



Agenda

POST RETIREMENT HEALTH BENEFITS TRUST AGREEMENT ADVISORY BODY

February 7, 2013
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. PARS Administrative Relationship (Mitch Barker, Public Agency Retirement Services)
4. Quarterly Report Review
5. 2013 meetings – May 2, August 1, November 7

☺ *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:

Russell Watts, County
Treasurer Tax Collector
Phone (925) 957-2801
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:

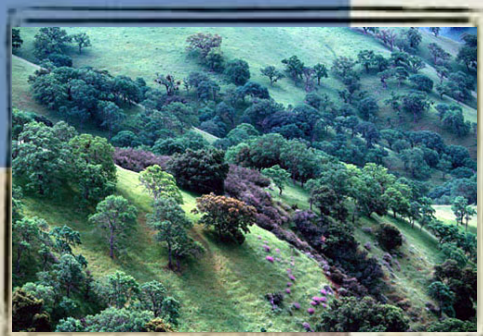
AB	Assembly Bill	HCD	(State Dept of) Housing & Community Development
ABAG	Association of Bay Area Governments	HHS	Department of Health and Human Services
ACA	Assembly Constitutional Amendment	HIPAA	Health Insurance Portability and Accountability Act
ADA	Americans with Disabilities Act of 1990	HIV	Human 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
February 12, 26; March 12, 19; April 9, 16, 23; May 7, 14, 21

Contra Costa County

PARS Post Retirement Healthcare Plan Trust Funding Client Review

February 7, 2013



PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

Making retirement work for you.

PARS

Mitch Barker, Executive Vice President

mitch.barker@pars.org

800.540.6369 ext. 116

Lauren Muschetto, Senior Client Services Coordinator

lauren.muschetto@pars.org

800.540.6369 ext. 141

HighMark Capital Management




Andrew Brown, CFA, Vice President, Senior Portfolio Manager

andrew.brown@highmarkcapital.com

415-705-7605

Program Overview & Responsible Parties

OPEB Trust Team

			
Role	Trust Administrator and Consultant <ul style="list-style-type: none"> Recordkeeping/Sub-trust accounting Actuarial Coordination <ul style="list-style-type: none"> Legal/Compliance Ongoing Client Liaison 	Trustee <ul style="list-style-type: none"> Safeguard plan assets Oversight protection <ul style="list-style-type: none"> Effective 2/1/2012 acquired Union Bank's Retirement Plan Services business, which includes trustee services for all PARS programs 	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 – 2013)	150 years (1863 – 2013)	94 years (1919 – 2013)
OPEB Experience	17 years	8 years	17 years
Number of plans under administration	1,137 plans for 611 public agencies		
Dollars under administration	More than \$1.2 billion	More than \$4 trillion	More than \$17.5 billion under management

Plan Review

Plan Overview

Plan Details:	
Type of Plan	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach	Discretionary
Plan Effective Date	January 1, 2011
Plan Administrator	Russell Watts – County Treasurer/Tax Collector
Current Investment Strategy	Custom Strategy Selected February 2011

Plan Activity:	As of 12/31/2012
Initial Contribution	January 2011 - \$51,070,366
Total Contributions	\$87,291,635.17
Reimbursements	\$0.00
Total Investment Earnings	\$8,251,161.79
Account Balance	\$95,160,073.94

Actuarial Results

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

Demographic Study

	January 1, 2010	January 1, 2012
Active Participants	8,013	7,720
Retirees & 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	\$1,034,125,000
Actuarial Value of Assets	\$25,048,000	\$65,491,000
Unfunded AAL	\$1,021,980,000	\$968,634,000
Normal Cost	\$29,232,000	\$27,523,000
Annual Required Contribution (ARC)	\$63,298,000	\$59,891,000

Administrative Review

Administrative Issues

- ✓ Update on Program
- ✓ Administrator's Handbook
- ✓ Discussion of any administrative questions or concerns
- ✓ Future Anticipated Contributions
- ✓ Future Anticipated Reimbursement Requests
- ✓ Agency's future actuarial valuation for GASB 45 compliance
- ✓ Investment Guidelines Document
- ✓ Client Feedback