



Stanislaus County Employees' Retirement Association

832 12th Street, Ste. 600, Modesto, CA 95354 • PO Box 3150, Modesto, CA 95353 • www.stancera.org • 209-525-6393 • 209-558-4976 Fax

AGENDA

BOARD OF RETIREMENT

832 12th Street Ste. 600, **Wesley W. Hall Board Room**
Modesto, CA 95354

March 26, 2019

1:30 p.m.

The Board of Retirement welcomes you to its meetings, which are regularly held on the fourth Tuesday of each month. Your interest is encouraged and appreciated.

CONSENT/ACTION ITEMS: Consent matters include routine administrative actions and are identified under the Consent Items heading. All other items are considered to be action items "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

PUBLIC COMMENT: Matters under jurisdiction of the Board, may be addressed by the general public before or during the regular agenda. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined an emergency by the Board of Retirement. Any member of the public wishing to address the Board during the "Public Comment," period shall be permitted to be heard once up to three minutes. Please complete a Public Comment Form and give it to the Chair of the Board. Any person wishing to make a presentation to the Board must submit the presentation in written form, with copies furnished to all Board members. Presentations are limited to three minutes.

BOARD AGENDAS & MINUTES: Board agendas, minutes and copies of items to be considered by the Board of Retirement are customarily posted on the Internet by Friday afternoon preceding a meeting at the following website: www.stancera.org.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection at StanCERA, 832 12th Street, Suite 600, Modesto, CA 95354, during normal business hours.

AUDIO: All Board of Retirement regular meetings are audio recorded. Audio recordings of the meetings are available after the meetings at <http://www.stancera.org/agenda>.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Retirement meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (209) 525-6393. Notification 72 hours prior to the meeting will enable StanCERA to make reasonable arrangements to ensure accessibility to this meeting.

1. Call Meeting to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
 - a. Approval of the February 26, 2019 Meeting Minutes [View](#)
 - b. Monthly Staff Report [View](#)
 - c. Conference Report [View](#)
 - d. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**
 1. Adams, Sheila – Superior Court – Effective 03-16-19
 2. Allred, Debra – DCSS – Effective 03-08-19
 3. Bain, Juanita – CSA – Effective 03-31-19
 4. Beniamine, Beronia – DER – Effective 03-22-19
 5. Bergquist, Gary – SBT – Effective 03-30-19
 6. Birring, Tripjeet – HSA – Effective 03-07-19
 7. Buckles, Thomas – BHRS – Effective 03-16-19

5. Consent Items (Cont.)

8. Cain, Toni – Sheriff – Effective 03-18-19
9. Chavez, Delma – Workforce Dev – Effective 03-29-19
10. Chladek, Patricia – Aging & Vet Svcs – Effective 03-30-19
11. Cleaveland, Terry – DA – Effective 03-01-19
12. Dawson, Thomas – Ag Comm – Effective 03-04-19
13. Dela Cruz, Avelina – Treasurer/Tax Coll – Effective 03-02-19
14. De Santis, Mary Ann – DCSS – Effective 03-29-19
15. Dillon, Carol – CSA – Effective 03-30-19
16. Doering, John – County Counsel – Effective 03-30-19
17. Garibay, Teresa – BHRS – Effective 03-16-19
18. Gentleman, Jeffrey – Public Works – Effective 03-05-19
19. Green, Susan – Sheriff – Effective 03-16-19
20. Henry, Audrey – Treasurer/Tax Coll – Effective 03-30-19
21. Herron, Pete – BHRS – Effective 03-30-19
22. Hill, Carolyn – Aging & Vet Svcs – Effective 03-28-19
23. Jackson, Cheryl – Parks & Rec – Effective 03-16-19
24. Jackson-Losen, Jeannette – CSA – Effective 03-30-19
25. Kirk, Dianna – Sheriff – Effective 03-16-19
26. Larson, Jr., Peter – Clerk Recorder – Effective 03-30-19
27. Lloyd, Ronald – Sheriff – Effective 03-16-19 *
28. Lopez, Suzanne – Probation – Effective 03-02-19
29. Maldonado, Maria Victoria – Sheriff – Effective 03-16-19
30. Martinez, Jay – DER – Effective 03-16-19
31. May, Stefani – Sheriff – Effective 03-16-19 *
32. Mayhew, Merry – DER – Effective 03-30-19
33. McGar, Michael – GSA – Effective 03-31-19
34. McGrath, Deirdre – County Counsel – Effective 03-30-19
35. Moore, Randall – City of Ceres – Effective 03-02-19 *
36. Nickles, Patrick – DA – Effective 03-30-19
37. Orante, Julia – Library – Effective 03-16-19
38. Perow, Rita – Sheriff – Effective 03-16-19
39. Reynaud, Douglas – DA – Effective 03-30-19
40. Reynolds, Diana – BHRS – Effective 03-16-19
41. Sampson, Lawrence – HSA – Effective 03-22-19
42. Singh, Naleena – Auditor/Controller – Effective 03-30-19
43. Smith, Ronald Brent – City of Ceres – Effective 03-31-19 *
44. Song, Steve – Public Works – Effective 03-16-19
45. Steed, Lisa – Auditor/Controller – Effective 03-16-19
46. Steele, Timothy – Parks & Rec – Effective 03-30-19
47. Surti, Bipinchandra – Aging & Vet Svcs – Effective 03-30-19
48. Van Ruiten, Cornelius – Probation – Effective 03-16-19 *
49. Wall, Kevin – ESMAD – Effective 03-30-19
50. Watson, Sharon – CSA – Effective 03-02-19
51. Webster, San Juanita – BHRS – Effective 03-16-19

** Indicates Safety Personnel*

5. Consent Items (Cont.)

e. Applications for Deferred Retirement(s) – **Government Code Section 31700**

1. Anderson, Laci – Probation – Effective 11-13-18 *
2. Dhesi, Jaskaran – Workforce Dev – Effective 11-02-18
3. Faria, Aron – Environmental Resources – Effective 10-12-18
4. Flores, Gonzalo – BHRS – Effective 02-01-19
5. Greene, Oliver – DCSS – Effective 11-21-18
6. Jardin, Liza – HSA – Effective 02-01-19
7. Melton, Heather – DA – Effective 10-20-18
8. Rodriguez, Elena – Superior Courts– Effective 02-08-19
9. Shamoon, Shamerin – CSA – Effective 01-29-19
10. Trujillo Santillan, Ana – BHRS – Effective 08-10-18

** Indicates Safety Personnel*

f. Application for Death Benefit – **Government Code Section 31781, 31781.1, 31781.3**

1. Krause, Betty – Child Support Services – Non-Service Connected – Effective 02-24-19

6. Investment

- a. StanCERA Asset Allocation Review
Agenda Item [View](#) Attachments [View](#)

7. VERUS – Investment Consultant

- a. Capital Assumptions [View](#)
- b. February Flash Report [View](#)

8. Administrative

- a. Revision to IRS Model Regulations
Agenda Item [View](#) Attachment 1 [View](#)
- b. Board Room Protocol
Agenda Item [View](#) Attachment 1 [View](#)
- c. NCPERS Voting Proxy
Agenda Item [View](#) Attachment 1 [View](#)
- d. Information Technology Solutions (ITS) Project Update [View](#)
- e. Board Room Committee Update

9. Closed Session

- a. Conference with Legal Counsel – Pending Litigation – One Case:
O’Neal et al v. Stanislaus County Employees’ Retirement Association
Stanislaus County Superior Court Case No. 648469
Government Code Section 54956.9(d)(1)
- b. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees’ Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9(d)(4)

10. Members' Forum (Information and Future Agenda Requests Only)
11. Adjournment



BOARD OF RETIREMENT MINUTES
February 26, 2019

1. Call Meeting to Order

Meeting called to order 1:30 p.m. by Trustee Sharpe, Vice Chair

2. Roll Call

Trustees Present: Darin Gharat, Mike Lynch, Sam Sharpe, Donna Riley,
Jeff Grover, Jeff Mangar and Mandip Dhillon

Trustees Absent: Michael O'Neal, Jim DeMartini,

Alternate Trustee: Rhonda Biesemeier, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Natalie Elliott, Fiscal Services Manager
Kellie Gomes, Executive Board Assistant

Others Present: Fred Silva, General Legal Counsel
Ed Hoffman, VERUS-Investment Consultant

3. Announcements

Kellie Gomes announced that a correction has been made to the minutes for 1/22/19. They now reflect that Trustee Gharat motioned the approval of the Consent items as presented and not Trustee Grover as previously reported.

Kellie Gomes announced that StanCERA received a few copies of a Guide to Actuarial Valuations for Public Pension Funds. This book was written to assist trustees who have little to no actuarial or financial background, or are experienced. Please let Kellie know if you are interested in having a copy.

4. Public Comment

None

5. Consent Items

- a. Approval of the January 22, 2019 Meeting Minutes
- b. Monthly Staff Report
- c. Conference Report
- d. VERUS Quarterly Work Plan
- e. 2019 Cost of Living Adjustment
- f. Fiscal year 2018-2019 Mid-Year Budget Review

5. Consent Items (Cont.)

g. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**

1. Bishop, Sandra – DA – Effective 02-16-19
2. Cardozo-Webber, Janice – Superior Court – Effective 02-02-19
3. Collins Marie – Stan Reg 911 – Effective 02-16-19
4. Duenas, Peter – CEO – Effective 02-15-19
5. Feist, Robin – CSA – Effective 02-01-19
6. Jacobs, Barry – SBT – Effective 02-20-19
7. Johnson-Gast, Kathy – HSA – Effective 02-16-19
8. Jones, Sylvia – Public Works – Effective 02-02-19
9. Kilger, Brad – City of Ceres – Effective 02-02-19
10. McQueary, Jon – Sheriff – Effective 02-16-19 *
11. Pocoroba, Tryna – CSA – Effective 02-03-19
12. Sarhad, Joann – DCSS – Effective 02-02-19
13. Simas, Tami – Sheriff – Effective 02-02-19
14. Snyder, Stephen – DCSS – Effective 02-01-19
15. Strickland, Lori – BHRS – Effective 02-15-19

** Indicates Safety Personnel*

h. Applications for Deferred Retirement(s) – **Government Code Section 31700**

1. Boltzen, Lisa – CSA – Effective 10-19-18
2. Bughi, Travis – Assessor – Effective 12-07-18
3. Dennys, Juan – Workforce Dev– Effective 06-15-18
4. Jones, Rhiannon – ESMAD – Effective 04-28-17
5. Kirkbride, Kathryn – DA – Effective 06-22-18
6. Murrillo, Skylynn – Probation – Effective 07-12-18 *
7. Wren, Julian – CSA – Effective 11-02-18

** Indicates Safety Personnel*

i. Application for Death Benefit – **Government Code Section 31781, 31781.1, 31781.3**

1. Simon, Marlon – Public Defender – Non-Service Connected – Effective 02-08-19

Motion was made by Trustee Gharat and seconded by Trustee Riley to accept the consent items as presented.

Motion carried unanimously

6. Investment

- a. None

7. VERUS – Investment Consultant

- a. January Flash Report
- b. Investment Performance 2018 Quarter 4 Review

8. Administrative

- a. June 30, 2018 Actuarial Valuation and 2015-2018 Experience Study

Motion was made by Trustee Grover and seconded by Trustee Dhillon to accept the June 30, 2018 Actuarial Valuation and 2015-2018 Experience Study as presented

Motion carried unanimously

- b. Information Technology Solutions (ITS) Project Update
- c. Board Room Committee Update
- d. Full Day Board Session
- e. State Association of County Retirement Systems (SACRS) 2019 Spring Business Meeting

Motion was made by Trustee Gharat and seconded by Trustee Riley to appoint Trustee Dhillon and Trustee Sharpe as proxies for the SACRS 2019 Business Meeting.

Motion carried unanimously

9. Committee Reports and Recommendations for Action

STANDING COMMITTEES

- a. Strategic Objectives Planning Committee
 - i. StanCERA 2020-2022 Strategic Plan

Motion was made by Trustee Gharat and seconded by Trustee Riley to accept the recommendation of the committee to approve the concept of a strategic plan that focuses on StanCERA's immediate needs over the next 3 years. The Committee will work with staff to develop action items related to staff's recommended strategic plan.

Motion carried unanimously

10. Members' Forum (Information and Future Agenda Requests Only) Heard out of Order

9. Closed Session

Motion was made by Trustee Gharat and seconded by Trustee Dhillon to go into closed session at 2:59 pm

Motion carried unanimously

- a. Conference with Legal Counsel – Pending Litigation – One Case:
O'Neal et al v. Stanislaus County Employees' Retirement Association
Stanislaus County Superior Court Case No. 648469
Government Code Section 54956.9(d)(1)
- b. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9d)(4)

Motion was made by Trustee Gharat and seconded by Trustee Dhillon to go into open session at 3:53 pm

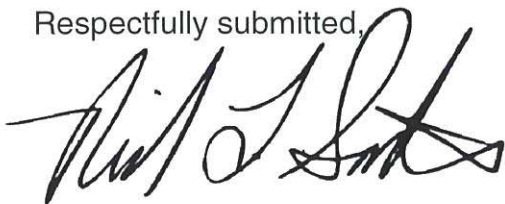
Motion carried unanimously

No read out from closed session.

11. Adjournment

Meeting adjourned at 3:53 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel



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March 26, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

I. SUBJECT: Monthly Staff Report

II. ITEM NUMBER: 5.b

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS:

a) *Member & Employer Services (MESS)* –During the month of February 2019, Member and Employer Services Staff processed 32 new hires (27 General and 5 Safety members) 14 terminations, 29 member requests resulting in 79 estimates and 29 member requests resulting in 42 buy back contracts. There were 42 individual counseling sessions.

b) *Investment Governance and Compliance* – During February, continuing work on the reporting and data capturing process was completed. Additionally, StanCERA has begun the documentation process of uploading data into the system and maintaining the reporting process. The Investment Officer position has been filled and transitioning the investment duties over to the position will now begin.

Recently, the Board asked staff to report out on a regular basis money transfers between managers and asset classes. Staff will begin to report this information each month using the following template:

From		To		
<u>Manager</u>	<u>Class</u>	<u>Manager</u>	<u>Class</u>	<u>Amount</u>

For the month of February, there were no asset transfers to report

- c) *Fiscal Services* – Employer and employee contributions totaling \$9,211,442 were received through 13 different payroll batches in February. 18 contribution refunds and death benefit payouts totaling \$211,833 were processed. The retiree payroll for February totaled \$10,614,839 and was processed as scheduled.

Staff continues to partner with Member Services in defining the business rules for the new pension software. The County, Courts and City of Ceres have provided the first actual import file for parallel testing. Tegrit has tested the files for any systemic issues. Staff has begun parallel testing.

Construction on the new Board Room Tenant Improvements continues with minimal noise interruption. Due to a couple unforeseen delays, the new Board Room will not be ready for the March meeting, but we anticipate our first meeting in the new Board Room to be the April or May meeting. We continue to stay under budget for this project.

VI. RISK: None

VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently*

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Rick Santos, Executive Director



Natalie Elliott, Fiscal Services Manager



Conference Summary

1. **Attendee Name:** Rhonda Biesemeier

2. **Event Name:** CALAPRS General Assembly

3. **Event Date:** March 2-5, 2019

4. **Event Location:** Monterey, CA

5. **Describe what was good about the event:**

The location was very nice, and, of course, the networking breaks and after-hours events were exceptional.

I enjoyed hearing from SDCERS, SLO County Pension Trust and SCERS about their experiences implementing their Pension Administration Systems, since we are in the midst of that now.

The session on Cyber Security was important – and I learned that if we don't have resources to hire a Cyber Security expert, there are free tools available on the Center for Internet Security website, or outside sources can be hired for this purpose. The same speaker went into greater depth at the last CALAPRS Roundtable and I'll be happy to share that information. It is very important, especially as we build our new system.

While the presentation on the "Lean Six Sigma" was reminiscent of TQM, Learning Styles and the like, panelists from CalPERS & OCERS talked about how they used it to pare down the time necessary to process disability claims. It really saved them a lot of time, although it did not reduce the number of disability claims denied.

There was a really interesting presentation about member communications through the system's website which I think would be helpful when we design our new website. It included examples of some of the pages set up to help future retirees determine how much money they'll need to live the life they hope for in retirement by just clicking on pictures (home, car, medical, etc.) The speaker was from the UK, but we can obtain the information if interested.

6. **Would you recommend this event to other trustees/staff:**

Yes, I felt that the topics were current & interesting.

7. **Number of Education Credits:** Aprox. 10 Hours



March 26, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: StanCERA Asset Allocation Review
- II. ITEM NUMBER: 6.a.
- III. ITEM TYPE: Information/Discussion
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: Recently, a request was made to take a look at how StanCERA's asset allocation compares to other Retirement Plans in the 1937 Act Systems.

The Data

The raw data for this analysis comes from Verus and is contained in Attachment 1. The data comes from 9 systems (including StanCERA) that are considered 1937 Act. Staff did take the liberty of simplifying the data by removing the refined sub asset classes within their larger categorization. For instance, domestic equity contains two subclasses; large cap and small cap. Staff simply re-characterized these two sub asset classes as "Domestic Equity". This methodology was also used for International Equity (Developed and Emerging) and Domestic Fixed Income (Short Term and Treasuries). The collapsing of these sub asset classes does nothing to violate the integrity or inferences from the analysis.

Attachment 2 contains staff's revised data along with the average allocation by asset class/strategy across all included systems. It also contains the rank of the averages and the fiscal year 2017-2018 gross return.

Allocations

The following exhibit contains the top 7 average allocations/investment strategies across all 9 systems, StanCERA's specific allocation and the differences:

<u>Asset Class/Strategy</u>	<u>Average Allocation</u>	<u>StanCERA Allocation</u>	<u>StanCERA vs. Average</u>
International Equity	21.8%	27.0%	5.2%
Domestic Equity	19.9	13.0	-6.9
Domestic Fixed Income	19.3	23.0	3.7
Real Estate	8.1	10.0	1.9
Private Equity	6.9	6.0	-0.9
Private Credit	4.0	6.0	2.0
Risk Parity	2.9	13.0	10.1

As can be seen, these 7 asset classes or strategies comprise a majority of all systems' allocations and should be considered as major contributors to the overall returns of the 9 subject systems. Attachment 3 contains a graphical portrayal of how StanCERA's specific allocation deviates from the averages across all systems contained in this analysis.

Attachment 3 shows the biggest deviations from the average allocation/strategies are Risk Parity (10.1%), Domestic Equity (-6.9%) and Hedge Funds/Real Return Assets (-6.1%).

Attachment 4 shows where StanCERA fits within the ranges of each asset class. StanCERA's allocation is denoted by the red dot. So for instance, with regard to Domestic Equity, the highest system allocation is 29%, while the lowest is 5%. StanCERA's allocation resides in the lower half of this range.

Finally, attachment 5 shows the breakdown of each system's asset allocation/strategy (left vertical axis) superimposed by the 2017-2018 gross fiscal year return (right vertical axis).

Perhaps the most revealing aspect of this analysis appears to be the fact that only 3 or 4 different asset classes/strategies account for over 75% of the total allocations across all systems and subsequent returns seem to be clustered within a small range. Additionally, the other 25% of the asset classes that aren't a major component of the total allocation most likely account for a majority of the deviation within that same return range.

- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT:



Rick Santos, Executive Director

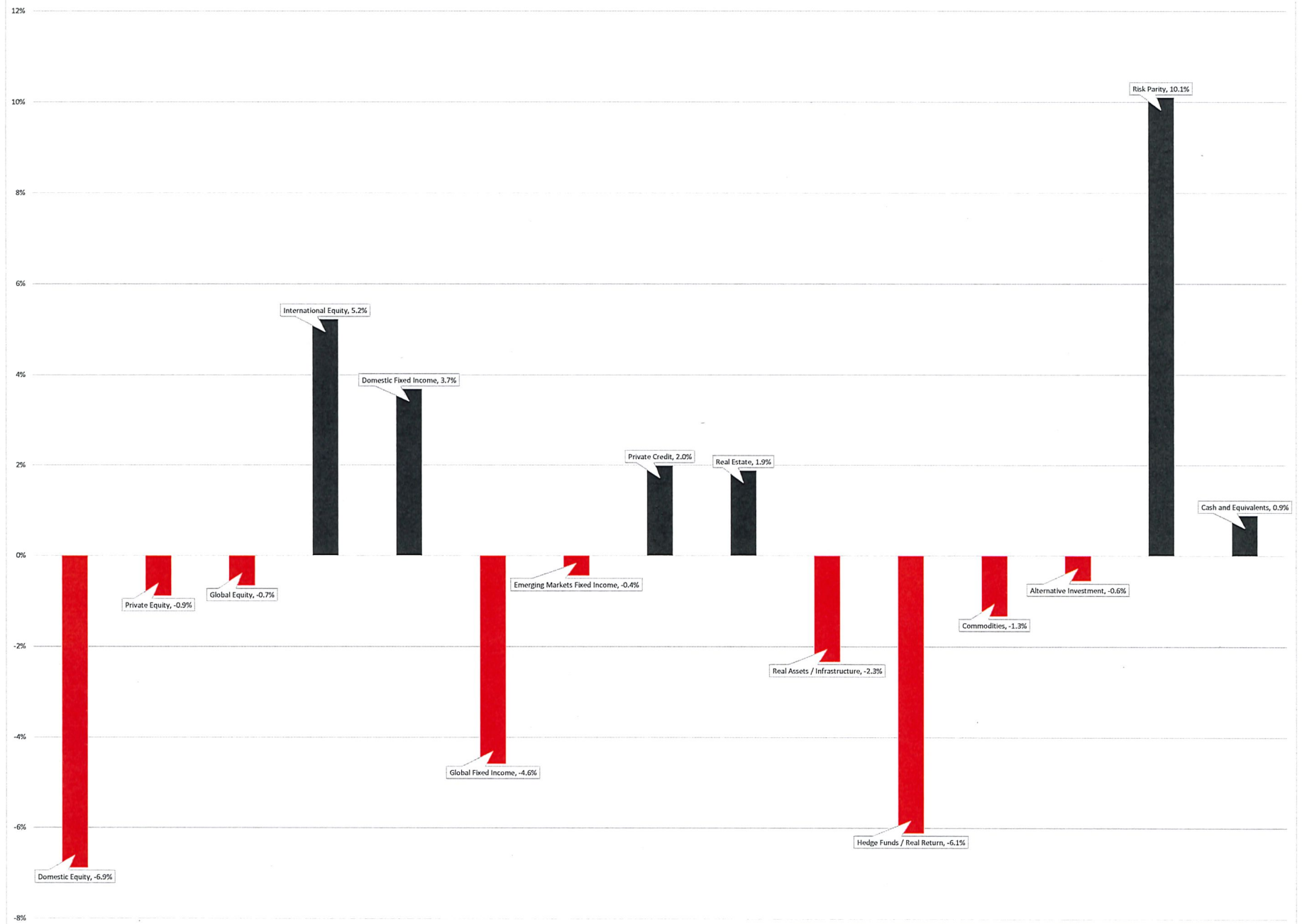
Attachment 1 - Policy Allocations

	StanCERA	Imperial	Kern	Tulare	San Mateo	Sacramento	Alameda	Fresno	CCCERA
Domestic Equity	13.0	29.0	19.0	25.0	22.0	21.0	28.0	17.0	5.0
U.S. Equity Large Cap	10.0			20.0					5.0
U.S. Equity Small Cap	3.0			5.0					0.0
Private Equity	6.0	5.0	5.0	5.0	6.0	9.0	9.0	6.0	11.0
Global Equity			6.0						
International Equity	27.0	24.0	12.0	25.0	19.0	20.0	26.0	19.0	24.0
Developed	22.0		8.0						13.0
Emerging	5.0		4.0						11.0
Domestic Fixed Income	23.0	27.0	25.0		21.0	10.0	12.8		26.0
U.S. Fixed Income Short Term	20.0								23.0
U.S. Fixed Income Treasuries	3.0					5.0			3.0
Domestic Fixed Income Core Plus	0.0		19.0	17.0					
Domestic Fixed Income High Yield	0.0		6.0	3.0		2.0			
TIPS	0.0				2.0				
Global Fixed Income	0.0			5.0		3.0	2.3	31.0	
Emerging Markets Fixed Income	0.0		4.0						
Private Credit	6.0	5.0	5.0					8.0	12.0
Real Estate	10.0	10.0	10.0	5.0	8.0	7.0	8.0	5.0	10.0
Real Assets / Infrastructure	1.0				8.0	13.0	5.0	3.0	
Hedge Funds / Real Return	0.0		10.0	5.0	6.0	10.0	9.0	8.0	7.0
Commodities	0.0		4.0	5.0				3.0	
Alternative Investment	0.0			5.0					
Risk Parity	13.0				8.0				5.0
Cash and Equivalents	1.0	0.0	0.0						0.0

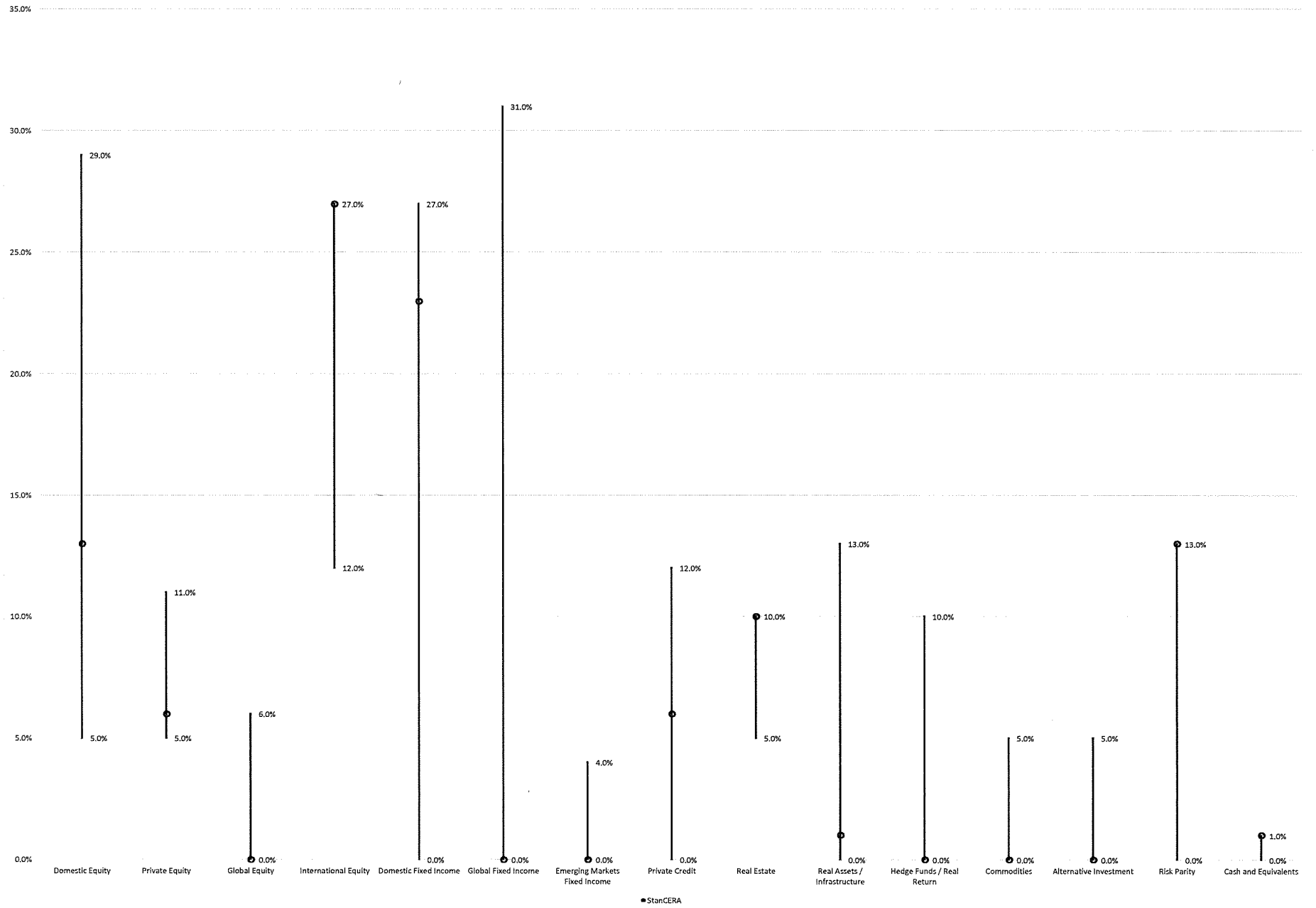
Attachment 2 - StanCERA Revised Policy Allocations

	<u>StanCERA</u>	<u>Imperial</u>	<u>Kern</u>	<u>Tulare</u>	<u>San Mateo</u>	<u>Sacramento</u>	<u>Alameda</u>	<u>Fresno</u>	<u>CCCERA</u>	<u>Average</u>	<u>Average Rank</u>
Domestic Equity	13%	29%	19%	25%	22%	21%	28%	17%	5%	19.9%	2
Private Equity	6%	5%	5%	5%	6%	9%	9%	6%	11%	6.9%	5
Global Equity	0%	0%	6%	0%	0%	0%	0%	0%	0%	0.7%	12
International Equity	27%	24%	12%	25%	19%	20%	26%	19%	24%	21.8%	1
Domestic Fixed Income	23%	27%	25%	20%	23%	17%	13%	0%	26%	19.3%	3
Global Fixed Income	0%	0%	0%	5%	0%	3%	2%	31%	0%	4.6%	7
Emerging Markets Fixed Income	0%	0%	4%	0%	0%	0%	0%	0%	0%	0.4%	14
Private Credit	6%	5%	5%	0%	0%	0%	0%	8%	12%	4.0%	8
Real Estate	10%	10%	10%	5%	8%	7%	8%	5%	10%	8.1%	4
Real Assets / Infrastructure	1%	0%	0%	0%	8%	13%	5%	3%	0%	3.3%	9
Hedge Funds / Real Return	0%	0%	10%	5%	6%	10%	9%	8%	7%	6.1%	6
Commodities	0%	0%	4%	5%	0%	0%	0%	3%	0%	1.3%	11
Alternative Investment	0%	0%	0%	5%	0%	0%	0%	0%	0%	0.6%	13
Risk Parity	13%	0%	0%	0%	8%	0%	0%	0%	5%	2.9%	10
Cash and Equivalents	<u>1%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	0.1%	15
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%		
FY 17-18 Gross Return	8.3%	7.9%	6.8%	7.4%	6.7%	10.1%	10.1%	7.1%	7.5%		

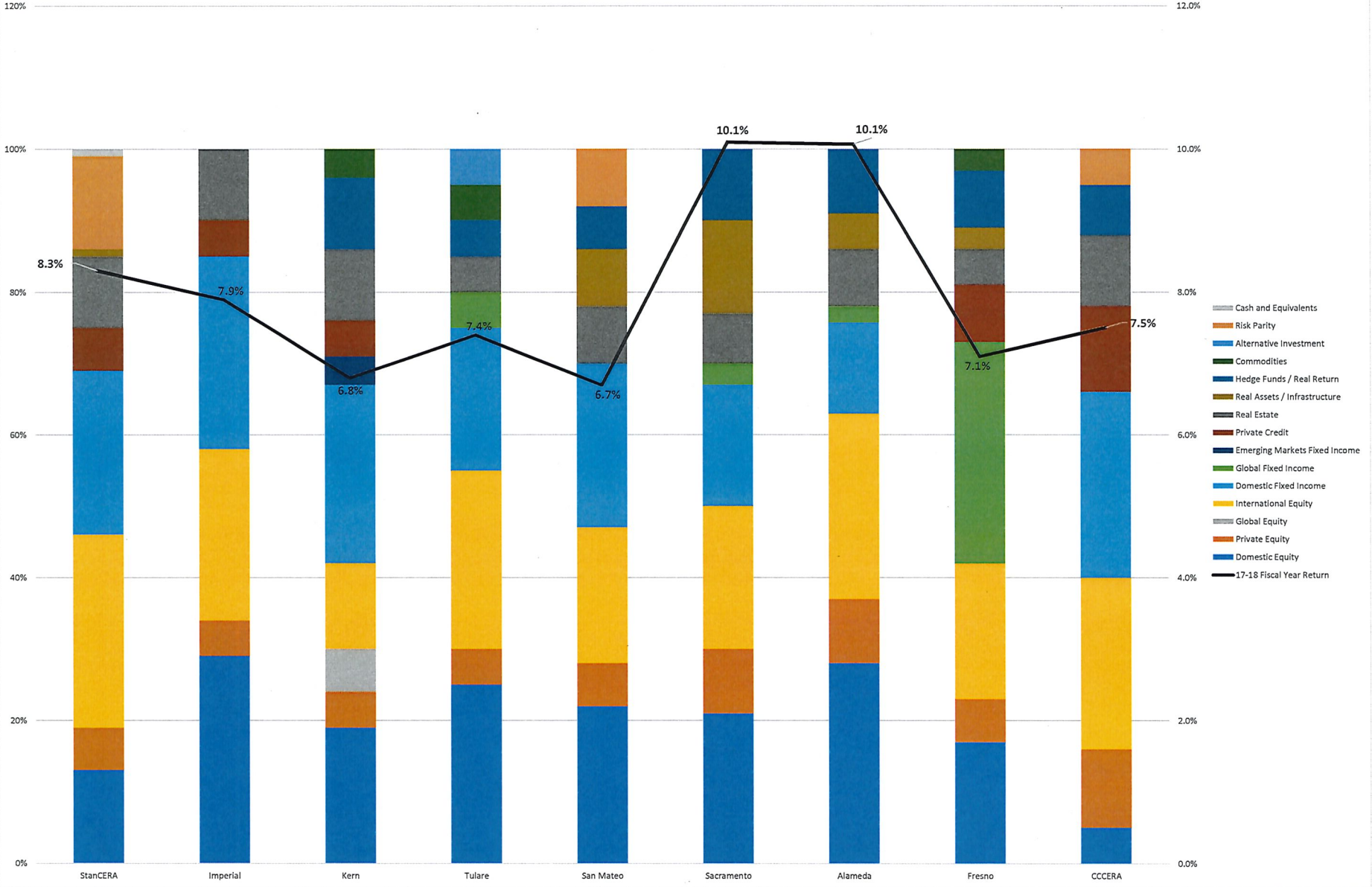
Attachment 3 - StanCERA Deviation from Averages By Asset Class



Attachment 4 - StanCERA Asset Class Allocation Compared to 1937 Act Ranges



Attachment 5 - Asset Allocation Vs. 17-18 Fiscal Year Return





PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



7.a

MARCH 2019

An introduction to Verus CMAs

Stanislaus County Employees' Retirement Association

Verus Capital Market Assumptions

Verus forecasting methodology

- How does Verus forecast asset class and portfolio behavior?

2019 Capital Market Assumptions

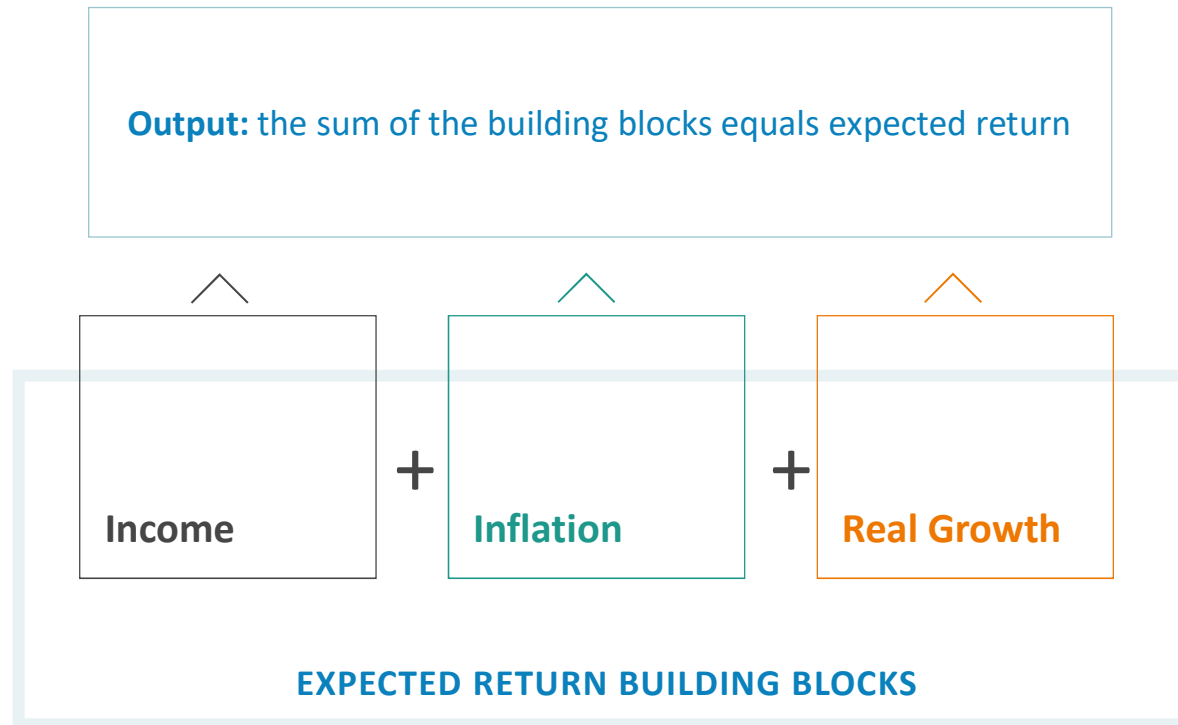
- What do our forecasts look like for the next 10 years?
- How do these forecasts compare to last year?
- How do they compare to history?

Short vs. Long-term

- What is the relationship between short-term and long-term views?

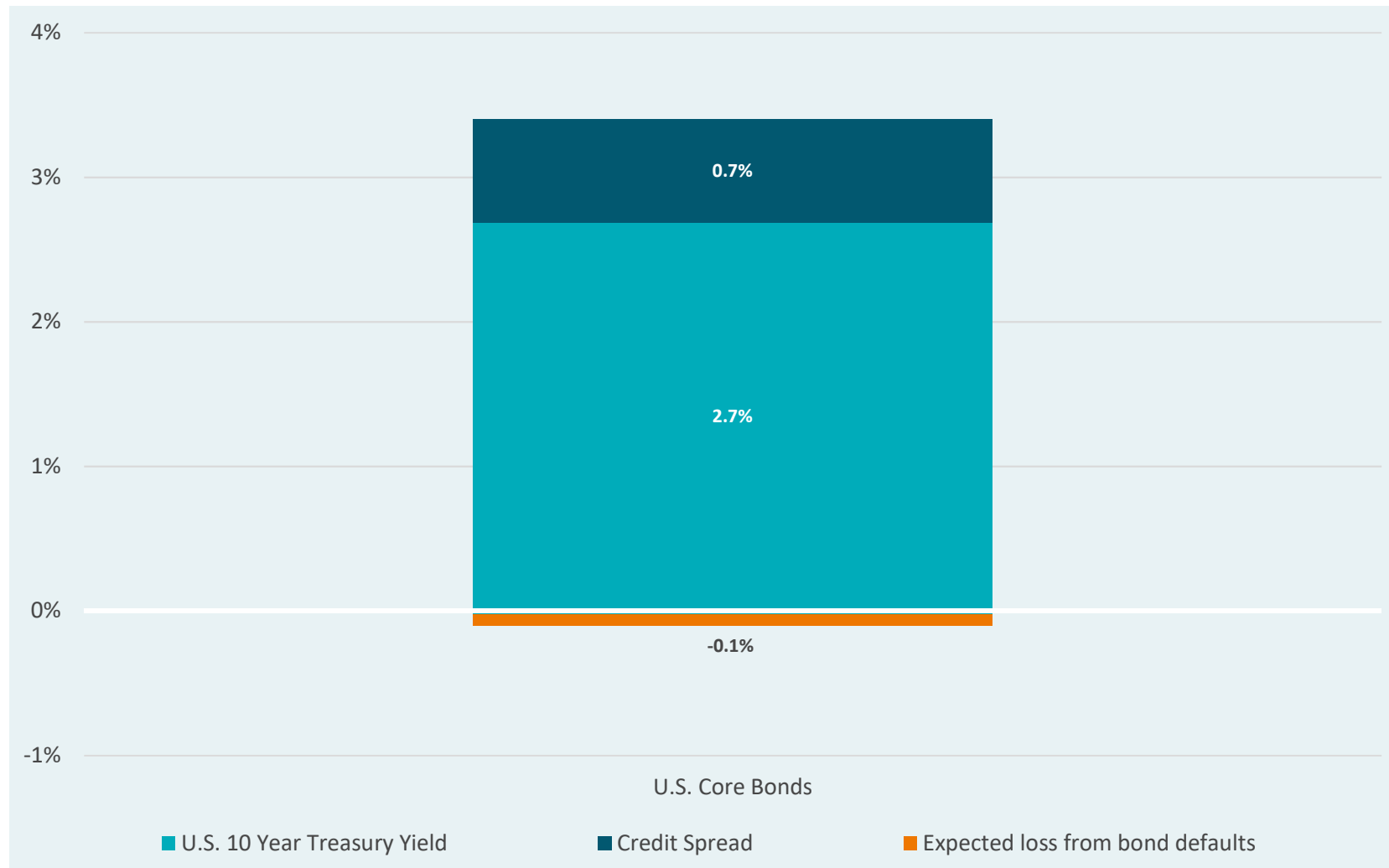
Verus methodology

Building block methodology



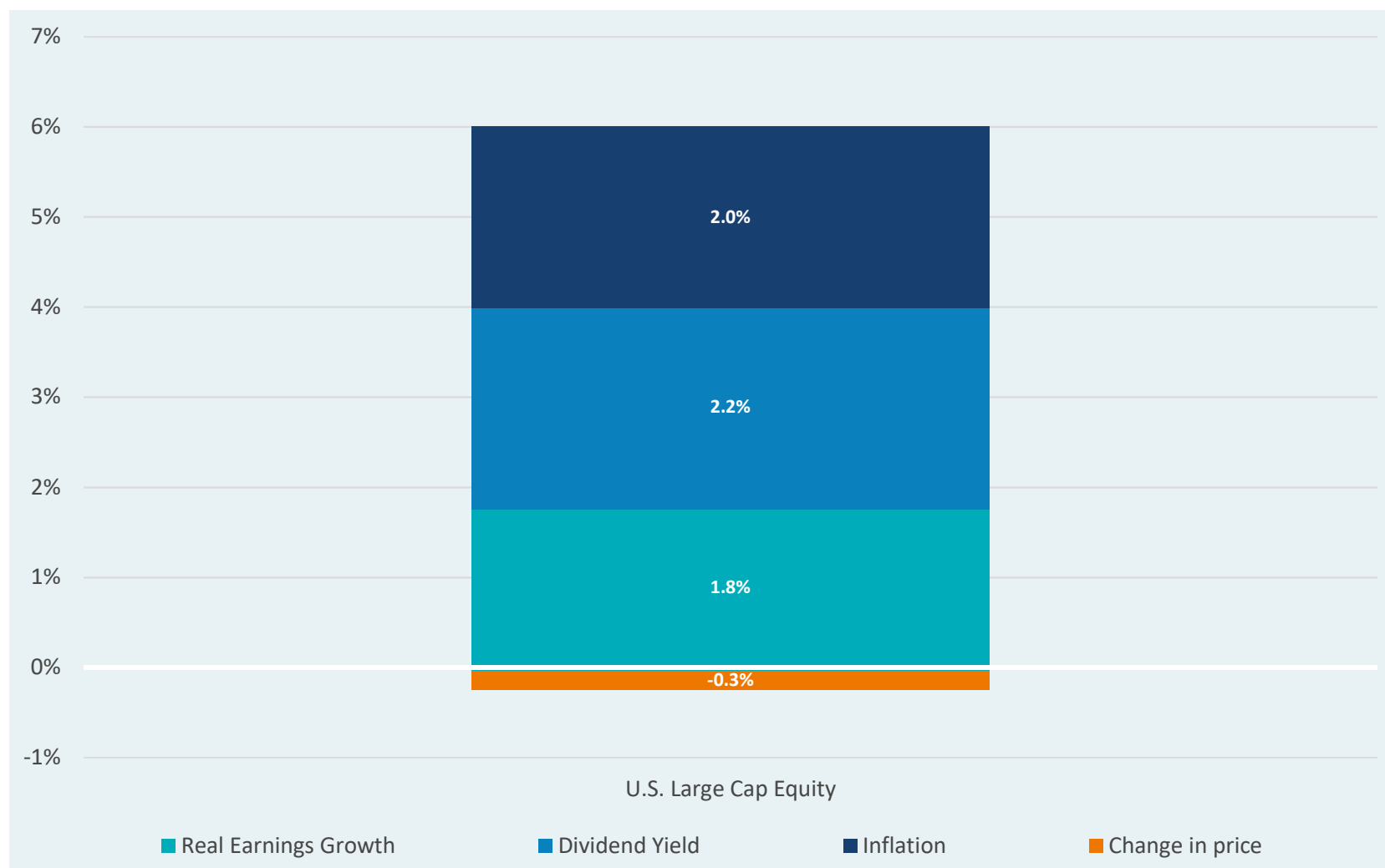
For illustrative purposes only

Expected return methodology



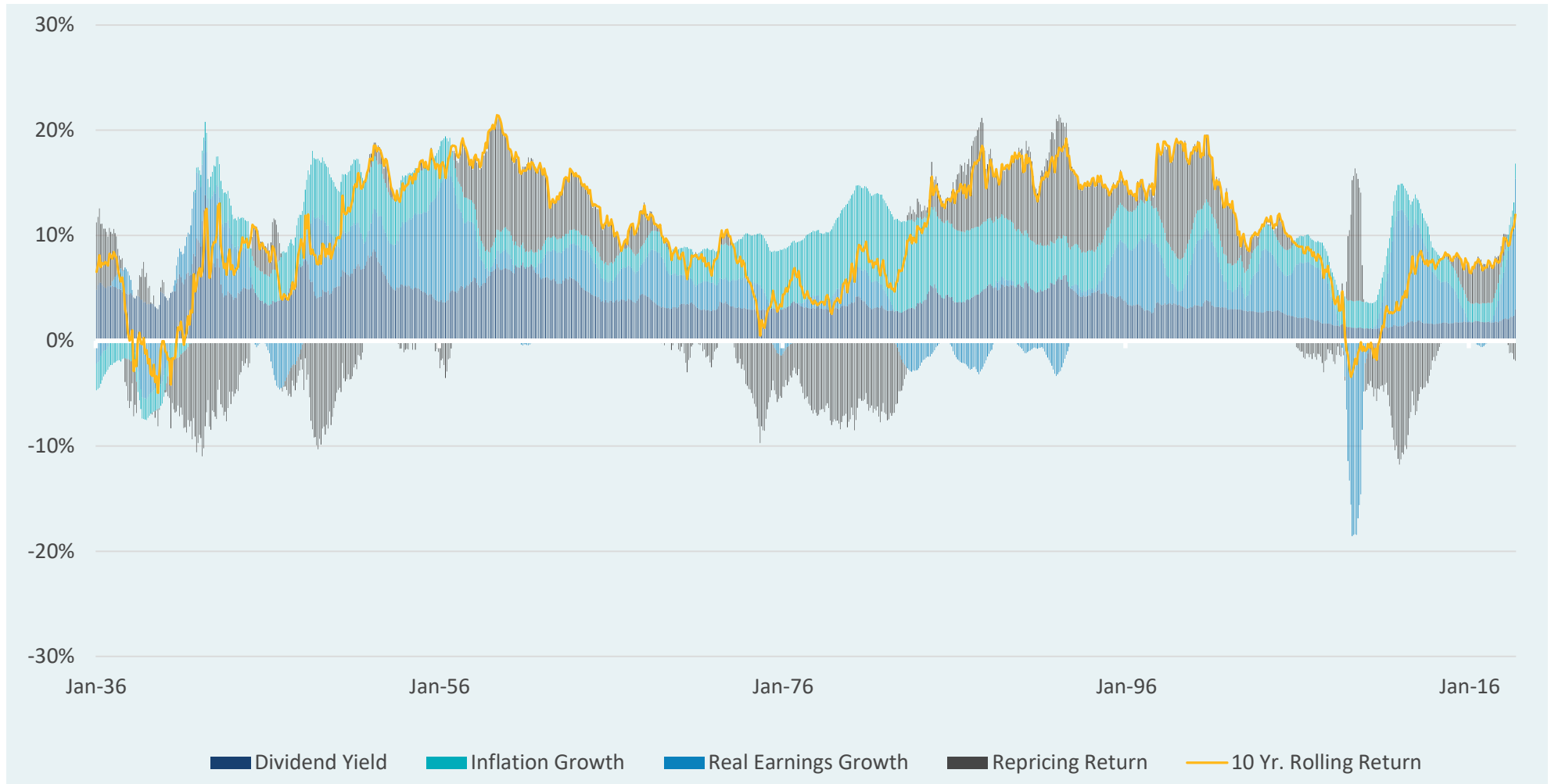
Source: Verus

Expected return methodology



Source: Verus

U.S. equity – historical return building blocks



Source: S&P, Shiller, as of 9/30/18

Expected return methodology

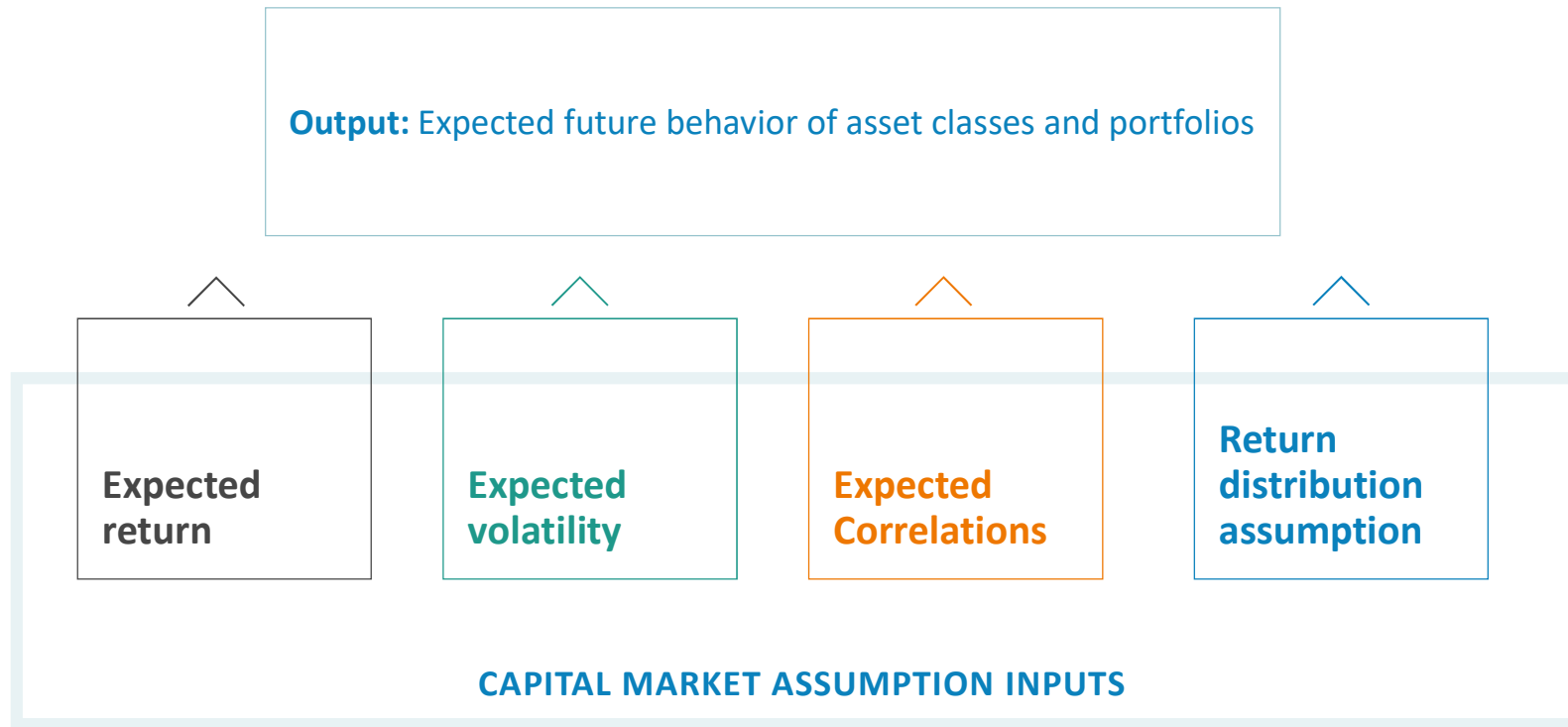
BUILDING BLOCK METHODOLOGY

Cash	Real yield estimate + inflation forecast
Bonds	Nominal bonds: current yield; Real bonds: real yield + inflation forecast
Credit	Current option-adjusted spread + U.S. 10-year Treasury – effective default rate
International Credit	Current option-adjusted spread + foreign 10-year Treasury – effective default rate
Equity	Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change
Commodities	Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)
Core Real Estate	Cap rate + real income growth – capex + inflation forecast
Infrastructure	Current yield + real income growth + inflation on earnings (inflation forecast)

BUILD-UP/SPREAD METHODOLOGY

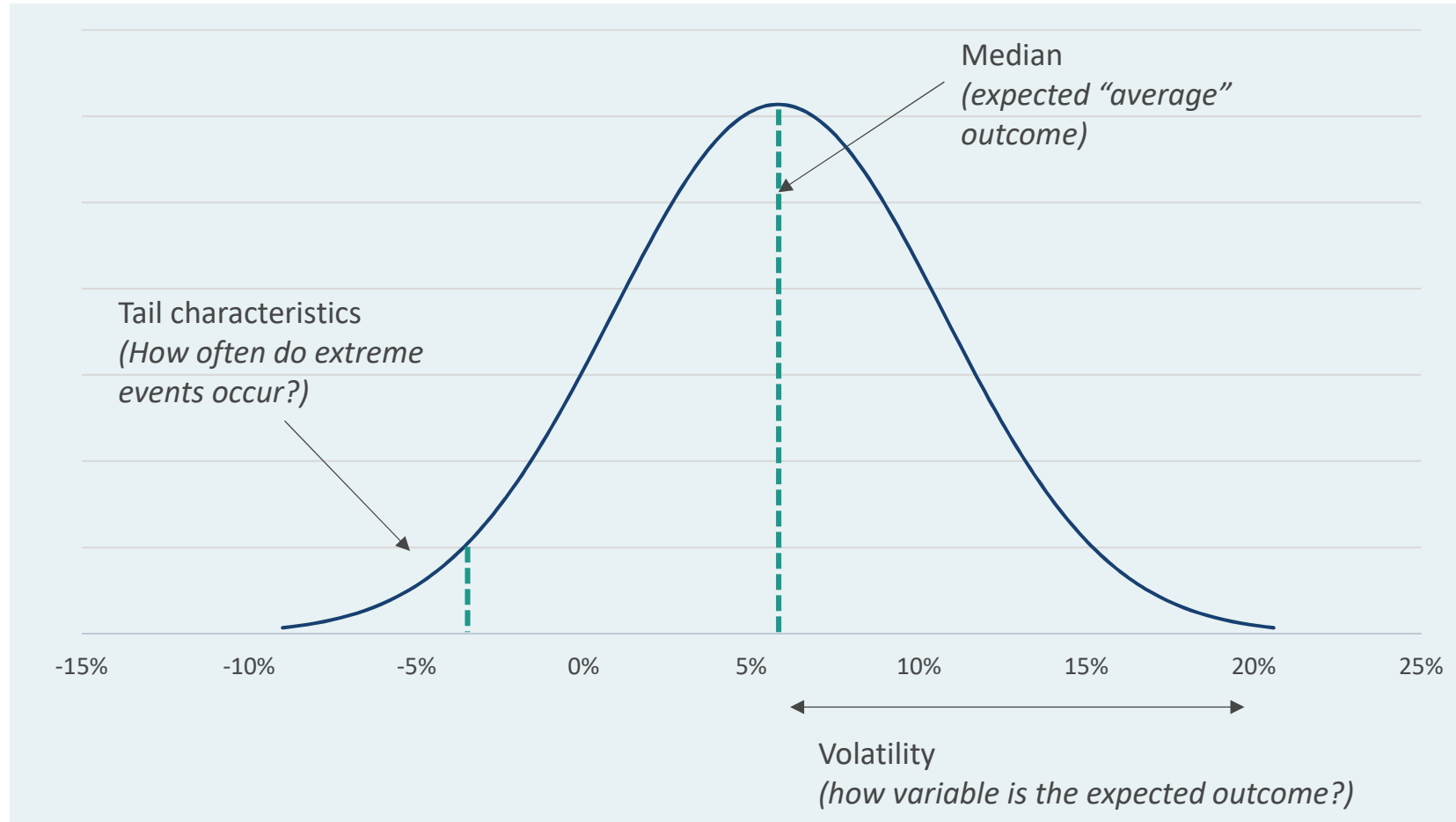
Private Equity	U.S. large cap domestic equity forecast * 1.85 beta adjustment
Private Credit	Bank loan forecast + 1.75% private credit premium

Required forecasting inputs



What is in a forecast?

Expected return: 5.8%, standard deviation: 15.6%

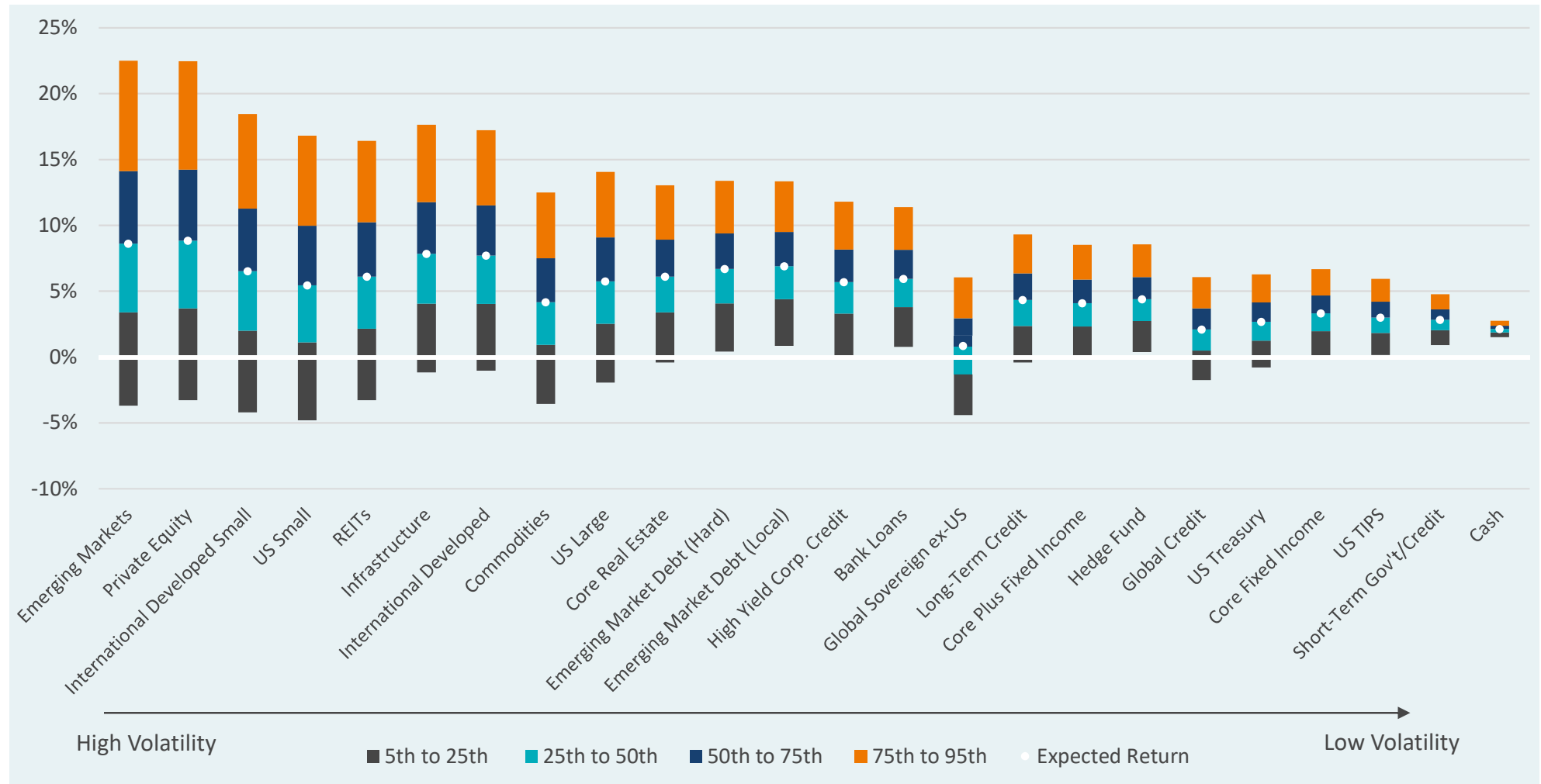


A return forecast is simply the “average” expected return

A volatility forecast tells us how different the return might actually be

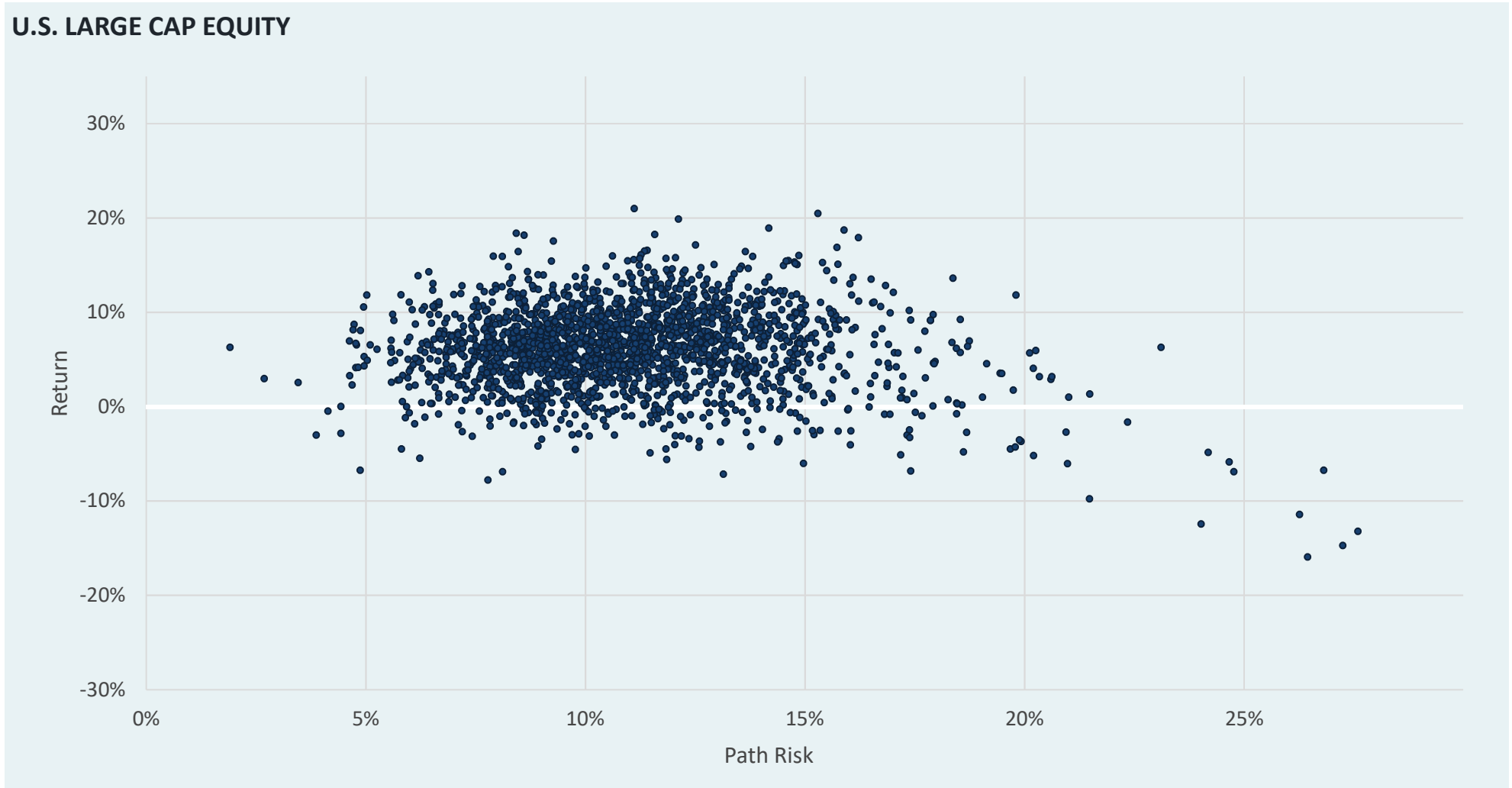
Range of likely 10 year outcomes

10-YEAR RETURN 90% CONFIDENCE INTERVAL



Source: Verus

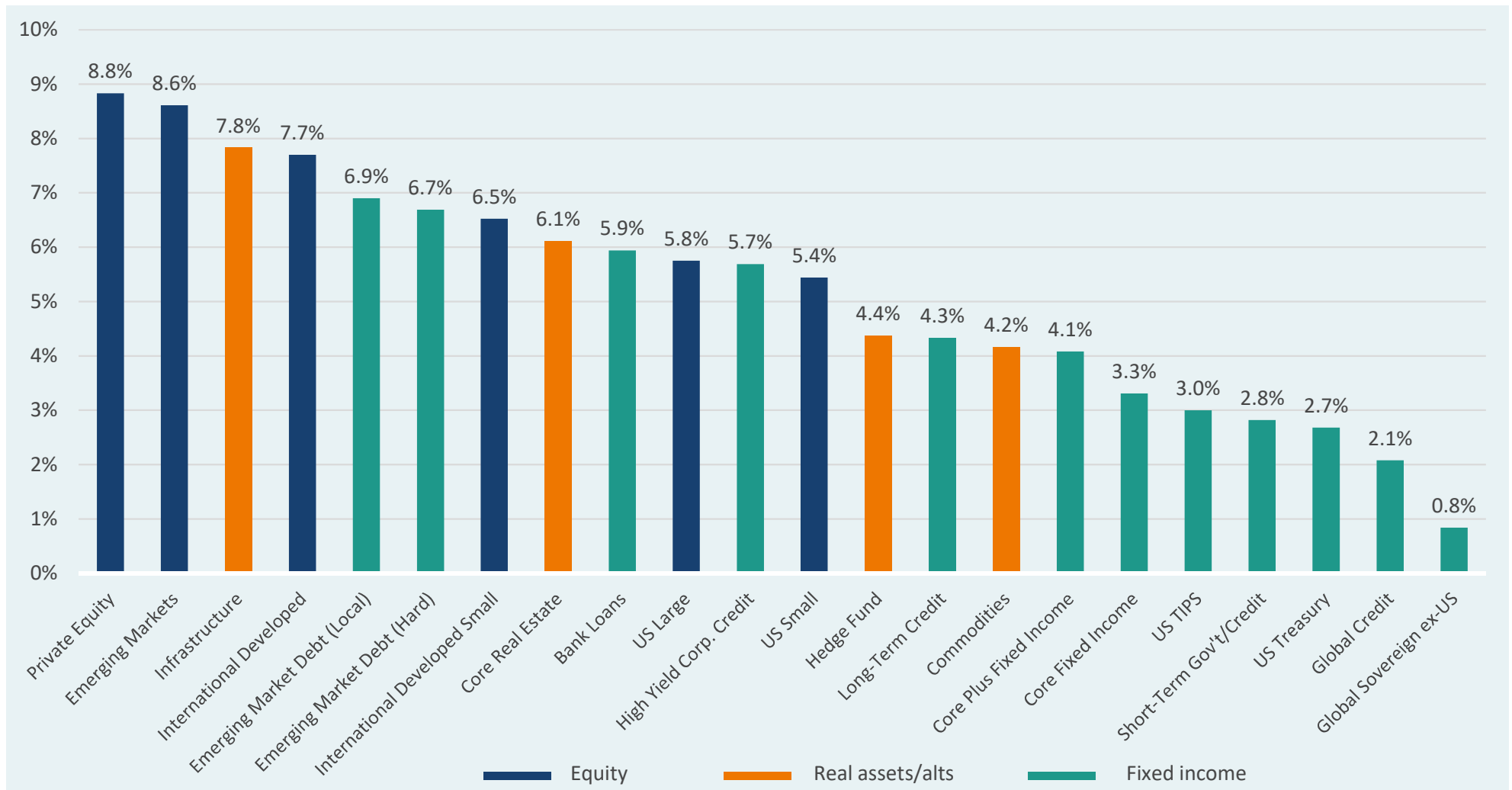
Range of likely 10 year outcomes



Source: Verus

2019 CMAs

10-year expected returns

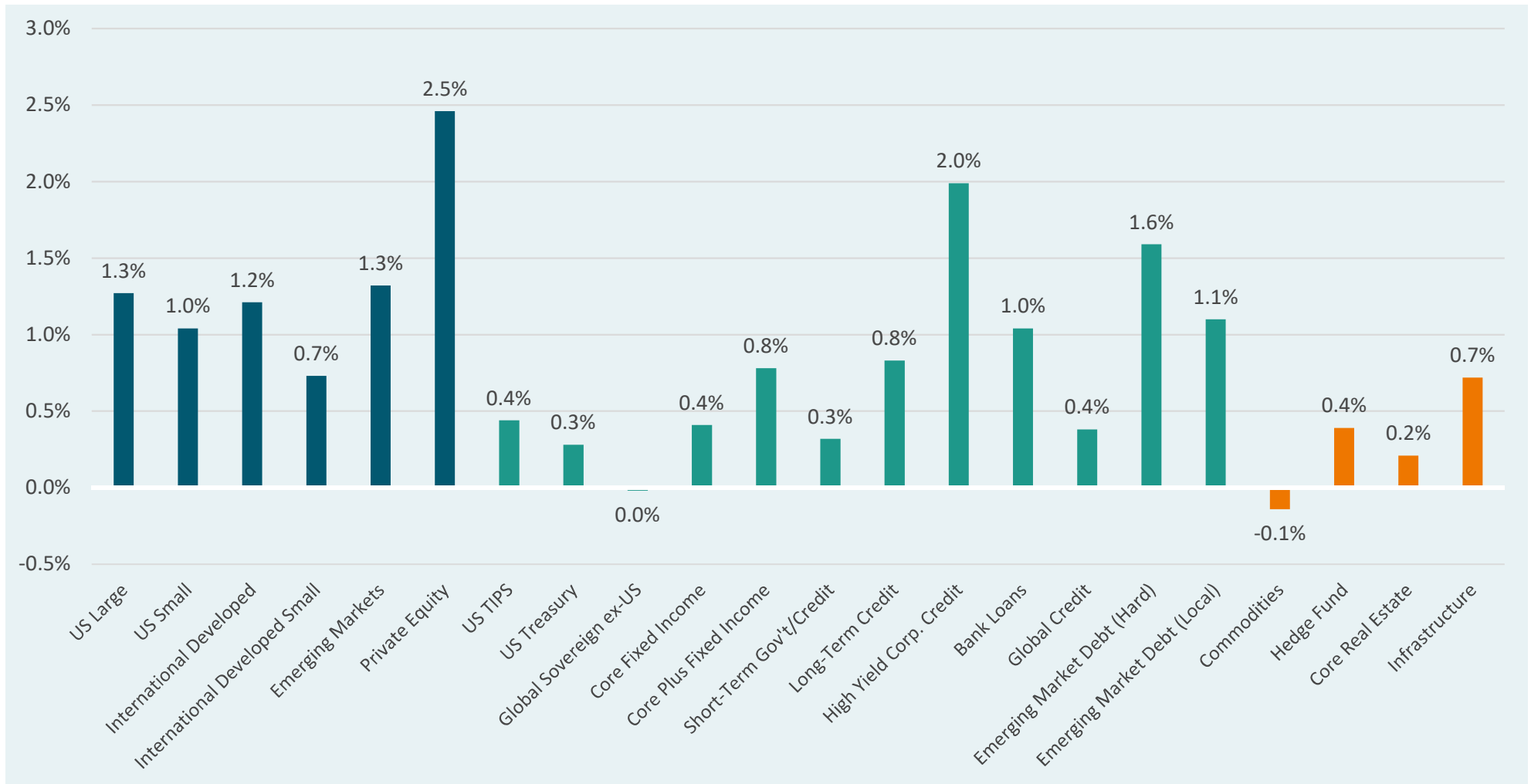


Source: Verus

What changed for 2019?

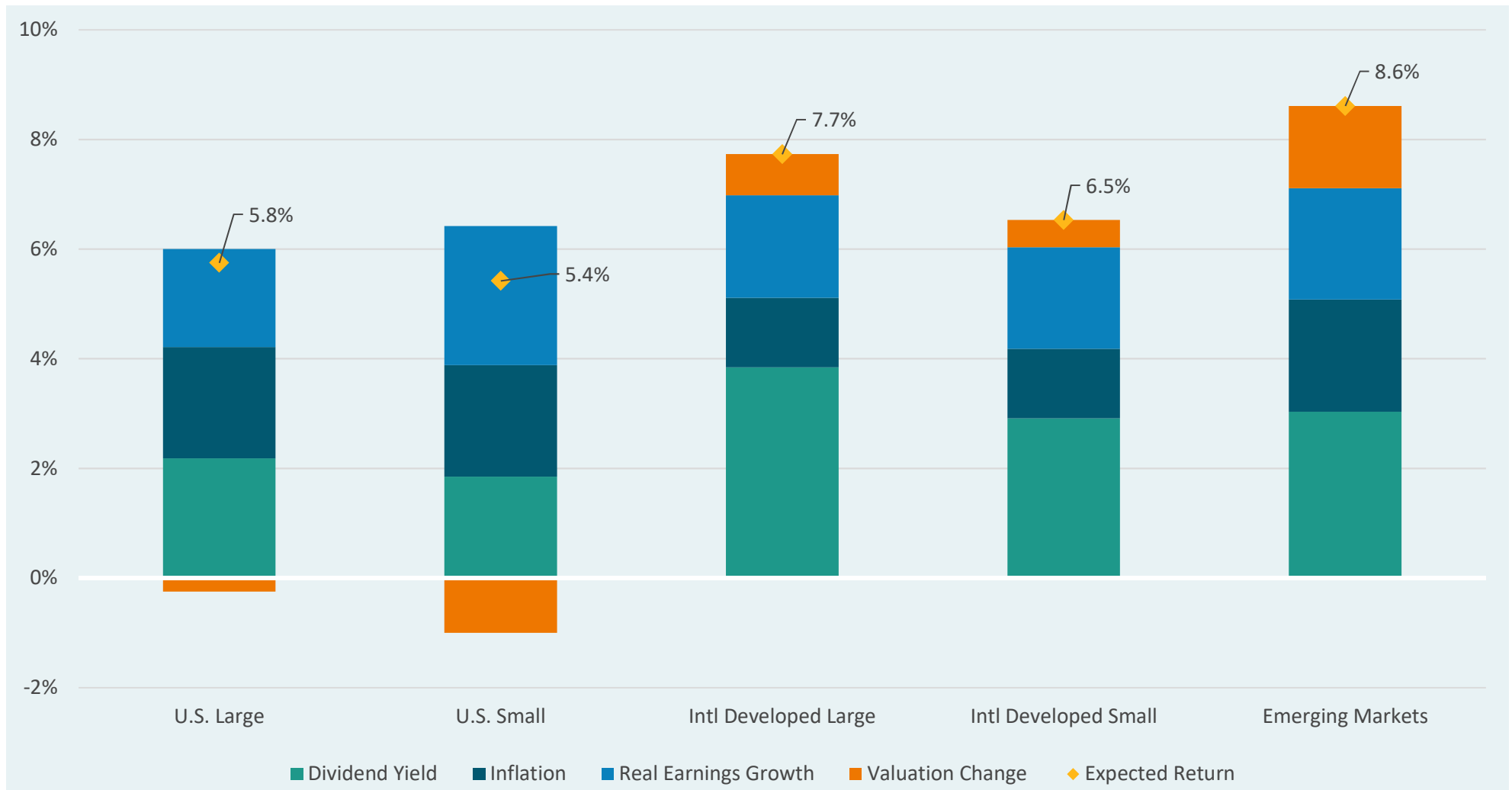
- Cheaper equity prices, higher credit spreads, and higher interest rates indicate a moderate improvement in 10-year capital market return forecasts
- However, an environment of continued low inflation and low interest rates would suggest more muted asset class performance relative to the historical average
- It is important to note the different nature of shorter and longer-term expectations

2019 vs. 2018 return forecast



Note: the year-over-year change is based on the 2019 methodology

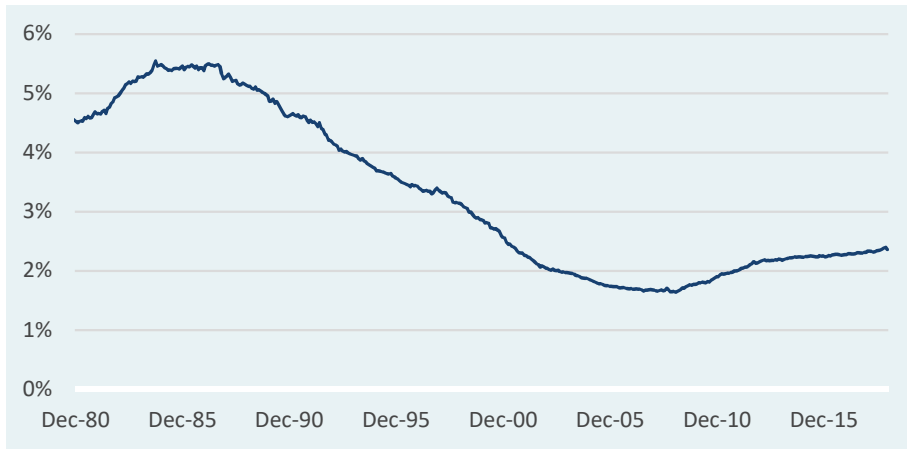
Equity return forecasts



Source: Verus

U.S. equity return building blocks

10-YEAR ROLLING INCOME RETURN



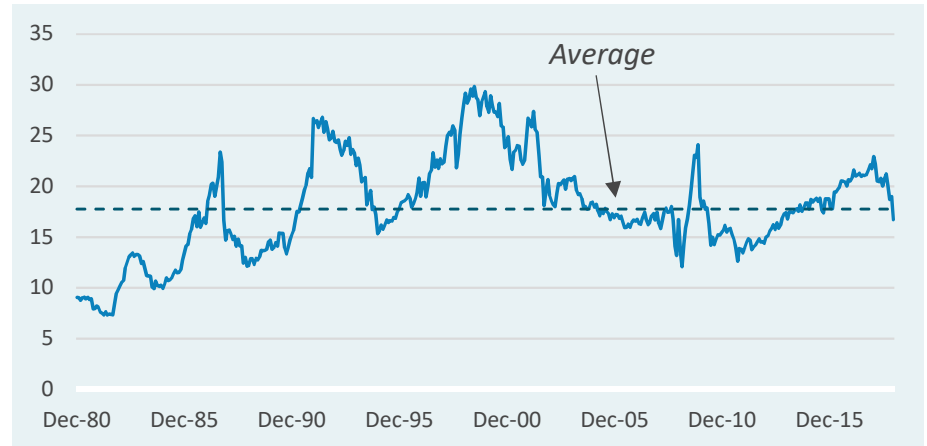
10-YEAR ROLLING INFLATION (CPI)



10-YEAR ROLLING REAL EARNINGS GROWTH

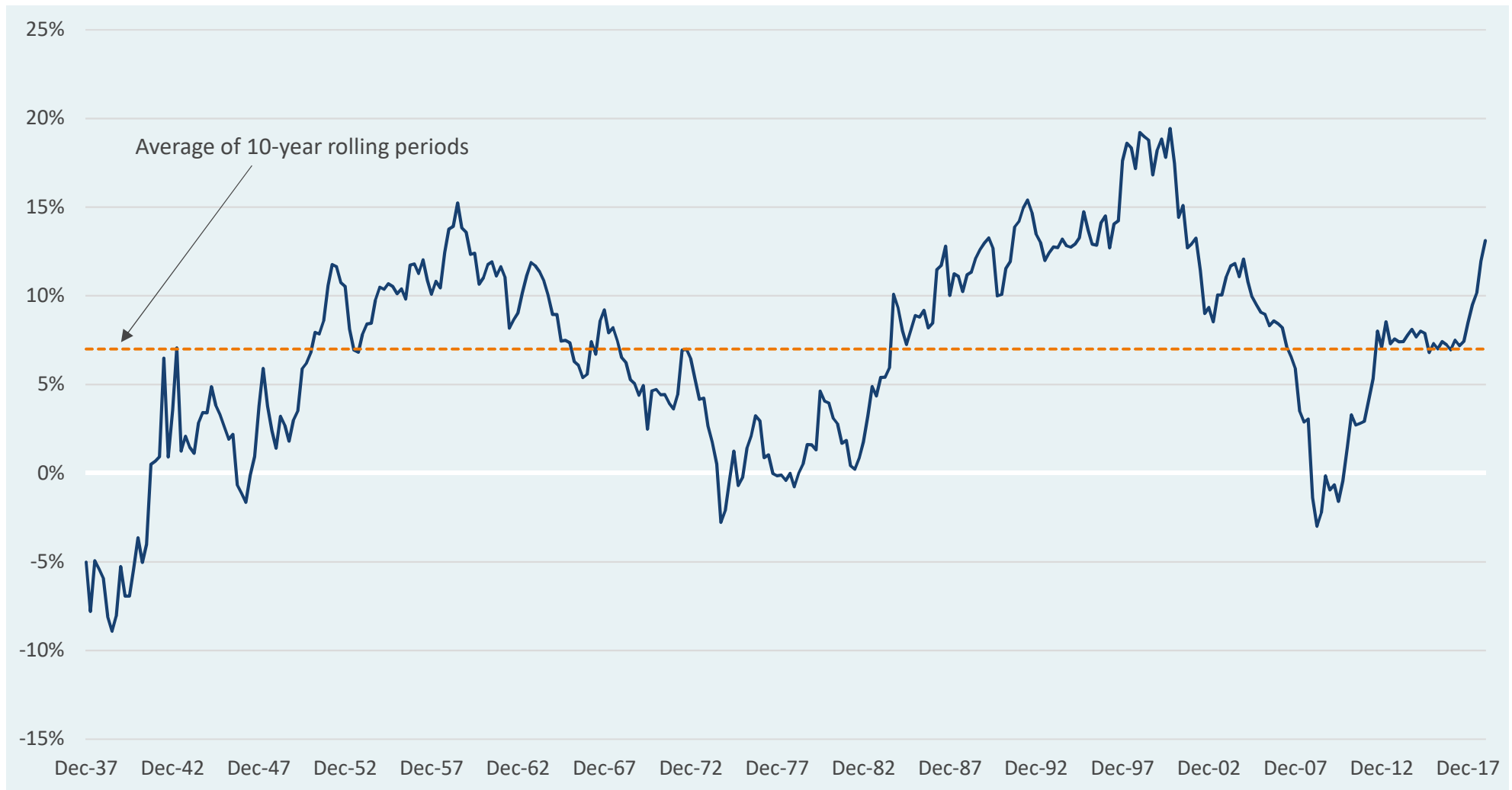


TRAILING 12-MONTH P/E RATIO



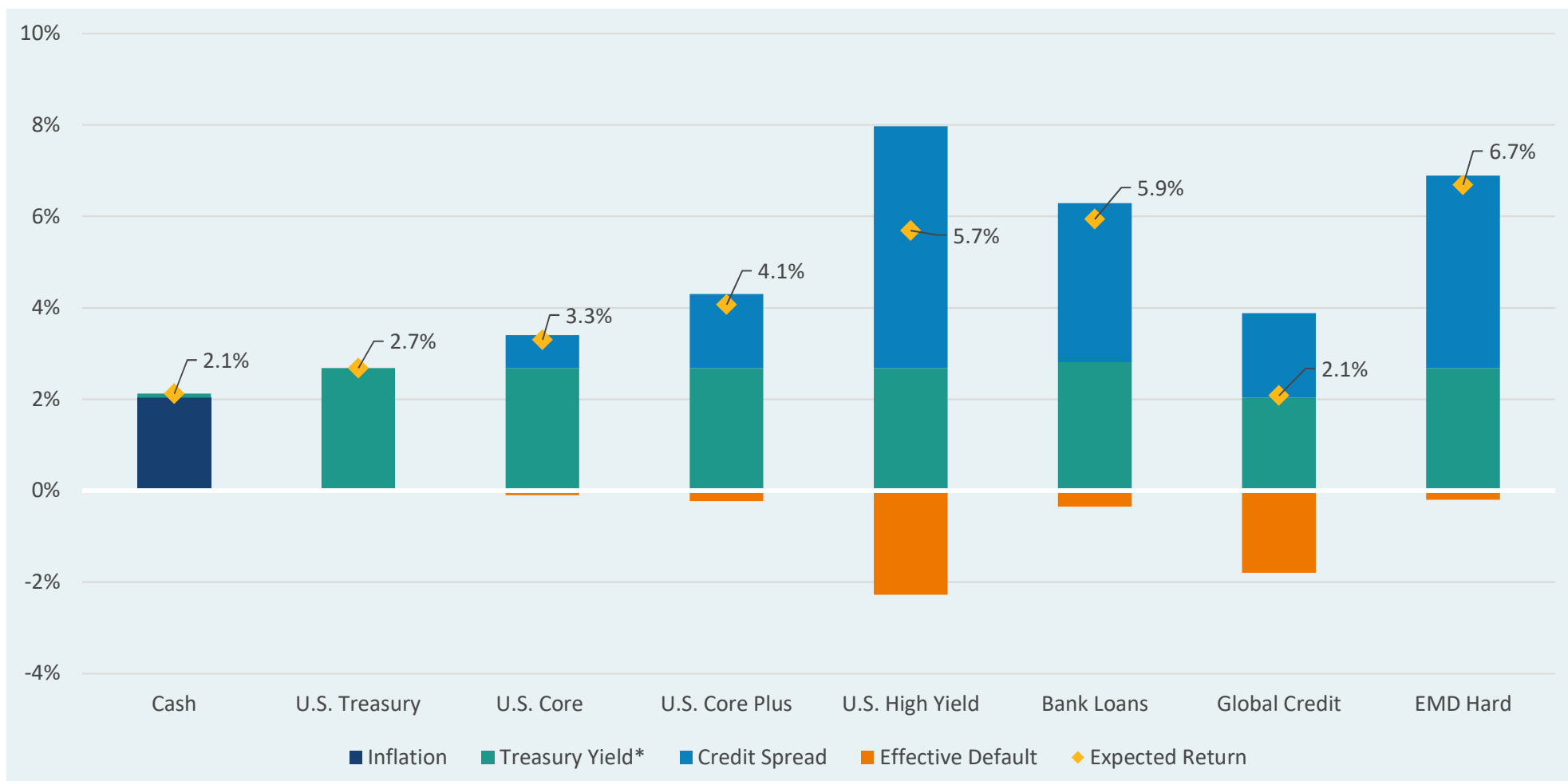
Source: Bloomberg, Shiller

U.S. equity – 10-year rolling returns



Source: Bloomberg, S&P 500 Index, as of 12/31/18

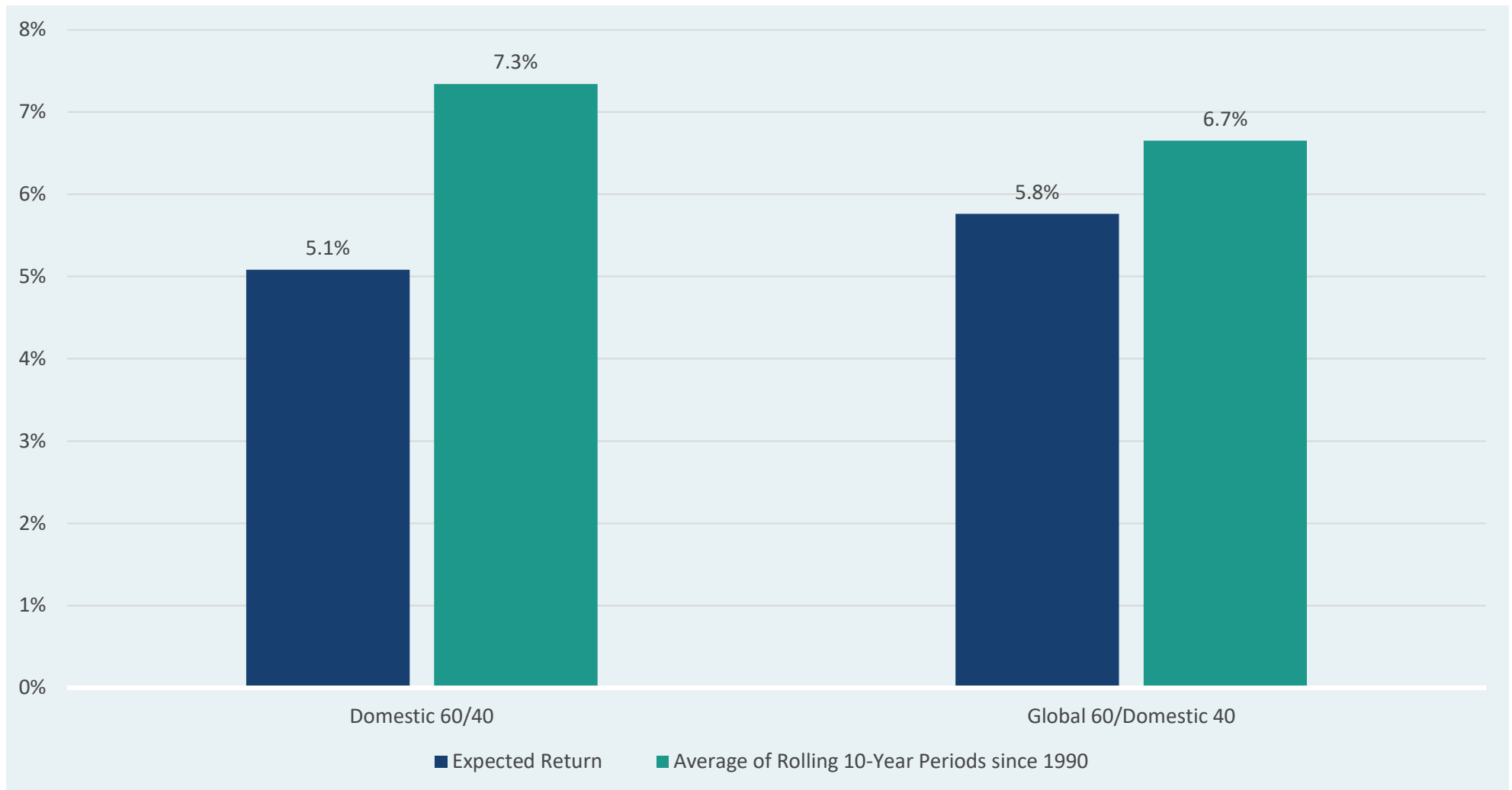
Fixed income return forecasts



Source: Verus

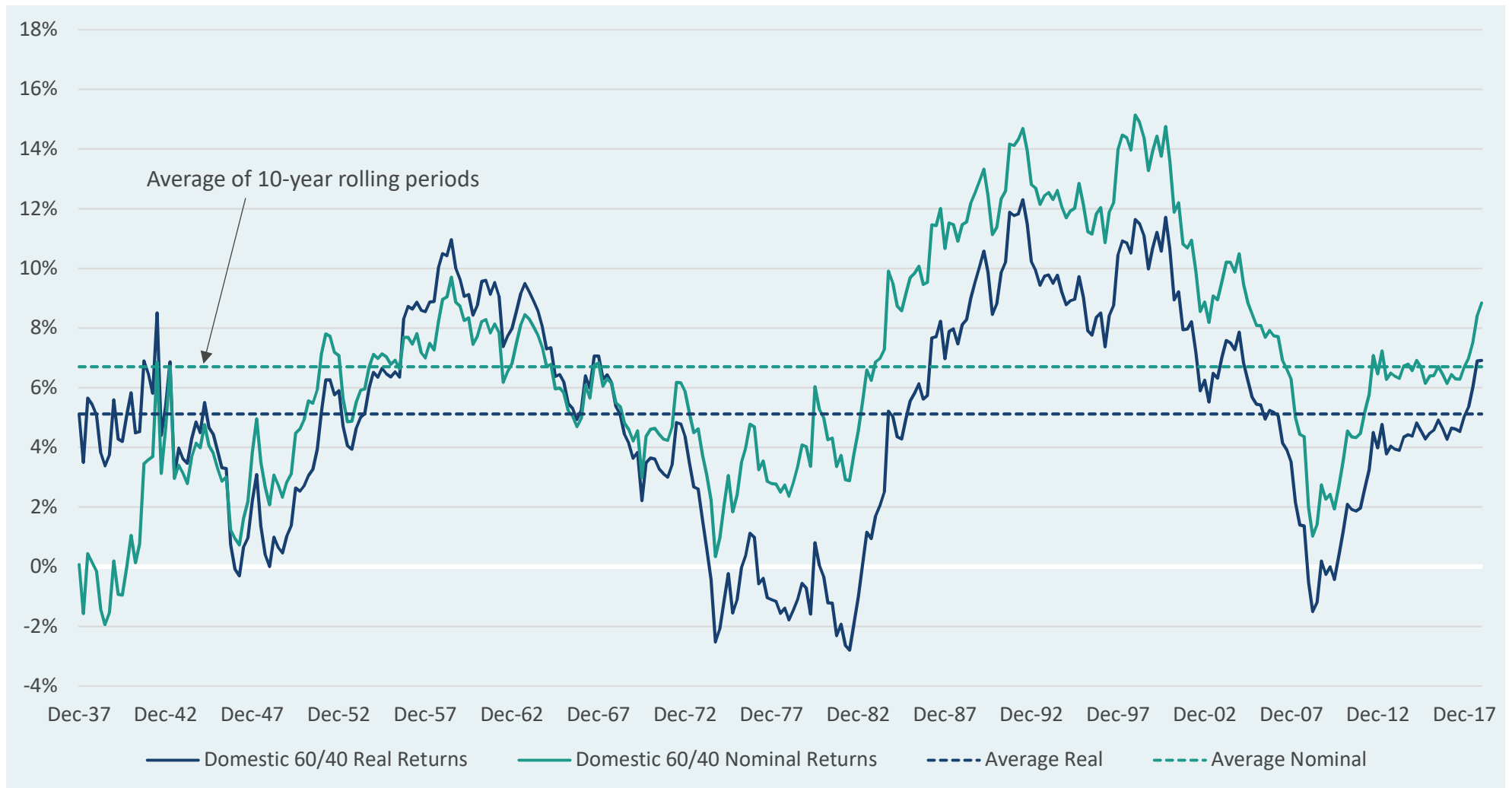
*Bank loans uses 3-month USD Libor instead of the Treasury yield

Portfolio expected returns



Source: Verus, Morningstar, as of 12/31/18, indices used include the S&P 500 Index, MSCI ACWI Index, and BBgBarc U.S. Aggregate Index

10-year rolling returns



Source: IA SBBI, as of 12/31/18

Short vs. long-term

Longer vs. shorter-term expectations

10-year forecasts should typically not be used for shorter-term positioning

Longer-term return drivers

- Level of inflation
- Level of interest rates
- Level of growth
- Level of asset prices

Shorter-term return drivers

- Changes in inflation level & expectations
- Changes in interest rate level & expectations
- Changes in growth level & expectations
- Changes in asset prices

Shorter-term investment strategy should be focused on identifying *changes* in the environment

An investor's longer-term & shorter-term expectations will often be different

Questions?

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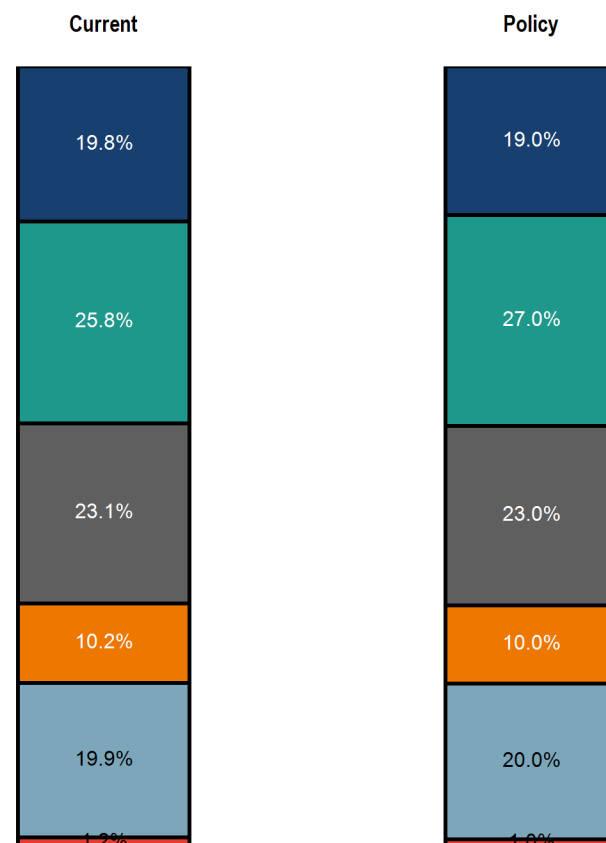
Verus – also known as Verus Advisory™.

Total Fund Flash Report (Net of Fees) - Preliminary

Period Ending: February 28, 2019

	Market Value	% of Portfolio	1 Mo	YTD	Fiscal YTD
Total Fund	2,111,737,143	100.0	1.4	6.2	0.7
<i>Policy Index</i>			1.6	6.4	1.9
US Equity	417,765,431	19.8	3.5	12.9	3.0
<i>US Equity Blended</i>			3.7	13.0	2.3
<i>Russell 3000</i>			3.5	12.4	3.2
Northern Trust Russell 3000	118,836,610	5.6	3.5	12.4	--
<i>Russell 3000</i>			3.5	12.4	--
BlackRock Russell 1000 Growth	117,184,652	5.5	3.6	12.9	3.7
<i>Russell 1000 Growth</i>			3.6	12.9	3.7
BlackRock Russell 1000 Value	27,360,777	1.3	3.2	11.2	3.9
<i>Russell 1000 Value</i>			3.2	11.2	3.8
Dodge & Cox-Equity	76,248,331	3.6	1.9	10.0	1.7
<i>Russell 1000 Value</i>			3.2	11.2	3.8
Capital Prospects	78,135,062	3.7	5.0	17.1	-5.7
<i>Russell 2000 Value</i>			3.9	15.2	-4.8
International Equity	545,835,829	25.8	1.9	9.5	-3.8
<i>MSCI ACWI ex USA Gross</i>			2.0	9.7	-2.0
LSV Asset Mgt	273,218,209	12.9	0.9	9.6	-3.6
<i>MSCI ACWI ex USA Gross</i>			2.0	9.7	-2.0
Fidelity	272,617,620	12.9	2.9	9.3	-4.0
<i>MSCI ACWI ex USA Gross</i>			2.0	9.7	-2.0
US Fixed Income	487,899,780	23.1	0.2	1.2	2.8
<i>BBgBarc US Aggregate TR</i>			-0.1	1.0	2.7
Insight	216,392,594	10.2	0.4	1.6	3.1
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>			0.1	0.7	2.4
DFA	212,338,796	10.1	0.3	1.1	2.8
<i>ICE BofAML 1-5 Yrs US Corp & Govt TR</i>			0.2	0.7	2.5
Northern Trust Intermediate Gov't Bond	44,350,756	2.1	-0.1	0.4	2.5
<i>BBgBarc US Govt Int TR</i>			-0.1	0.4	2.5
Northern Trust Long Term Gov't Bond	14,817,634	0.7	-1.2	-0.5	0.7
<i>BBgBarc US Govt Long TR</i>			-1.2	-0.5	0.7

	Current	%	Policy	%
Domestic Equity	\$417,765,431	19.8%	\$401,230,057	19.0%
International Equity	\$545,835,829	25.8%	\$570,169,029	27.0%
Domestic Fixed Income	\$487,899,780	23.1%	\$485,699,543	23.0%
Real Estate	\$214,658,438	10.2%	\$211,173,714	10.0%
Alternatives	\$419,244,532	19.9%	\$422,347,429	20.0%
Cash and Equivalents	\$26,333,132	1.2%	\$21,117,371	1.0%
Total	\$2,111,737,143	100.0%	\$2,111,737,143	100.0%



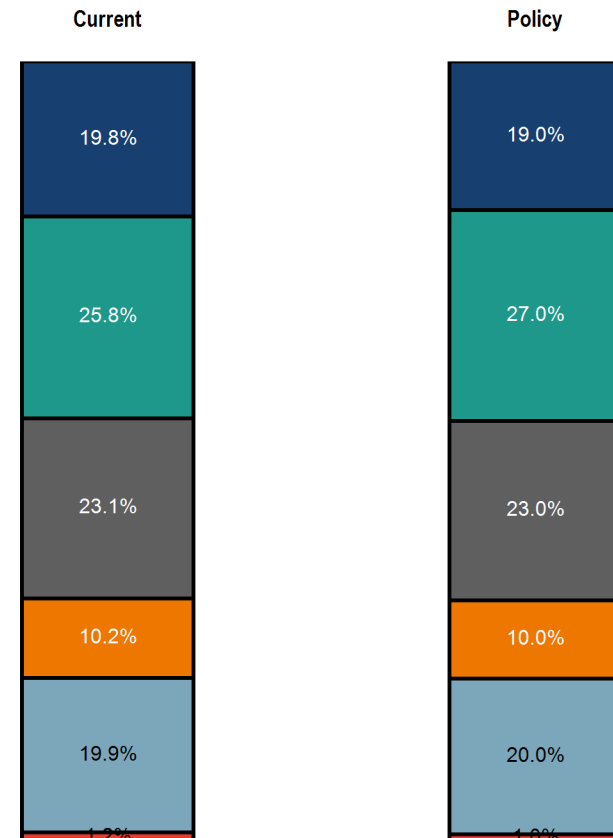
Policy Index (9/1/2018): 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 27% MSCI ACWI ex-USA, 20% BBgBarc US Gov't/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 1% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citi 1 Month T-Bills. All data is preliminary.

Total Fund Flash Report (Net of Fees) - Preliminary

Period Ending: February 28, 2019

	Market Value	% of Portfolio	1 Mo	YTD	Fiscal YTD
Real Estate	214,658,438	10.2	0.2	1.9	3.1
DJ US Select RESI			1.0	12.5	5.8
Prime Property Fund	55,519,096	2.6	0.0	0.0	4.0
NCREIF-ODCE			0.0	0.0	3.9
American Strategic Value Realty	43,708,637	2.1	0.0	0.0	3.6
NCREIF Property Index			0.0	0.0	3.1
BlackRock US Real Estate	35,760,458	1.7	1.0	12.5	5.9
DJ US Select RESI TR USD			1.0	12.5	5.8
Greenfield Gap VII	12,205,321	0.6			
Greenfield Gap VIII	13,010,777	0.6			
PGIM Real Estate US Debt Fund	54,454,149	2.6			
Private Credit	87,090,099	4.1			
Medley Capital	15,113,902	0.7			
Raven Capital	13,228,201	0.6			
Raven Opportunity III	33,429,866	1.6			
White Oak Pinnacle	25,318,130	1.2			
Risk Parity	284,058,049	13.5	1.0	6.9	0.3
60% MSCI ACWI Net/40% BBgBarc Global Aggregate			1.4	6.8	1.2
AQR Global Risk Premium - EL	143,680,228	6.8	1.1	6.6	-0.1
60% MSCI ACWI Net/40% BBgBarc Global Aggregate			1.4	6.8	1.2
PanAgora Risk Parity Multi Asset	140,377,821	6.6	1.0	7.3	0.7
60% MSCI ACWI Net/40% BBgBarc Global Aggregate			1.4	6.8	1.2
Infrastructure	48,096,384	2.3			
MS Infrastructure Partners II	48,096,384	2.3			
Cash Account	26,333,132	1.2	0.1	0.3	1.3

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March 26, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Revision to IRS Model Regulations
- II. ITEM NUMBER: 8.a.
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Remove language from StanCERA's IRS Model Regulations regarding lump sum distributions for beneficiaries more than 10 years younger than the retiree.
- V. EXECUTIVE SUMMARY: Sometime between 2010 and 2014, while going through a process with the IRS known as the Voluntary Correction Program (VCP), the IRS agreed to let StanCERA include language in our model regulations that allowed us to pay a lump sum benefit to a non-spouse beneficiary (upon the death of the retiree) that was more than 10 years younger than the retiree. Generally the IRS doesn't allow this type of lump sum to be paid and in fact in all such cases, the beneficiary's benefit must be reduced based on the age difference between the beneficiary and retiree.

During the VCP, StanCERA, along with 12 other systems argued that the reduction in benefit violated vested rights issues contained in the California Constitution and consequently, the IRS allowed this additional language. Today StanCERA and some of the other systems are re-considering their stance on this issue. Staff believes the removal of this language more closely aligns with Treasury code, is much less administratively burdensome, and reduces plan risk. As such, we are recommending removing this language from our model regulations.

Staff reached out to tax counsel and counsel concurs with this decision saying that they could defend either leaving the language in or removing it.

- VI. ANALYSIS: Every so often, Governmental Retirement Systems go through a process known as VCP or Voluntary Correction Program. It is a way to make sure County Retirement Systems are in full compliance with IRS rules and regulations. During the process, Systems like StanCERA take a look at their plan documents, bylaws and even state retirement statutes to make sure they are in compliance. Being in compliance with IRS regulations is a way for systems to maintain their favored tax status. If a system is found to not be in compliance, it generally works with the IRS to develop model regulations that address deficiencies to the satisfaction of the IRS.

Several years ago, StanCERA (along with 12 other 1937 Act Systems) included language in their model regulations that addressed a perceived conflict between Treasury/IRS Code and the California Constitution. At that time, the IRS agreed to the language and it was adopted in our model regulations. Today, several systems are questioning the perceived conflict and are considering removing the language.

The issue at hand involves Treasury code Section 1.401(a)(9)-6 that states when a retiree chooses to leave a continuance annuity to a non-spouse that's more than 10 years younger than the retiree, that the continuance benefit must be reduced based on factors provided by the IRS. Since August 2003, StanCERA has been following this policy and will continue to do so.

Sometime between 2010 and 2014 during the Voluntary Correction Program (VCP), some systems felt that the reduction being applied violated retirement benefit vested rights created by the California Constitution. As a result, 13 systems negotiating simultaneously with the IRS decided to include language in their model regulations that addressed the vested rights issue. The following is language included in StanCERA's (and 12 other systems') model regulations addressing the issue:

"Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving spouse of the member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit"

Thus the solution at that time was to allow systems the ability to pay a lump sum benefit to the beneficiary to compensate for the reduction. Today, staff is recommending removing this language because we believe it would more closely align with Treasury code, be less administratively burdensome and is fiscally more prudent (it lowers plan risk).

Currently, if a member chooses to leave a continuance to a non-spouse more than 10 years younger than the retiree, staff must monitor the case until the retiree dies. Then upon death, StanCERA's actuary must do a present value calculation to determine the difference between a reduced and non-reduced benefit so StanCERA can pay the difference in a lump sum. Obviously if StanCERA doesn't have to pay this difference to the beneficiary in a lump sum, this reduces money leaving the system and consequently, lowers plan risk.

StanCERA staff met recently with our tax counsel, Judy Boyette from Hanson & Bridgett to discuss the matter. Ms. Boyett was uncertain why the IRS agreed to this language many years ago and revealed that she felt her firm could defend either leaving the language in the model regulations or removing it. Attached is the *Resolution of the Board of Retirement of Stanislaus County Employees' Retirement Association Amending Regulation for Internal Revenue Code Section 401(a)(9) (Required Minimum Distributions)* (Attachment 1).

VII. RISK: None

VIII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

IX. ADMINISTRATIVE BUDGET IMPACT:



Rick Santos, Executive Director

8.a. 3/26/19

**RESOLUTION OF THE BOARD OF RETIREMENT OF STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION (StanCERA)
AMENDING REGULATION FOR INTERNAL REVENUE CODE
SECTION 401(a)(9) (REQUIRED MINIMUM DISTRIBUTIONS)**

WHEREAS, the Board of Retirement for the Stanislaus County Employees' Retirement Association ("StanCERA") administers StanCERA for the benefit of its members and their beneficiaries; and

WHEREAS, StanCERA is intended to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or replaced from time to time and the regulations issued thereunder as applicable; and

WHEREAS, , the Board of Retirement submitted to the Internal Revenue Service ("IRS") a request for a favorable determination that StanCERA meets the applicable requirements of the Code; and

WHEREAS, the plan documents, including Regulations of the Board of Retirement, were submitted for review with StanCERA's determination letter application; and

WHEREAS, Code section 401(a)(9) and IRS guidance issued under that Code section establish very complex rules concerning the time at which distributions of benefits to members and beneficiaries must commence and the period over which the benefits must be paid; and

WHEREAS, the granting of the favorable determination letter by the IRS was contingent upon StanCERA's adoption of approved model tax regulations reviewed by the IRS; and

WHEREAS, the model tax regulation adopted under Code section 401(a)(9) by the Board of Retirement on December 10, 2014, provided specific distribution rules, based on good faith compliance with the IRS rules as permitted for governmental plans, and those rules are structured to provide for compliance with both the federal tax rules and the California state laws that apply to distributions from StanCERA, including rules regarding payment of benefits to non-spouse beneficiaries more than 10 years younger than the member; and

WHEREAS, the Board of Retirement has now determined to adopt distribution rules limiting distributions of benefits to non-spouse beneficiaries more than 10 years younger than the member, as provided by the provisions of 401(a)9, and to eliminate the elective provision in that regulation that provided for the payment of a lump-sum benefit for such beneficiaries, representing the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with the provisions of 401(a)9;

NOW, THEREFORE, BE IT RESOLVED that the Board of Retirement hereby amends the Regulation for IRC Code §401(a)9, as follows:

The first paragraph of Section I.A.1 is amended to read:

"A. Purpose and Effective Date

In accordance with sections 31485.14, 31525 and 31706 of the California Government Code, the regulations set forth herein are effective as of January 1, 2015, except to the extent otherwise provided herein and reaffirm and clarify the existing practices of the Stanislaus County Employees' Retirement Association

(the "Association") with respect to the minimum distribution requirements under section 401(a)(9) of the Internal Revenue Code (the "Code")."

Section III.D.3 is amended to read:

"3. Rule Regarding Other Beneficiaries

For members who retired between January 1, 2015 and [date of amendment], solely to the extent required by section 401(a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to survivor benefits. Effective [date of amendment], if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), then the survivor benefit shall be calculated in accordance with Treasury regulations section 1.401(a)(9)-6, Q&A-2(c)."

Section III.E.4 is amended to read:

"4. Rule Regarding Other Beneficiaries

For members who retired between January 1, 2015 and [date of amendment], under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit. Effective [date of amendment], if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 3 of this subsection E), then the survivor benefit shall be calculated in accordance with Treasury regulations section 1.401(a)(9)-6, Q&A-2(c)."

Jim DeMartini, StanCERA Board Chairperson

Effective Date: March 26th, 2019



March 26, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Boardroom Protocol
- II. ITEM NUMBER: 8.b
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: See item
- V. ANALYSIS: In April or May of this year, it is anticipated that the new StanCERA Boardroom will be complete. The completion of the Boardroom presents an opportunity to look at current policy and procedure and potentially make changes to the way StanCERA conducts its monthly business. The following is a list of potential topics for discussion at today's meeting. The intent is to hear any comments or concerns from the Board on staff's proposed recommendations.

Trustee Seating – Staff would recommend seating trustees by seat number beginning at the end seat on the south side of the room (furthest from the window) and moving clockwise. The Director and General Counsel can be seated at the two end seats on the north side of the room. This arrangement means that seat positions would never change or rotate.

Pledge of Allegiance/Flag – At the Board's pleasure

Video Recording – At this time, video recording will be automatic. That is, there will be no human intervention and in general, those that are speaking from designated areas on the dais or staff tables will automatically have the camera trained upon them. In general, there will be no video editing of the recording before the clip is loaded onto StanCERA's website. As of today, the video will not be live streamed.

Meeting Procedure – Staff had anticipated an agenda item at the all-day session later in the year to discuss Boardroom procedure. Boardroom procedure generally has to do with the way StanCERA conducts its business each month. However, given the fact that we will be moving into the new Boardroom, this is naturally a good time to review this topic. General Counsel, Fred Silva will present this topic (Attachment 1) as a component of this agenda item. Trustee credit will be earned during this session.

Addressing the Board; Staff and External Speakers – It is the intent to seat all staff, other than the director and general counsel at a table in front and to the left of the dais. This will include the Board secretary, MESS Manager, Fiscal Manager and the Retirement Investment Officer and perhaps the IT technician. Other speakers will address the Board at the appropriate time from the podium.

Use of Electronic Devices (i.e. Ipads) – Video presentations/attachments and conference calls (if applicable) will be facilitated on an interactive white board which will be located on the south side of the east wall of the room. The white board will be the main video monitor used by those sitting at the dais. There will also be a monitor on the west wall behind the dais for staff and members of the public to view presentation/attachments. Staff will begin the process of converting all paper

documents and materials for board meetings to electronic form for use on ipads or surface pro devices. These devices will be supplied to each trustee by StanCERA in the coming months for their use. These devices will be able to connect to presentations on the white board and in many cases, presentations at various educational conferences.

StanCERA Logo – StanCERA's logo is twenty plus years old and is in need of an update. With the new look for the Retirement Board Room, the implementation of the new pension administration system, and updating the website, staff will begin to look into updating StanCERA's logo.

- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT:



Rick Santos, Executive Director



Natalie Elliott, Fiscal Services Manager

Parliamentary Procedure for Meetings

Robert's Rules of Order is the standard for facilitating discussions and group decision-making. Copies of the rules are available at most bookstores. Although they may seem long and involved, having an agreed-upon set of rules makes meetings run easier. **Robert's Rules** will help your group have better meetings, not make them more difficult.

Here are the basic elements of **Robert's Rules**, used by most organizations:

1. **Motion:** To introduce a new piece of business or propose a decision or action, a motion must be made by a group member ("I move that.....") A second motion must then also be made (raise your hand and say, "I second it.") After limited discussion the group then votes on the motion. A majority vote is required for the motion to pass (or quorum as specified in your bylaws.)
2. **Postpone Indefinitely:** This tactic is used to kill a motion. When passed, the motion cannot be reintroduced at that meeting. It may be brought up again at a later date. This is made as a motion ("I move to postpone indefinitely..."). A second is required. A majority vote is required to postpone the motion under consideration.
3. **Amend:** This is the process used to change a motion under consideration. Perhaps you like the idea proposed but not exactly as offered. Raise your hand and make the following motion: "I move to amend the motion on the floor." This also requires a second. After the motion to amend is seconded, a majority vote is needed to decide whether the amendment is accepted. Then a vote is taken on the amended motion. In some organizations, a "friendly amendment" is made. If the person who made the original motion agrees with the suggested changes, the amended motion may be voted on without a separate vote to approve the amendment.
4. **Commit:** This is used to place a motion in committee. It requires a second. A majority vote must rule to carry it. At the next meeting the committee is required to prepare a report on the motion committed. If an appropriate committee exists, the motion goes to that committee. If not, a new committee is established.
5. **Question:** To end a debate immediately, the question is called (say "I call the question") and needs a second. A vote is held immediately (no further discussion is allowed). A two-thirds vote is required for passage. If it is passed, the motion on the floor is voted on immediately.
6. **Table:** To table a discussion is to lay aside the business at hand in such a manner that it will be considered later in the meeting or at another time ("I make a motion to table this discussion until the next meeting. In the meantime, we will get more information so we can better discuss the issue.") A second is needed and a majority vote required to table the item being discussed.
7. **Adjourn:** A motion is made to end the meeting. A second motion is required. A majority vote is then required for the meeting to be adjourned (ended).

Note: If more than one motion is proposed, the most recent takes precedence over the ones preceding it. For example if #6, a motion to table the discussion, is proposed, it must be voted on before #3, a motion to amend, can be decided.

In a smaller meeting, like a committee or board meeting, often only four motions are used:

- To introduce (motion.)
- To change a motion (amend.)
- To adopt (accept a report without discussion.)
- To adjourn (end the meeting.)

Remember, these processes are designed to ensure that everyone has a chance to participate and to share ideas in an orderly manner. Parliamentary procedure should not be used to prevent discussion of important issues.

Board and committee chairpersons and other leaders may want to get some training in meeting facilitation and in using parliamentary procedure. Additional information on meeting processes, dealing with difficult people, and using *Robert's Rules* is available from district office staff and community resources such as the League of Women Voters, United Way and other technical assistance providers.

Tips in Parliamentary Procedure

The following summary will help you determine when to use the actions described in *Robert's Rules*.

- A main motion must be moved, seconded, and stated by the chair before it can be discussed.
- If you want to move, second, or speak to a motion, *address the chair.*
- If you approve the motion as is, *vote for it.*
- If you disapprove the motion, *vote against it.*
- If you approve the idea of the motion but want to change it, *amend it or submit a substitute for it.*
- If you want advice or information to help you make your decision, *move to refer the motion to an appropriate quorum or committee with instructions to report back.*
- If you feel they can handle it better than the assembly, *move to refer the motion to a quorum or committee with power to act.*
- If you feel that the pending question(s) should be delayed so more urgent business can be considered, *move to lay the motion on the table.*
- If you want time to think the motion over, *move that consideration be deferred to a certain time.*
- If you think that further discussion is unnecessary, *move the previous question.*
- If you think that the assembly should give further consideration to a motion referred to a quorum or committee, *move the motion be recalled.*
- If you think that the assembly should give further consideration to a matter already voted upon, *move that it be reconsidered.*
- If you do not agree with a decision rendered by the chair, *appeal the decision to the assembly.*
- If you think that a matter introduced is not germane to the matter at hand, *a point of order may be raised.*
- If you think that too much time is being consumed by speakers, *you can move a time limit on such speeches.*
- If a motion has several parts, and you wish to vote differently on these parts, *move to divide the motion.*

IN THE MEETING

TO INTRODUCE A MOTION:

Address the Chair by the proper title.

Wait until the chair recognizes you.

- Now that you have the floor and can proceed with your motion say "I move that...", state your motion clearly
- Another member may second your motion. A second merely implies that the seconder agrees that the motion should come before the assembly and not that he/she is in favor of the motion.
- If there is no second, the Chair says, "The motion is not before you at this time." The motion is not lost, as there has been no vote taken.
- If there is a second, the Chair states the question by saying "It has been moved and seconded that ... (state the motion). . ., is there any discussion?"

DEBATE OR DISCUSSING THE MOTION:

- The member who made the motion is entitled to speak first.
- Every member has the right to speak in debate.
- The Chair should alternate between those "for" the motion and those "against" the motion.
- The discussion should be related to the pending motion.
- Avoid using a person's name in debate.
- All questions should be directed to the Chair.
- Unless there is a special rule providing otherwise, a member is limited to speak once to a motion.
- Asking a question or a brief suggestion is not counted in debate.
- A person may speak a second time in debate with the assembly's permission.

VOTING ON A MOTION:

- Before a vote is taken, the Chair puts the question by saying "Those in favor of the motion that ... (repeat the motion)... say "Aye." Those opposed say "No." Wait, then say "The motion is carried," or "The motion is lost."
- Some motions require a 2/3 vote. A 2/3
- If a member is in doubt about the vote, he may call out "division." A division is a demand for a standing vote.
- A majority vote is more than half of the votes cast by persons legally entitled to vote.
- A 2/3 vote means at least 2/3 of the votes cast by persons legally entitled to vote.
- A tie vote is a lost vote, since it is not a majority.

PARLIAMENTARY PROCEDURE AT A GLANCE

TO DO THIS	YOU SAY THIS	MAY YOU INTERRUPT SPEAKER	MUST YOU BE SECONDED	IS MOTION DEBATABLE	WHAT VOTE REQUIRED
Adjourn meeting*	I move that we adjourn	No	Yes	No	Majority
Recess meeting	I move that we recess until...	No	Yes	No	Majority
Complain about noise, room temperature, etc.*	Point of privilege	Yes	No	No	No vote
Suspend further consideration of something*	I move we table it	No	Yes	No	Majority
End debate	I move the previous question	No	Yes	No	2/3 vote
Postpone consideration of something	I move we postpone this matter until...	No	Yes	Yes	Majority
Have something studied further	I move we refer this matter to committee	No	Yes	Yes	Majority
Amend a motion	I move this motion be amended by...	No	Yes	Yes	Majority
Introduce business (a primary motion)	I move that...	No	Yes	Yes	Majority
Object to procedure or personal affront*	Point of order	Yes	No	No	No vote, Chair decides
Request information	Point of information	Yes	No	No	No vote
Ask for actual count to verify voice vote	I call for a division of the house	No	No	No	No vote
Object consideration of undiplomatic vote*	I object to consideration of this question	Yes	No	No	2/3 vote
Take up a matter previously tabled*	I move to take from the table...	No	Yes	No	Majority
Reconsider something already disposed of*	I move we reconsider our action relative to...	Yes	Yes	Yes	Majority
Consider something already out of this schedule*	I move we suspend the rules and consider	No	Yes	No	2/3 vote
Vote on a ruling by the Chair	I appeal the Chair's decision	Yes	Yes	Yes	Majority

*Not amendable

MOTION PROCEDURES AT A GLANCE

		Debatable	Amendable	Can Be Reconsidered	Requires 2/3 Vote
Privileged Motions	Fix Time at Which to Adjourn	No	Yes	No	No
	Adjourn	No	No	Yes	No
	Question of Privilege	No	Yes	Yes	No
	Call for Order of Day	No	No	Yes	No
Incidental Motions	Appeal	Yes	No	Yes	No
	Objection to Consideration of a Question	No	No	Yes	Yes
	Point of Information	No	No	No	No
	Point of Order	No	No	No	No
	Read Papers	No	No	Yes	No
	Suspend the Rules	No	No	No	Yes
	Withdraw a Motion	No	No	Yes	No
Subsidiary Motions	Lay on the Table	No	No	Yes	Yes
	The Previous Question (close debate)	No	No	Yes	Yes
	Limit or Extend Debate	No	Yes	Yes	Yes
	Postpone to a Definite Time	Yes	Yes	Yes	No
	Refer to Committee	Yes	Yes	Yes	No
	Amend the Amendment	Yes	No	No	No
	Amendment	Yes	Yes	Yes	No
	Postpone Indefinitely	Yes	No	Yes	No
Main Motion	Main or Procedural Motion	Yes	Yes	Yes	No

This table presents the motions in order of precedence. Each motion takes precedence over (i.e. can be considered ahead of) the motions listed below it. No motion can supersede (i.e. be considered before) any of the motions listed above it.

PLEASE NOTE: many organizations use only the Main Motion and Subsidiary Motions, handling other matters on an informal basis.



March 26, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Kellie Gomes, Executive Board Secretary

- I. SUBJECT: NCPERS 2019 Annual Conference and Exhibition
- II. ITEM NUMBER: 8.c.
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: Today you are being asked to choose two delegates, a proxy and an alternate proxy to represent and vote on behalf of the StanCERA Board during the the NCPERS 2019 Annual Conference & Exhibition being held May 19-22 in Austin, TX. Business Meeting. At this time we do not have a finalized agenda packet for the business meeting.
- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently*
- VIII. ADMINISTRATIVE BUDGET IMPACT: NONE


Kellie Gomes, Executive Board Secretary


Rick Santos, Executive Director

CERTIFICATION OF DELEGATES FORM

NCPERS 2019 Annual Conference and Exhibition

May 19 – May 22 • Austin, TX

Main Contact Name: _____

Organization Name: _____

Address: _____

City, State, Zip: _____

This form must be received no later than April 15, 2019 to qualify your organization for all voting procedures at the Annual Conference. No exceptions will be made for late filings.

Your organization is entitled to send: An unlimited number of attendees to the conference. 4 individuals can be voting delegates and 4 individuals can be alternates.

NCPERS Official Voting Rules

Official delegates to the Annual Conference are required to file their credentials with the Secretary of the Conference no later than 15 days prior to the Annual Conference. This document shall serve as proper notice in accordance with the bylaws Article 3, Section 2.

1. Only delegates or their assigned alternates are eligible to vote on matters before the Conference. Alternate delegates are authorized to vote only if the registered delegate is unable to attend the Conference. No person shall be a delegate for more than one member group or organization.
2. All registration fees and membership dues must be paid in full prior to the conference. Delegates may not participate in the National Committee Election on Monday, May 20, 2019, if fees are not paid in full.
3. Complete and return this certification no later than April 15, 2019. **KEEP A COPY FOR YOUR FILES.**
4. Once the list of delegates has been filed, any changes must be received in writing no later than April 15, 2019.
5. The authorized names submitted will be selected in numerical order from the official delegate list until your voting entitlement is exhausted. Other persons listed WILL NOT have a vote unless the persons listed previously are not registered at the Annual Conference.

Official Delegates

1. _____
2. _____
3. _____
4. _____

Alternate Delegates

1. _____
2. _____
3. _____
4. _____

Authorized Signature _____ Title _____
(Signature and title of person with authority to certify delegates and alternates delegated for the above organization)

FOR CREDENTIALS COMMITTEE USE ONLY – DO NOT WRITE IN THIS SPACE

Above affiliated organization is entitled to _____ delegates and a like number of alternates.

Tina Fazendine, NCPERS, Secretary

Date

MAIL TO: NCPERS, 444 N. Capitol St., NW, Suite 630, Washington, DC 20001

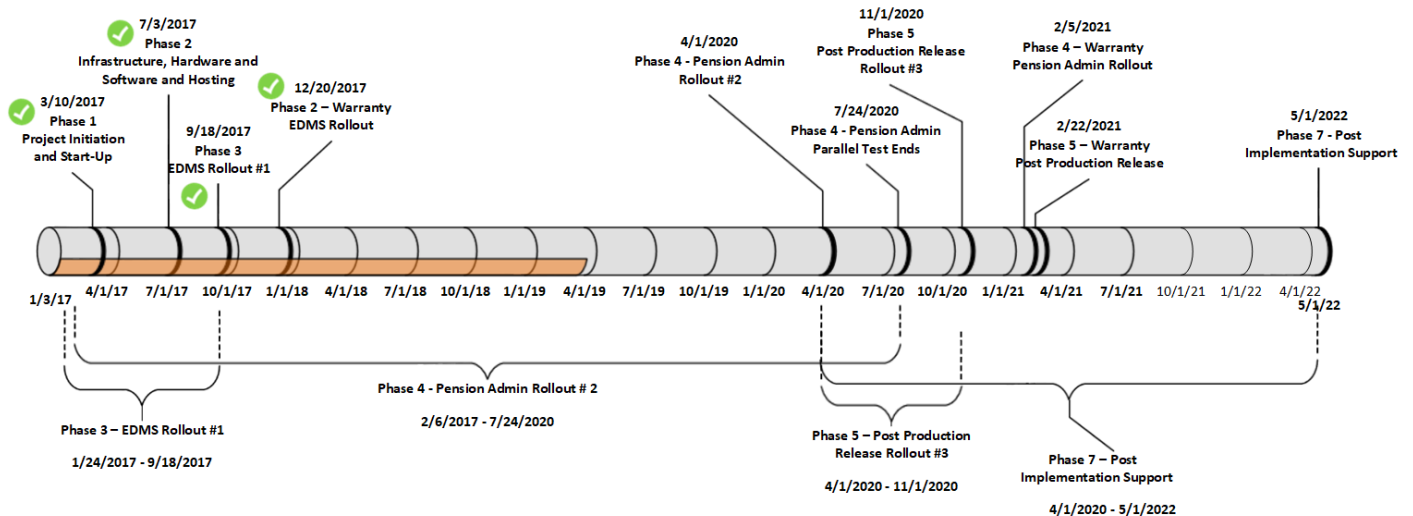
FAX TO: 202-624-1439 or **EMAIL TO:** registration@ncpers.org



PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE



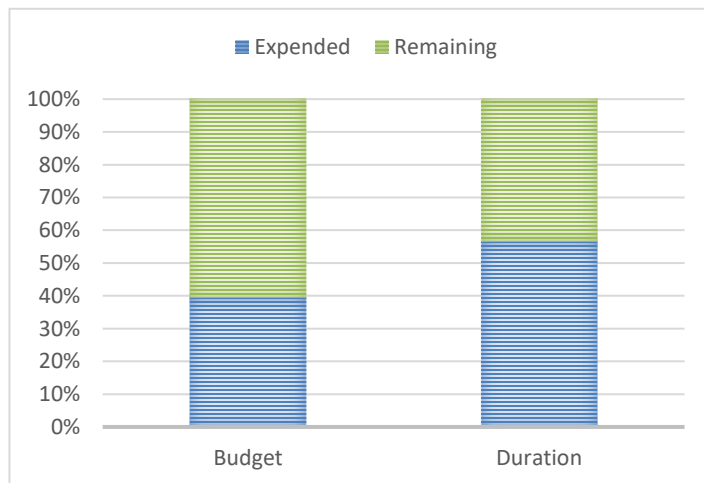
SPONSOR: Rick Santos **REPORT DATE:** 03-22-2019



Baseline 12/01/2016

STATUS

Risks & Issues:



Linea Budget as of 01/31/19

No new high-level risks have been identified at this time.

Accomplishments:

Upcoming:

- Completed testing and prep work for Imaging Release 12 which went to production on 03/16/19.
- Completed analysis and investigation of first “parallel” test file from Courts and first test file from City of Ceres and reported results back to employers.
- StanCERA began work with Tegrit to analyze additional work processes for workflow development in Arrivos.

- Complete “parallel” analysis and investigations of newest transmittal test file from County and coordinate measures to resolve bugs or data problems with the new file.
- Communicate revised project go-live date and timelines to employers in relation to employer reporting.
- Complete testing of resolved PIRs to achieve closure.

Ongoing Project Contributions

- Facilitate weekly Project Manager's meetings and create meeting minutes.
- Facilitate monthly Steering Committee Meetings and create meeting minutes.
- Participate in Tegrit work sessions, review meeting minutes, and compile resulting decision logs and action items.
- Regularly review action items for follow up and completion.
- Review and hold group review sessions for BSRD deliverables made by Tegrit (BSR037).
- Track requirements, as discussed in work sessions and BSRDs, using the RTM and meet with StanCERA PM to update requirements confirmation.
- Manage and participate in system testing efforts, including review of test scripts, compiling of results, input of PIRs, and tracking of issue resolution.

Current PIR Summary

