UHSD
 Fowler USD
 John Swett USD
 Lemon Grove SD
 Moreno Valley USD
 Ontario-Montclair SD
 Red Bluff Joint UHSD
 River Delta USD
 Riverdale Joint USD
 San Bruno Park SD
 San Marino USD
 Trona Joint USD
 Twin Rivers USD
 Visalia USD

COMMUNITY COLLEGE DISTRICTS

State Center CCD Yosemite CCD

PLAN REVIEW

Plan Overview

Type of Plan: IRC Section 115 Irrevocable Exclusive Benefit Trust

Trustee Approach: Discretionary

Plan Effective Date: January 1, 2011

Plan Administrator: Russell (Rusty) Watts

Current Investment Strategy: Custom Strategy
-Selected February 2011

As of 05/31/2014:

Initial Contribution: January 2011– \$51,070,366

Additional Contributions: \$66,248,592

Total Contributions: \$117,318,958

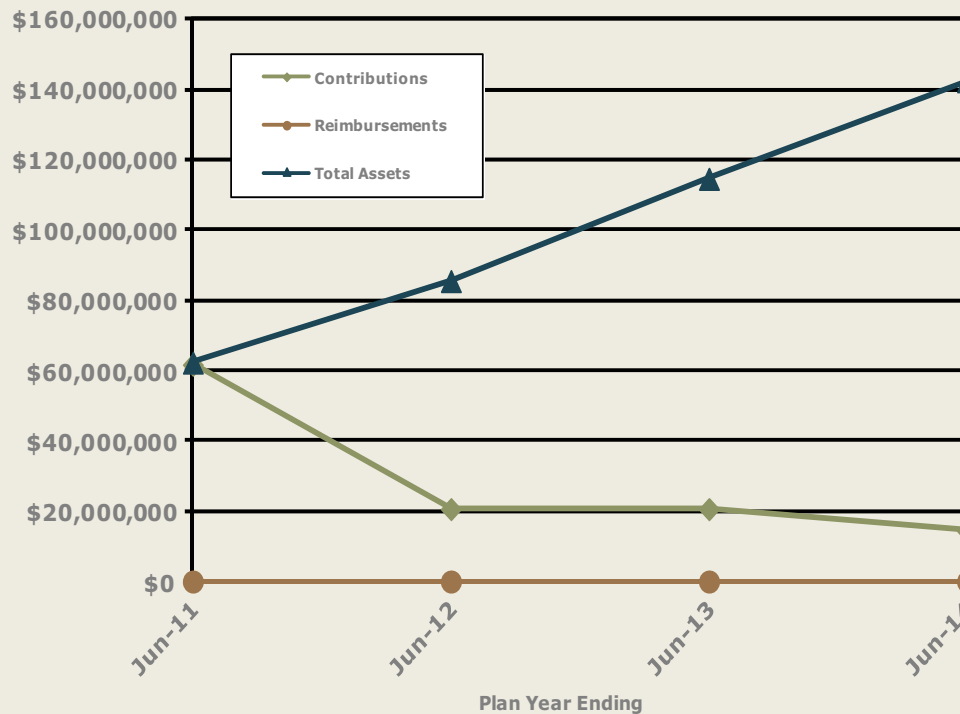
Disbursements: \$0.00

Total Investment Earnings: \$25,868,620

Account Balance: \$142,368,763

Summary of the Plan Activity

County of Contra Costa
Total Assets, Contributions & Distributions



Plan Y/E	Contributions	Distributions	Total Assets
Jun -11*	\$61,698,777	\$0	\$62,297,373
Jun -12	\$20,606,199	\$0	\$85,491,338
Jun -13	\$20,596,635	\$0	\$114,599,118
Jun -14†	\$14,417,347**	\$0	\$142,368,763

*Plan Year Ending June 2011 is based on 6 months of activity.

†Plan Year Ending June 2014 is based on 11 months of activity through 05/31/2014.

**Note: Contribution of \$4,955,782.25 on 6/30/14 not reflected

Actuarial Results

We have received the actuarial reports prepared by Buck Consultants on April 9, 2012 with a valuation date of January 1, 2012. In the tables below, we have summarized the results.

Demographic Study

Valuation Date:	January 1, 2010	January 1, 2012
Active Participants	8,013	7,720
Retirees and Survivors	5,251	5,941
Total Plan Members	13,264	13,661

Actuarial Results (continued)

	January 1, 2010 6.32% Discount Rate	January 1, 2012 6.32% Discount Rate
Actuarial Accrued Liability (AAL)	\$1,047,028,000	\$1,033,266,000
Actuarial Value of Assets	\$25,048,000	\$65,491,000
Unfunded AAL	\$1,021,980,000	\$967,775,000
Normal Cost	\$29,232,000	\$27,504,000
Annual Required Contribution (ARC)	\$63,298,000	\$59,763,000

INVESTMENT REVIEW

ADMINISTRATIVE REVIEW

Administrative Issues

- ✓ Update on Program
- ✓ Administrator's Handbook
- ✓ Discussion of any administrative questions or concerns
- ✓ Future Anticipated Contributions
- ✓ Future Anticipated Disbursement Requests
- ✓ US Bank Online Access
- ✓ Agency's future actuarial valuation for GASB 45 compliance- *(Per Lisa, being presented to Board of Supervisors on 8/12/14)*
- ✓ Investment Guidelines Document
- ✓ Client Feedback