



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

April 23, 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 March 26, 2019 Meeting Minutes [View](#)
 - b. Monthly Staff Report
Agenda Item [View](#)
 - c. StanCERA Complaint Log as of January 1 – March 31, 2019
Agenda Item [View](#)
 - d. Executive Director Goals Update Quarter 1 2019
Agenda Item [View](#) Attachment 1 [View](#)
 - e. Conference Report [View](#)
 - f. Approval of Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**
 1. Apolinar, Jeannette – CSA – Effective 04-01-19
 2. Brown, Jena – HSA – Effective 04-07-19
 3. Cordova, Dennis – Sheriff – Effective 08-04-18 *
 4. Harris, Timothy – HSA – Effective 04-27-19
 5. Higginbotham, Leonard – Probation – Effective 04-13-19 *

f. Approval of Service Retirement(s) Cont.) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**

6. Kitcher, Keith – City of Ceres – Effective 04-15-19 *
7. Martinez, Mona – Sheriff – Effective 03-14-19
8. Selover, Katherine – DCSS – Effective 04-12-19
9. Soles, Linda – Superior Court – 04-27-19

** Indicates Safety Personnel*

g. Approval of Deferred Retirement(s) – **Government Code Section 31700**

1. Brown, Richard – Public Works – Effective 01-11-19
2. Franklin, Kyle – Sheriff – Effective 09-28-18 *
3. Higginbotham, Carissa – City of Ceres – Effective 11-30-14
4. Mahil, Avneet – Environmental Resources – Effective 02-22-19
5. Mercado, Daniel – Probation – Effective 07-17-18 *
6. Nickerson, Scott – BHRS – Effective 03-01-19
7. Quintero, Albert – DCSS – Effective 09-16-18
8. Reed, Colleen – Sheriff – Effective 03-05-19
9. Yip, Bianca – DA – Effective 12-03-18

** Indicates Safety Personnel*

h. Approval of Disability Retirement - **Government Code Section 31724**

1. Navarro, Arlindo – CSA – Non-Service Connected – Effective 01-19-19

I. Approval of Death Benefit – **Government Code Section 31781, 31781.1, 31781.3**

1. Mitchell, Stephanie – Superior Court – Non-Service Connected – Effective 04-16-19

6. Investment

- a. Value Added Investment Fee Summary and Cash Flow Report December 31, 2018
Agenda Item [View](#) Attachment 1 [View](#)
- b. Auxiliary AB 2833 Investment Report December 31, 2018
Agenda Item [View](#) Attachment 1 [View](#)

7. Verus – Investment Consultant

- a. March Flash Report [View](#)

8. Administrative

- a. Direction for Voting Delegates of State Association of County Retirement Systems (SACRS) at the 2019 Spring Business Meeting.
Agenda Item [View](#) Attachment 1 [View](#)
- b. Information Technology Solutions (ITS) Project Update [View](#)
- c. Board Room 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 54956.9d)(4)

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

11. Adjournment



**BOARD OF RETIREMENT MINUTES
March 26, 2019**

1. Call Meeting to Order

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

2. Roll Call

Trustees Present: Jim DeMartini, Darin Gharat, Sam Sharpe, Donna Riley, Michael O'Neal, Jeff Grover, and Jeff Mangar

Trustees Absent: Mike Lynch and Mandip Dhillon

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

Director, Rick Santos welcomed Stan Conwell, Retirement Investment Officer to StanCERA. Stan comes to Stan CERA from Mendocino County6 Employees Retirement System (MCERA).

4. Public Comment

None

5. Consent Items

a. Approval of the February 26, 2019 Meeting Minutes

b. Monthly Staff Report

c. Conference Report

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

Motion was made by Trustee Gharat seconded by Trustee O’Neal to accept the consent items as presented.

Motion carried unanimously

6. Investment

- a. StanCERA Asset Allocation Review

7. VERUS – Investment Consultant

- a. Capital Assumptions
- b. February Flash Report

8. Administrative

- a. Revision to IRS Model Regulations

Motion was made by Trustee Sharpe and seconded by Trustee Grover to approve staff recommendation as presented.

Motion carried unanimously

- b. Board Room Protocol
- c. NCPERS Voting Proxy

Motion was made by Trustee Riley and seconded by Trustee Grover to appoint Trustee Gharat as the proxy and appoint Trustee Biesemeier as the alternate proxy for the NCPERS 2019 Business Meeting.

Motion carried unanimously

8. Administrative (Cont.)

d. Information Technology Solutions (ITS) Project Update

e. Board Room Committee Update

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

Trustee Sharpe gave an update on UCLA CALAPRS Advanced Principles of Pension Management for Trustees

Trustee Gharat gave an update from the CALAPRS General Assembly

Trustee O'Neal gave an update on the UCLA CALAPRS Advanced Principles of Pension Management for Trustees

Trustee Biesemeier gave an update on the UCLA CALAPRS Advanced Principles of Pension Management for Trustees

Trustee O'Neal and Trustee Biesemeier recused themselves from closed session after members forum.

9. Closed Session

Motion was made by Trustee Grover and seconded by Trustee Sharpe to go into closed session at 3:38 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 Sharpe and seconded by Trustee Riley to go into open session at 3:54 pm

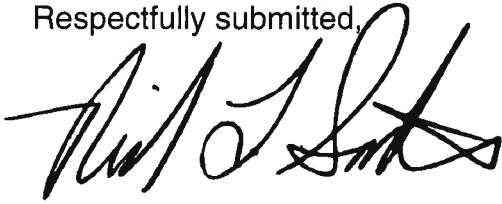
Motion carried unanimously

No reportable action to read from closed session

11. Adjournment

Meeting adjourned at 3:58 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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April 23, 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 March 2019, Member and Employer Services Staff processed 51 new hires (36 General and 15 Safety members) 29 terminations, 33 member requests resulting in 79 estimates and 11 member requests resulting in 37 buy back contracts. There were 52 individual counseling sessions.

b) *Investment Governance and Compliance* – During the month staff continued the on-boarding process of the new investment officer, Stan Conwell. In addition to general training and orientation on the operations and processes of the investment program, staff completed numerous introduction calls with individual investment managers to establish contacts and to gain familiarity with the funds in the portfolio. Staff also reviewed and updated the processes related to the internal private market investment database resulting in greater workflow efficiency.

Below is the monthly money transfer report:

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

For the month of March there were no transfers to report.

- c) *Fiscal Services* – Employer and employee contributions totaling \$9,140,280 were received through 14 different payroll batches and 9 service purchases in March. 25 contribution refunds and death benefit payouts totaling \$175,183 were processed. The retiree payroll for March totaled \$10,670,537 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 second actual import file for parallel testing. Tegrit has tested the files for any systemic issues. Staff went to Fresno CERA and learned about the GL integration with the new system as well as how the workflows will operate.

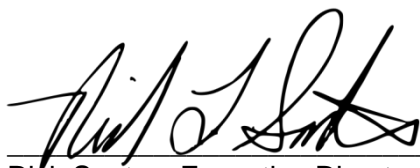
Construction on the new Board Room Tenant Improvements continues with minimal noise interruption. Construction of the dais should be complete by April 26th. Installation of the audio/video system will begin April 29th and should be complete by May 3rd. Our first meeting in the new board room will be May 28th.

StanCERA has partnered with SBT for its information technology needs. We now have two embedded employees who work here at our office one day a week each and a third who works from the SBT office. The two working here are desktop support help and the third is for software programming needs.

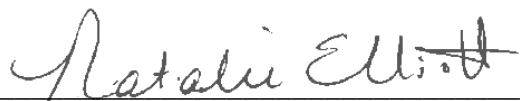
VI. RISK: None

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*

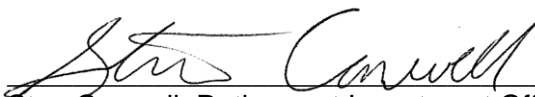
VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Rick Santos, Executive Director



Natalie Elliott, Fiscal Services Manager



Stan Conwell, Retirement Investment Officer



Stanislaus County Employees' Retirement Association

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April 24, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Alaine Taa, Administrative Assistant

I. SUBJECT: StanCERA Complaint Log

II. ITEM NUMBER: # 5.c

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS:

There were two complaints between January 1 and March 30, 2019. Staff keeps a tally of duplicate complaints to better gauge the extent of any problems. A summary of these complaints follows:

Quarter 1 - 2019

NUMBER OF COMPLAINTS	CALLER STATUS	NATURE OF COMPLAINT
2	Retiree	1 Retiree complaint about their Social Security number being printed on their 1099R form 1 Retiree complaint about their Social Security number showing on their notice of Direct Deposit from their bank
0	Active	None

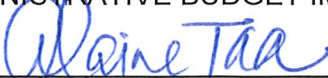
Quarter 4 - 2018

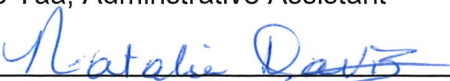
NUMBER OF COMPLAINTS	CALLER STATUS	NATURE OF COMPLAINT
1	Retiree	A retiree was concerned that the envelope her Advice Notice was mailed in was unsealed. She was worried that her personal information could be seen and wanted to ensure that her envelope was sealed before it was mailed out.
0	Active	None

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


Alaine Taa, Administrative Assistant


Natalie Davis, Fiscal Services Manager



April 23, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: 2019 Executive Director Goals Update - Quarter 1
- II. ITEM NUMBER: 5.d
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: This is the Quarter 1 Executive Director goals update for 2019 (Attachment 1). Completed progress and tasks for 2019 are denoted by the green bullet points and the quarter completion period is also noted for those items tied to the strategic plan. Staff's main focus this quarter has been on investment officer training and investment process documentation.
- 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



Strategic Goals 2019

(Attachment 1)

General and/or Ongoing Items

1. Continued communication, outreach and transparency with major stakeholders such as County, County BOS, Local Governments, Special Districts and Employee Groups
 - Meetings with StanCERA plan sponsors focused on pension system implementation
2. Maintenance of StanCERA's asset allocation targets
 - StanCERA asset allocation within current targets
3. Continued progress on the System data clean-up project
 - Ongoing member file audit work (note: Staff intends to hire another part-time person to speed up the audit process. Staff's goal is to be at or near completion at go-live).
4. Continued monitoring of StanCERA lawsuits
 - O'Neal resolution
5. Director Professional Development
 - CFA local economic outlook meeting
6. Facilitate RFP for General Legal Counsel
7. Oversee Information Technology Solutions Project
 - Maintain high level oversight with StanCERA staff, Tegrity staff and Linea consultants
8. Oversee and completion of day to day administrative functions
 - All normal administrative functions completed on time
 - Outstanding disabilities (as of 4/23/2019): 11
9. Completion of internal policy revisions
10. Complete hiring of MESS Manager, IT Specialist and Retirement Investment Officer
 - All items complete (note that StanCERA analyzed the need for a permanent IT Specialist and decided that at this time, we would use County Services that are structured and implemented by formal contract)

Items Tied to the Strategic Plan

Strategic Objective #1

Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability

Strategic Plan Objective #1: Action Plan with Deliverables



1. Implementation of Functionally Focused Portfolio Concept
 - ✓ Training of new investment staff on FFP process and maintenance of reporting projection and process tools
2. Maintain awareness of the cash flow process
 - ✓ Creation and maintenance of a database specifically designed to house contribution and benefit data

Strategic Objective # 2

Develop efficient and effective processes for the evaluation, monitoring, and disposition of StanCERA's active managers

Strategic Plan Objective #2: Action Plan with Deliverables

1. Maintain and improve the comprehensive internal investment governance process
 - ✓ Train internal investment staff on general processes and procedures of the data collection process
 - Training complete on alternative data maintenance procedures (Quarter 1)
 - ✓ Enhance the fee reconciliation process for the alternative investments
 - Fee reconciliation process complete (Quarter 1)
 - ✓ Monitor IPS compliance
 - ✓ Creation of a policy regarding Organizational views on philosophy, monitoring and maintenance of investment manager thesis
 - ✓ Monitor and analyze all documentation from investment managers including SOC/ADV reports, contract changes, quarterly and fiscal year end reports and MFN clauses
 - ✓ Research the Organization's capacity to effectively monitor manager trading costs
2. Maintain a comprehensive internal investment data repository
 - ✓ Develop written processes for downloading, storing and maintaining investment data
 - Written process for alternative data gathering and uploading complete (Quarter 1)



Strategic Objective # 3

Continue to foster an organizational culture that values and promotes team work, education, awareness, accountability, and achievement.

Strategic Plan Objective #3: Action Plan with Deliverables

1. Standardize communication and establish a formal peer-review process for internal and external documents and external communications.
 - ✓ Formalize StanCERA's peer review philosophy

Strategic Objective # 4

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.

Strategic Plan Objective #4: Action Plan with Deliverables

1. Implementation of Electronic Member Filing Content Management System
 - ✓ Permanent EDMS solution developed (implementation to take place in 2020)
2. Design and rollout of new StanCERA Website
 - ✓ Complete RFP process for a Web Designer
 - ✓ Contract with new vendor
 - ✓ Convert data to new website



Conference Summary

1. **Attendee Name:** Samuel Sharpe
2. **Event Name:** CALAPRS UCLA Advanced Principles of Pension Management for Trustees
3. **Event Date:** March 27-29, 2019
4. **Event Location:** UCLA Luskin Conference Center
5. **Describe what was good about the event:** The principles covered at the conference were: governance, economics, investment, fiduciary, and actuary. Taking what was learned at the learned at Principles of Pension Governance for Trustees and coupling it with gained trustee experience, each presenter provider news tools which could be used use to fulfill the obligation of retirement system trustee. The small cohort size allowed for meaningful dialogue between all participants. Several of the presentations included a section on fiduciary responsibility, with an emphasis on loyalty to the interests of the beneficiaries.
6. **Would you recommend this event to other trustees/staff:** Yes, however, not before attending the Principles of Pension Governance for Trustees first.
7. **Number of Education Credits:** Awaiting response from CALAPRS.



Conference Summary

1. **Attendee Name:** ____Mandip Dhillon_____
2. **Event Name:** CALAPRS UCLA Advanced Principles of Pension Management for Trustees
3. **Event Date:** March 27-29, 2019
4. **Event Location:** UCLA Luskin Conference Center

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

This event was geared towards experienced trustees to expand their pension governance skills and other disciplines such as institutional investing, actuarial science, benefits law, etc. The topics covered were relevant to the functions, duties and skills trustees need to lead a well-functioning public pension board. The event included learning in the following areas:

- Policy-Based Boards
- Effective Planning
- Economics Forecasting Methods and the annual forecast of the UCLA Anderson School
- Good Governance and the Investment Team
- Wearing the Right Hat at the Right Time – *The Fiduciary Duties of Public Pension System Board Members*
- Advanced Actuarial Principles

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

For reasons stated above, I am highly recommending this even to other trustees and staff.

7. **Number of Education Credits:** 16



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April 23, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Value Added, Investment Fee Summary and Cash Flow Report December 31, 2018
- II. ITEM NUMBER: 6.a
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: This is the Quarter 4 2018 Value Added, Investment Fee Summary and Cash Flow report as of December 31, 2018. Staff could not produce the Value Added and Investment Fee Summary due to the lack of data from our custodial bank. Staff will present these reports to the Board of Retirement as soon as we receive this information.

Cash Flow Report

Internal StanCERA cash flows are presented both for the quarter ending December 31, 2018 and for the entire calendar year 2018 (Attachment 1). Of interest is how well the Functionally Focused Portfolio (FFP) concept is working. In 2018 StanCERA collected approximately \$109 million in contributions and \$1 million from other sources. StanCERA paid out approximately \$126 million in benefit payments and \$5 million for other expenses. To cover the gap, StanCERA received received approximately \$18.5 million from the immunized portfolio (FFP) and cash reserves decreased by approximately \$2.6 million. StanCERA's intent over time is to decrease idle reserves to a minimal level and take full advantage of the functionally focused approach.

- 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

Stan Conwell, Retirement Investment Officer



Cash Flow Report

Oct 2018 through Dec 2018

Beginning Cash Balance*	\$10,956,675
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Cash Flow In

Cash Draw From Managers	\$3,997,685
Employer Contributions	\$20,725,209
Employee Contributions	\$6,380,117
Employee Redeposits	\$94,236
Rental Income	\$34,308
Commission Recapture	\$3,405
Litigation Recovery	\$43
W/O Cancelled checks	\$30,904

Total Cash Flow In	\$31,265,907
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Cash Flow Out

Retiree Payroll	\$31,658,464
StanCERA Payroll	\$347,714
StanCERA Operations Expense	\$280,903
Tyler Maintenance	\$26,124
Fixed Asset Purchases	\$122,679
Refunds	\$367,069
Death Benefits - Salary Based	\$5,754
Burial Allowance	\$85,000
Death Benefits - Lump Sum	\$175,992
Investment Consulting Fees	\$166,833
Actuarial Fees	\$45,984
Audit Fees	\$23,275
Legal Fees	\$45,026
Other Fees	-\$3,052

Total Cash Flow Out	\$33,347,764
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Ending Cash Balance	\$8,874,817
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Change in Cash Balance	-\$2,081,857
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Cash Flow Report

Jan 2018 through Dec 2018

Beginning Cash Balance*	\$11,553,329
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Cash Flow In

Cash Draw From Managers	\$18,624,818
Employer Contributions	\$82,265,105
Employee Contributions	\$26,769,183
Employee Redeposits	\$382,920
Rental Income	\$99,494
Commission Recapture	\$9,034
Litigation Recovery	\$183,270
Additional Employer Contributions	\$235
W/O Cancelled checks	<u>\$40,853</u>

Total Cash Flow In	\$128,374,912
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Cash Flow Out

Retiree Payroll	\$123,748,604
StanCERA Payroll	\$1,353,951
StanCERA Operations Expense	\$894,006
Tyler Maintenance	\$65,310
Fixed Asset Purchases	\$811,132
Refunds	\$1,577,675
Death Benefits - Salary Based	\$140,213
Burial Allowance	\$395,000
Death Benefits - Lump Sum	\$479,210
Investment Consulting Fees	\$361,329
Actuarial Fees	\$116,270
Custodial Fees	\$166,652
Investment Management Fees	\$235,519
Audit Fees	\$38,401
Legal Fees	\$673,204
Other Fees	<u>-\$3,052</u>

Total Cash Flow Out	\$131,053,423
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Ending Cash Balance	\$8,874,817
Change in Cash Balance	-\$2,678,512



April 23, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Auxiliary AB 2833 Investment Report December 31 2018
- II. ITEM NUMBER: 6.b
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: Today staff is presenting a newly revised reporting format for our auxiliary and AB 2833 investment reporting (Attachment 1). This report covers those types of investments that are considered either "alternative" or have been deemed to fall under AB 2833 reporting requirements.

The following are newly added analyses to the report:

- *Fund balance reconciliation since inception*
- *Internal rate of return decomposition* – this analysis breaks out the total internal rate of return since inception by components. The items of interest are the "expense return" or the drag on the performance due to expenses paid, and the "gain/loss return". The return from gain/loss gives an idea of how successful the investment decisions made by the manager have been.
- *Expense matrix* – this analysis breaks out all the expenses paid to the manager at a very detailed level.

Additionally, staff has added some visual aids in an attempt to quickly answer some high level questions regarding fund performance:

- *Net cash position* – this graph shows cash paid to the manager and cash received from the manager. The graph then nets out the two over time.
- *Change in fund balance prior 8 periods* – this graph shows the causes of the change in fund balance each quarter for the past 2 years. The black bar represents the total change in fund balance for the quarter. As such, the sum of all investment activity for the period must always equal the total change. This graph allows the user to quickly understand those items that may be consistently responsible for fund balance changes.
- *Cumulative % capital drawn* – this graph shows how fast capital has been deployed over time and how close to full funding the manager achieved.

Staff intends to spend more time today to go over some of these items in greater detail.

- 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

A handwritten signature in black ink, appearing to read "Rick Santos", written over a horizontal line.

Rick Santos, Executive Director

A handwritten signature in black ink, appearing to read "Stan Conwell", written over a horizontal line.

Stan Conwell, Retirement Investment Officer

Fund Information

Manager Name:	Medley Opportunity Fund II L.P.
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Private Credit
Fund Vintage Year:	2011
StanCERA Investment Start Date:	5/16/2013
Initial Commitment:	\$30,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$29,000,453
Total Commitment Unfunded:	\$999,547
Fund Balance:	\$15,076,540

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	2.23%
Investment Multiple (TVPI):	\$1.19
Realization Multiple (DPI):	\$0.70
Residual Value to Paid in Multiple (RVPI):	\$0.48
Paid in Capital Multiple (PIC):	96.7%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$31,086,716
Distributions	-\$21,911,233
Expenses	-\$3,343,416
Income	\$17,031,834
Gain/(Loss)	<u>-\$7,787,362</u>
Ending Fund Balance	\$15,076,539

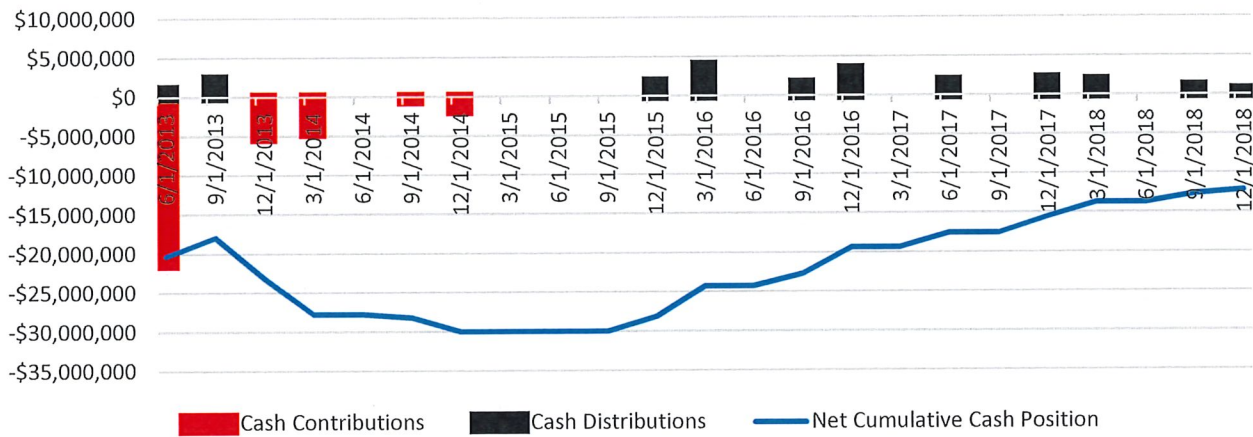
Internal Rate of Return Decomposition

Return from Income and Cash Flow	8.99%
Return from Expenses	-2.27%
Return from Gain/Loss	-4.95%
Interaction/Timing Effect:	<u>0.46%</u>
Net IRR Since Inception:	2.23%

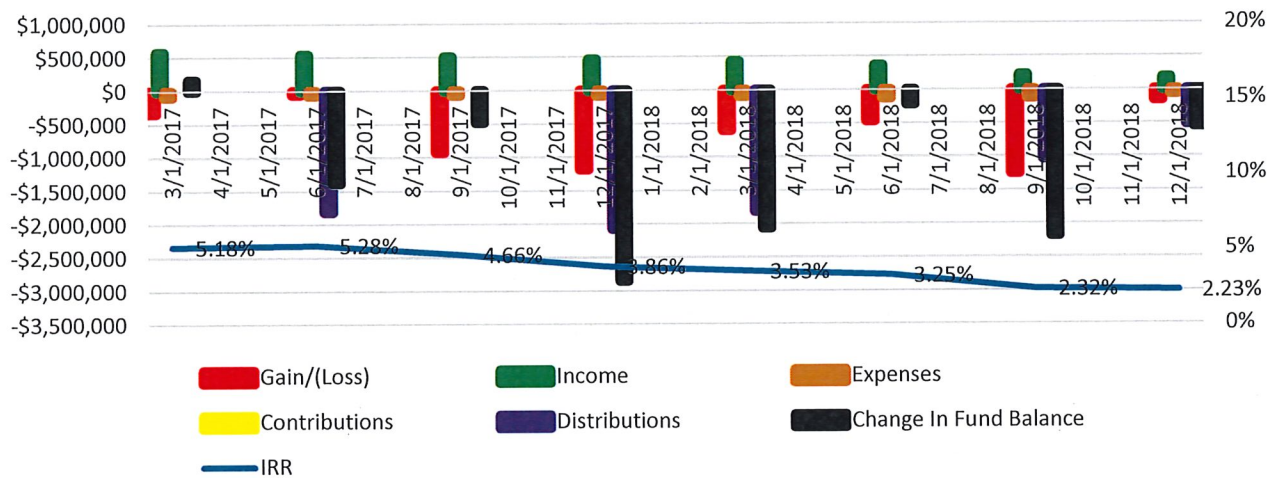
Expense Matrix

Management Fee	\$2,350,924
Partnership Operations	\$992,493
Incentive Allocation	<u>-\$1</u>
Total	\$3,343,416

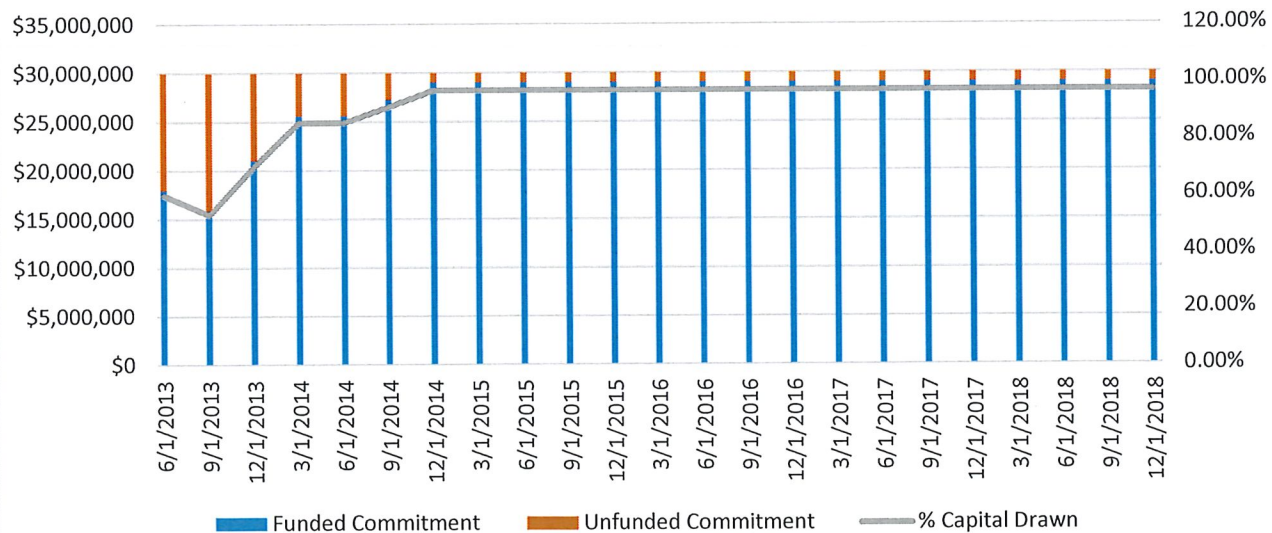
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund I L.P.
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Private Credit
Fund Vintage Year:	2012
StanCERA Investment Start Date:	5/22/2013
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$34,505,763
Total Commitment Unfunded:	\$5,494,237
Fund Balance:	\$13,574,940

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	1.58%
Investment Multiple (TVPI):	\$1.08
Realization Multiple (DPI):	\$0.68
Residual Value to Paid in Multiple (RVPI):	\$0.39
Paid in Capital Multiple (PIC):	86.3%

Fund Balance Reconciliation Since Inception

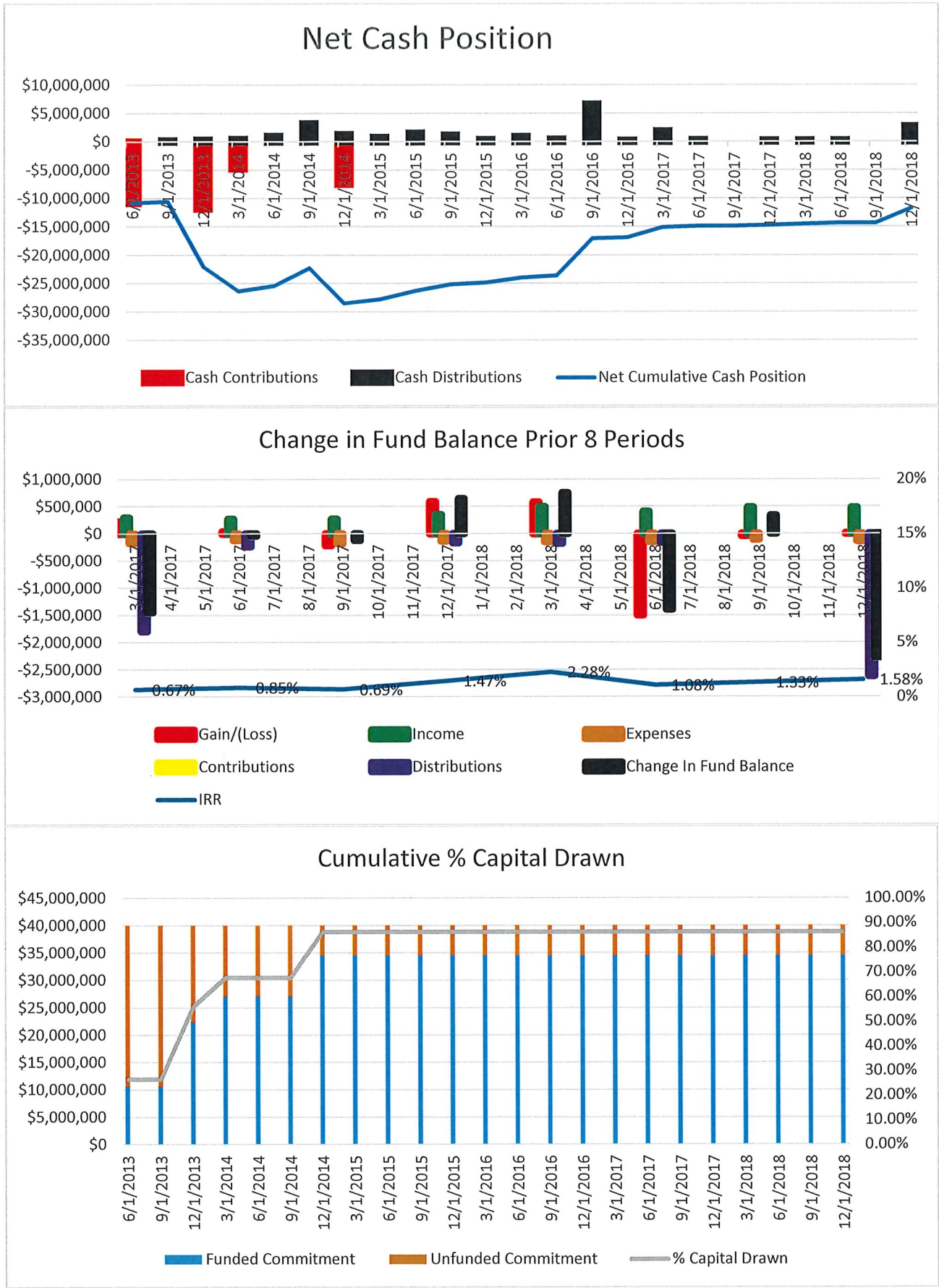
Beginning Fund Balance	\$0
Capital Contributions	\$34,505,763
Distributions	-\$23,582,991
Expenses	-\$4,969,919
Income	\$12,125,339
Gain/(Loss)	<u>-\$4,503,253</u>
Ending Fund Balance	\$13,574,939

Internal Rate of Return Decomposition

Return from Income and Cash Flow	8.32%
Return from Expenses	-3.80%
Return from Gain/Loss	-3.47%
Interaction/Timing Effect:	<u>0.53%</u>
Net IRR Since Inception:	1.58%

Expense Matrix

Management Fee	\$3,214,104
Organizational Expense	\$92,275
Service Fee	\$339,601
Professional Fee	<u>\$1,323,939</u>
Total	\$4,969,919



Fund Information

Manager Name:	White Oak Pinnacle Fund L.P.
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Private Credit
Fund Vintage Year:	2012
StanCERA Investment Start Date:	8/2/2013
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$32,758,125
Total Commitment Unfunded:	\$7,241,875
Fund Balance:	\$27,383,031

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	7.39%
Investment Multiple (TVPI):	\$1.24
Realization Multiple (DPI):	\$0.74
Residual Value to Paid in Multiple (RVPI):	\$0.50
Paid in Capital Multiple (PIC):	81.9%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$55,047,161
Distributions	-\$40,985,777
Expenses	-\$4,592,627
Income	\$20,630,581
Gain/(Loss)	<u>-\$2,716,308</u>
Ending Fund Balance	\$27,383,030

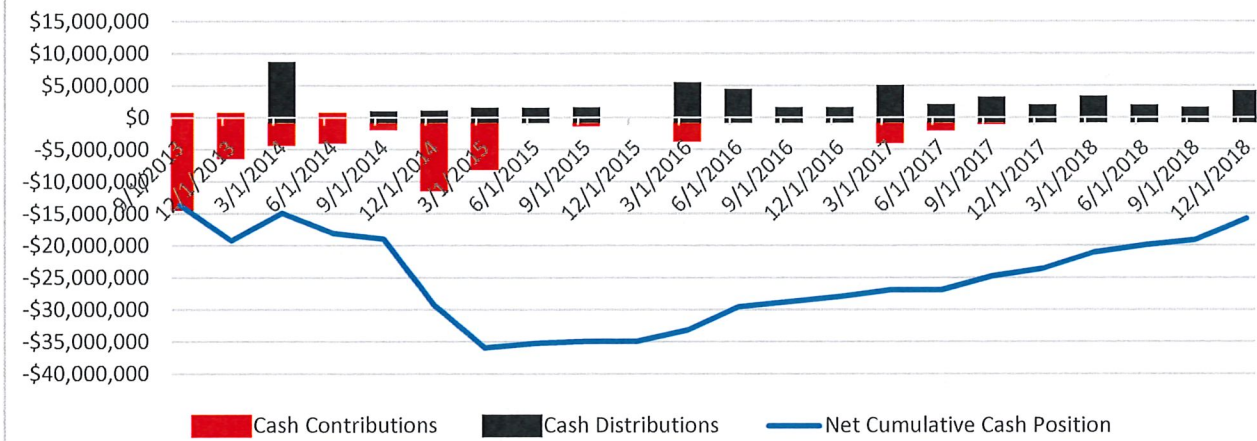
Internal Rate of Return Decomposition

Return from Income and Cash Flow	11.12%
Return from Expenses	-2.40%
Return from Gain/Loss	-1.45%
Interaction/Timing Effect:	<u>0.12%</u>
Net IRR Since Inception:	7.39%

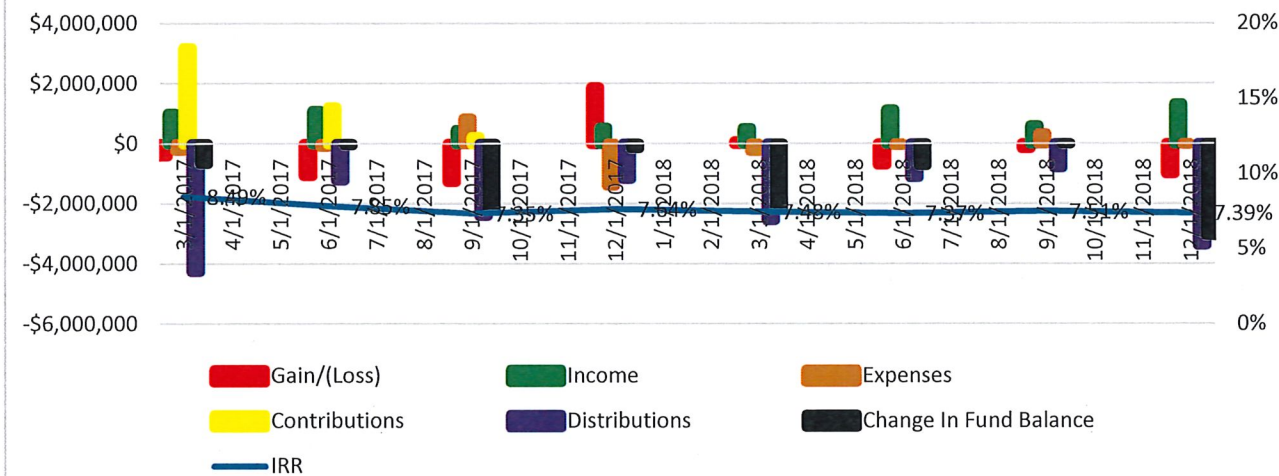
Expense Matrix

Management Fee	\$3,785,643
Incentive Allocation	\$1,906,644
Other Expense	\$15,738
Management Fee Reimbursement	-\$1,611,884
General/Administrative Expense	<u>\$496,487</u>
Total	\$4,592,627

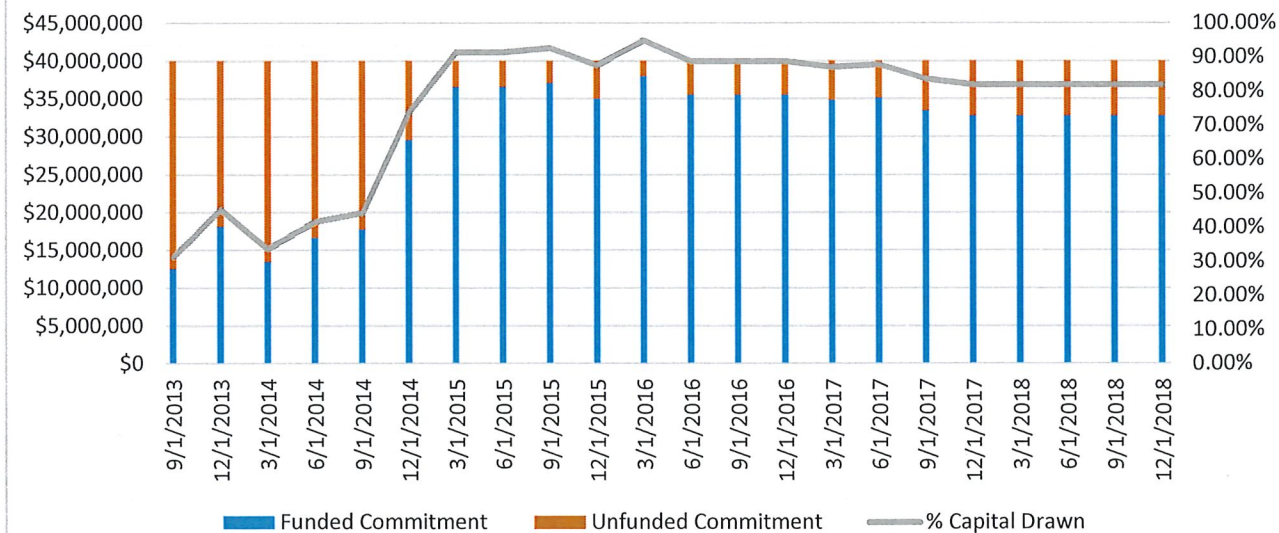
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	American Realty Advisors Fund
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2009
StanCERA Investment Start Date:	12/15/2014
Initial Commitment:	\$30,000,000
Additional Commitments:	\$28,000,000
Total Commitment Funded:	\$37,014,000
Total Commitment Unfunded:	\$20,986,000
Fund Balance:	\$42,588,637

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	10.90%
Investment Multiple (TVPI):	\$1.21
Realization Multiple (DPI):	\$0.05
Residual Value to Paid in Multiple (RVPI):	\$1.15
Paid in Capital Multiple (PIC):	63.8%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$37,014,000
Distributions	-\$2,031,680
Expenses	-\$1,327,024
Income	\$3,999,013
Gain/(Loss)	<u>\$4,934,328</u>
Ending Fund Balance	\$42,588,637

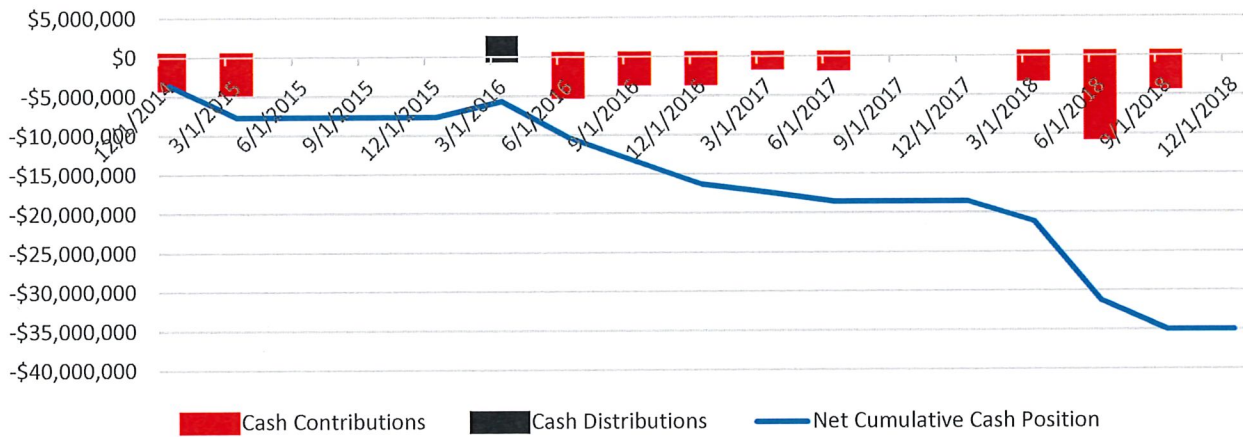
Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.99%
Return from Expenses	-1.71%
Return from Gain/Loss	6.83%
Interaction/Timing Effect:	<u>-0.21%</u>
Net IRR Since Inception:	10.90%

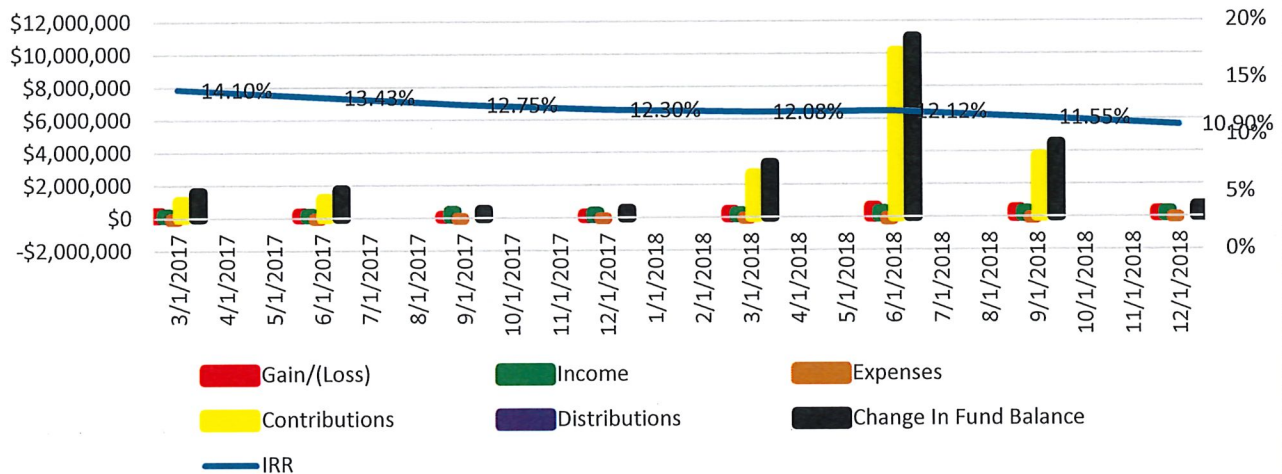
Expense Matrix

Management Fee	\$950,369
Incentive Allocation	\$376,601
Offering Costs	<u>\$54</u>
Total	\$1,327,024

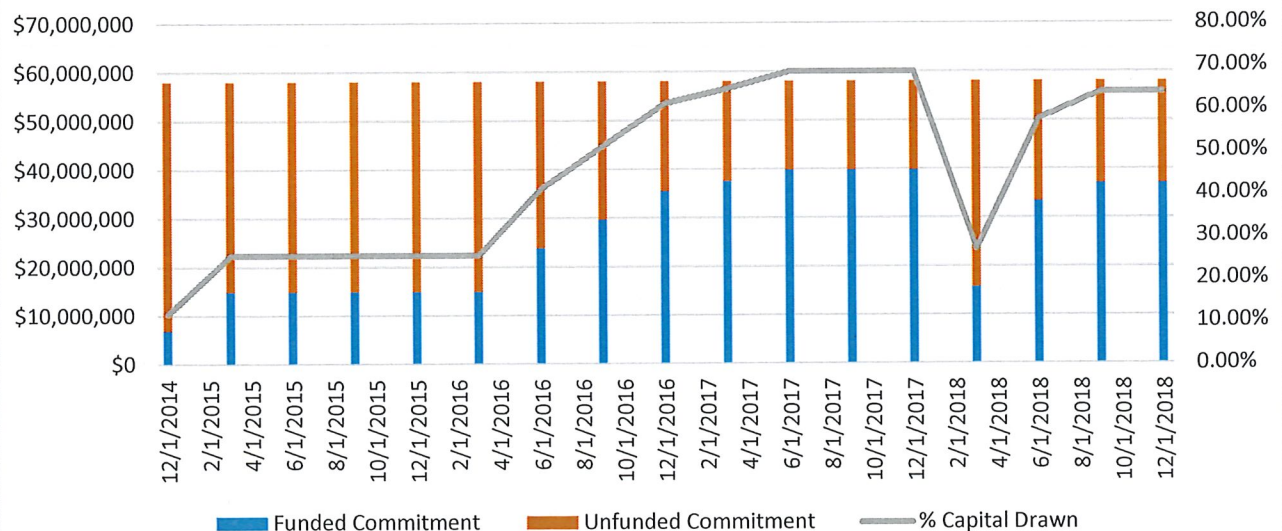
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	Greenfield GAP VII Management Fund, L.L.C
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2011
StanCERA Investment Start Date:	7/8/2014
Initial Commitment:	\$15,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$11,079,934
Total Commitment Unfunded:	\$3,920,066
Fund Balance:	\$14,863,952

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	13.21%
Investment Multiple (TVPI):	\$1.35
Realization Multiple (DPI):	\$0.53
Residual Value to Paid in Multiple (RVPI):	\$0.83
Paid in Capital Multiple (PIC):	73.9%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$18,013,692
Distributions	-\$9,524,533
Expenses	-\$1,904,426
Income	\$2,161,660
Gain/(Loss)	<u>\$6,117,559</u>
Ending Fund Balance	\$14,863,952

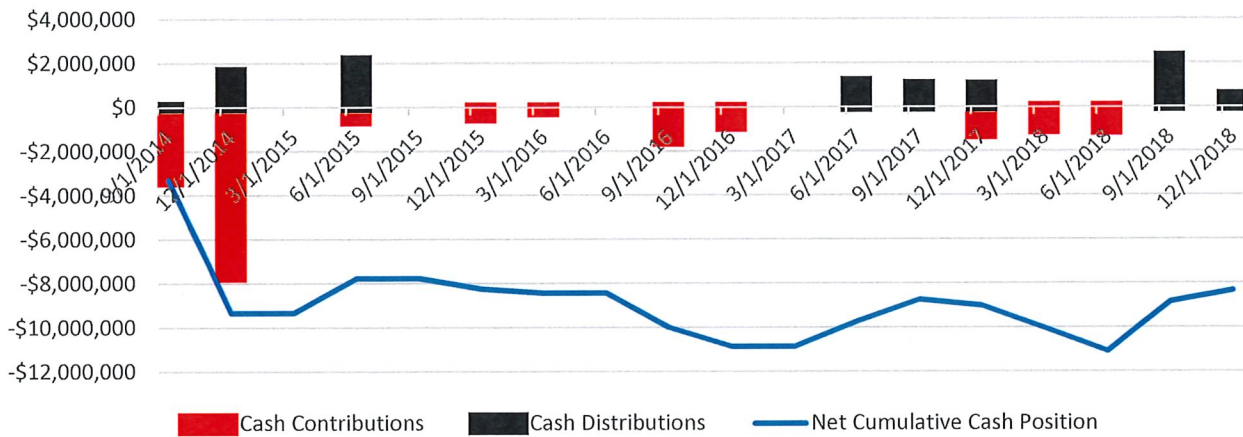
Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.31%
Return from Expenses	-3.06%
Return from Gain/Loss	12.20%
Interaction/Timing Effect:	<u>-1.24%</u>
Net IRR Since Inception:	13.21%

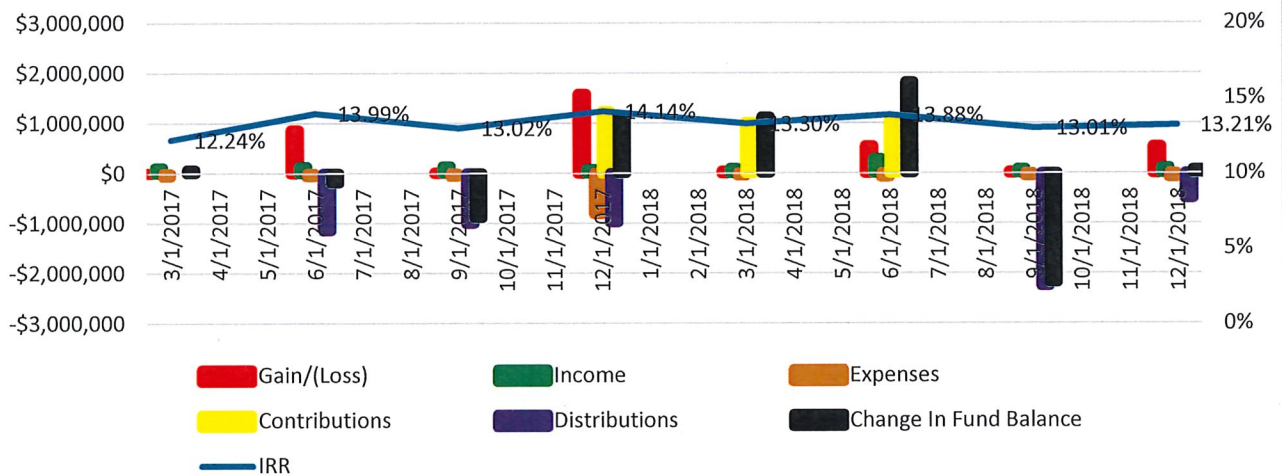
Expense Matrix

Management Fee	\$1,128,502
Partnership Operations	\$42,425
Incentive Allocation	\$730,630
Interest Expense	<u>\$2,869</u>
Total	\$1,904,426

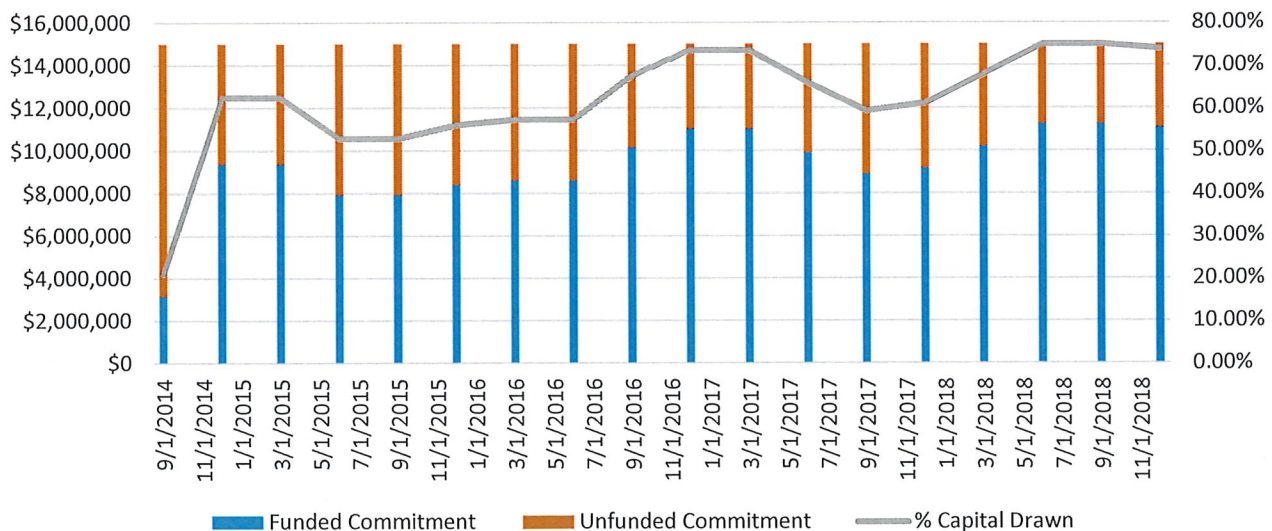
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	Morgan Stanley Prime Property Fund, L.L.C
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Core Real Estate
Fund Vintage Year:	1973
StanCERA Investment Start Date:	10/1/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$35,000,000
Total Commitment Funded:	\$50,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$55,519,096

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	8.81%
Investment Multiple (TVPI):	\$1.11
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.11
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$50,000,000
Distributions	\$0
Expenses	-\$693,039
Income	\$2,612,416
Gain/(Loss)	<u>\$3,599,719</u>
Ending Fund Balance	\$55,519,096

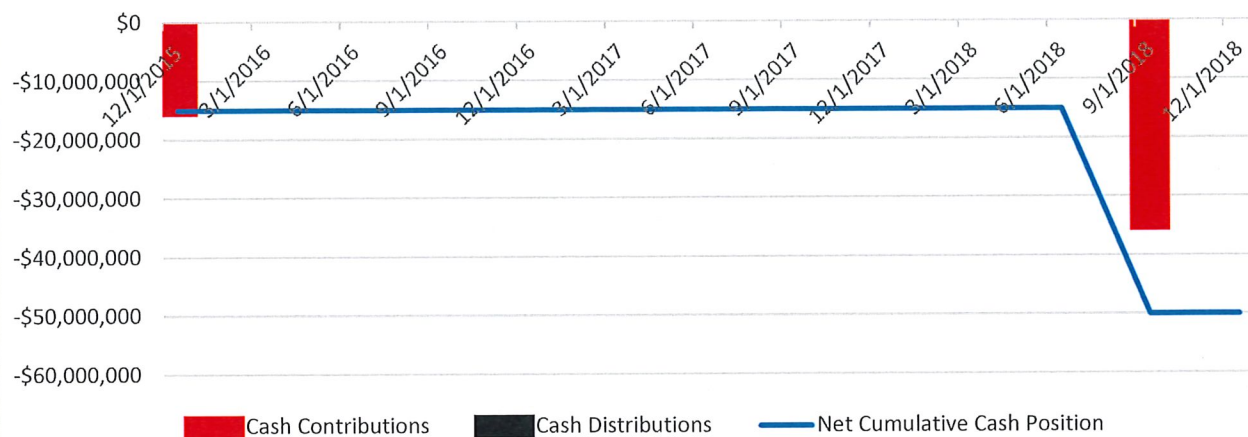
Internal Rate of Return Decomposition

Return from Income and Cash Flow	4.34%
Return from Expenses	-1.02%
Return from Gain/Loss	5.59%
Interaction/Timing Effect:	<u>-0.10%</u>
Net IRR Since Inception:	8.81%

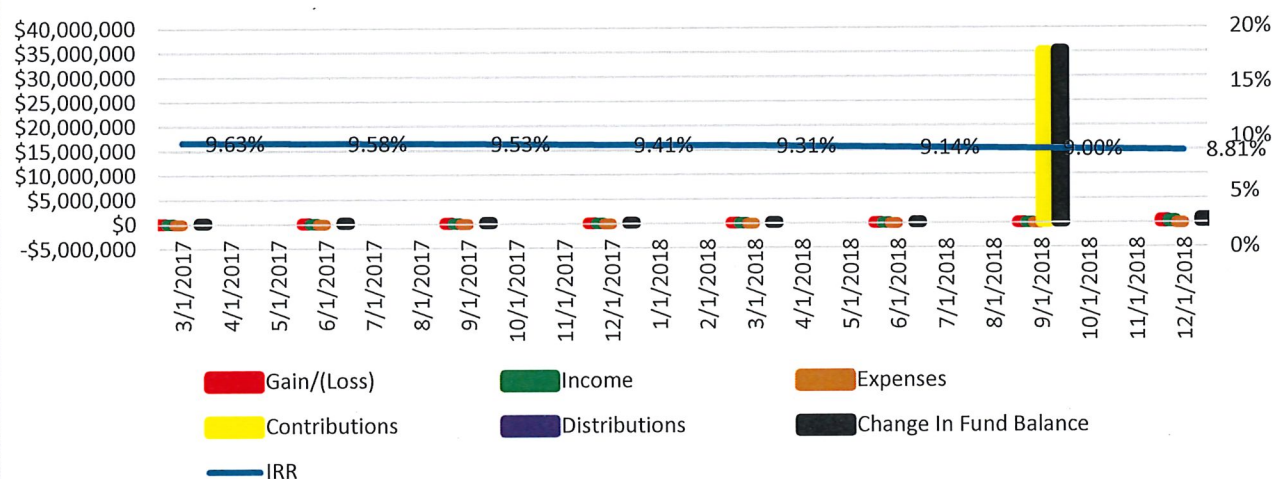
Expense Matrix

Management Fee	\$544,253
Incentive Allocation	<u>\$148,786</u>
Total	\$693,039

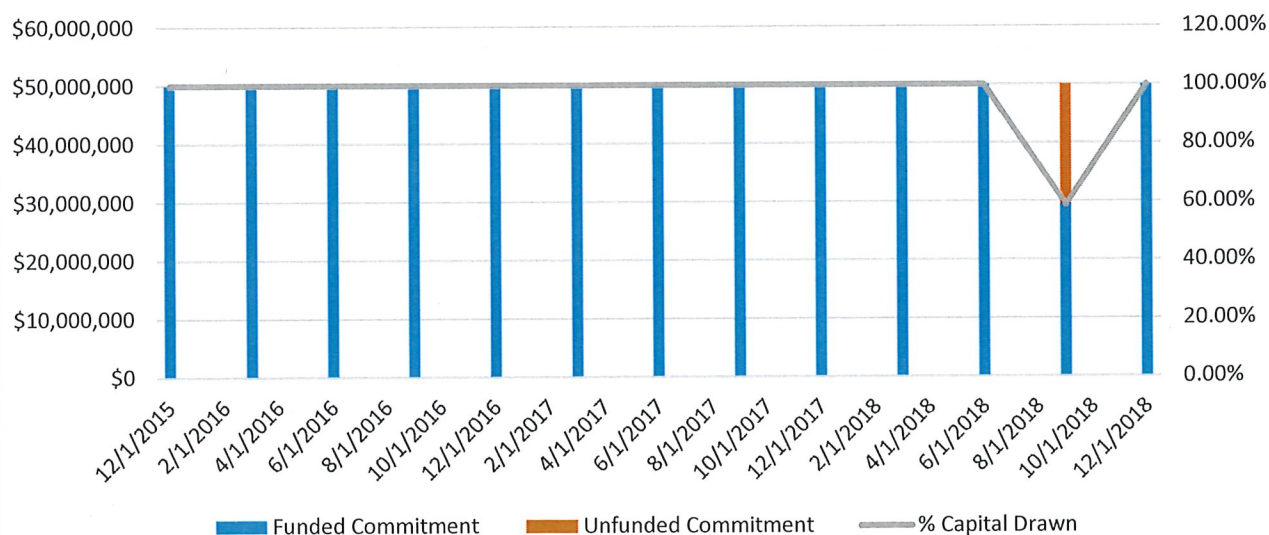
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	North Haven Infrastructure II GP LP
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Infrastructure
Fund Vintage Year:	2015
StanCERA Investment Start Date:	5/19/2015
Initial Commitment:	\$50,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$43,414,665
Total Commitment Unfunded:	\$6,585,335
Fund Balance:	\$49,736,288

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	15.15%
Investment Multiple (TVPI):	\$1.12
Realization Multiple (DPI):	\$0.24
Residual Value to Paid in Multiple (RVPI):	\$0.88
Paid in Capital Multiple (PIC):	86.8%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$56,526,359
Distributions	-\$13,402,690
Expenses	-\$3,767,366
Income	\$1,104,479
Gain/(Loss)	<u>\$9,971,192</u>
Ending Fund Balance	\$50,431,974

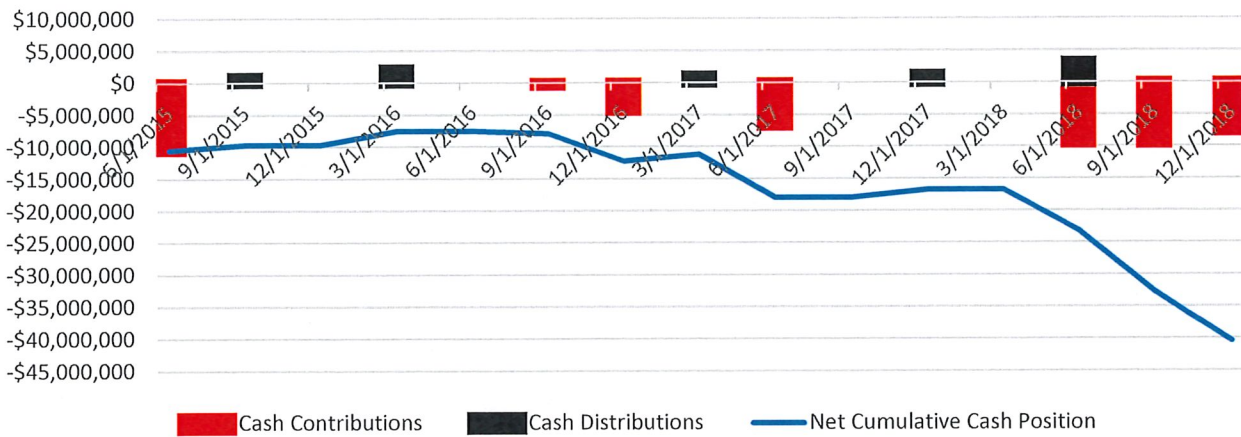
Internal Rate of Return Decomposition

Return from Income and Cash Flow	5.59%
Return from Expenses	-5.14%
Return from Gain/Loss	16.23%
Interaction/Timing Effect:	<u>-1.53%</u>
Net IRR Since Inception:	15.15%

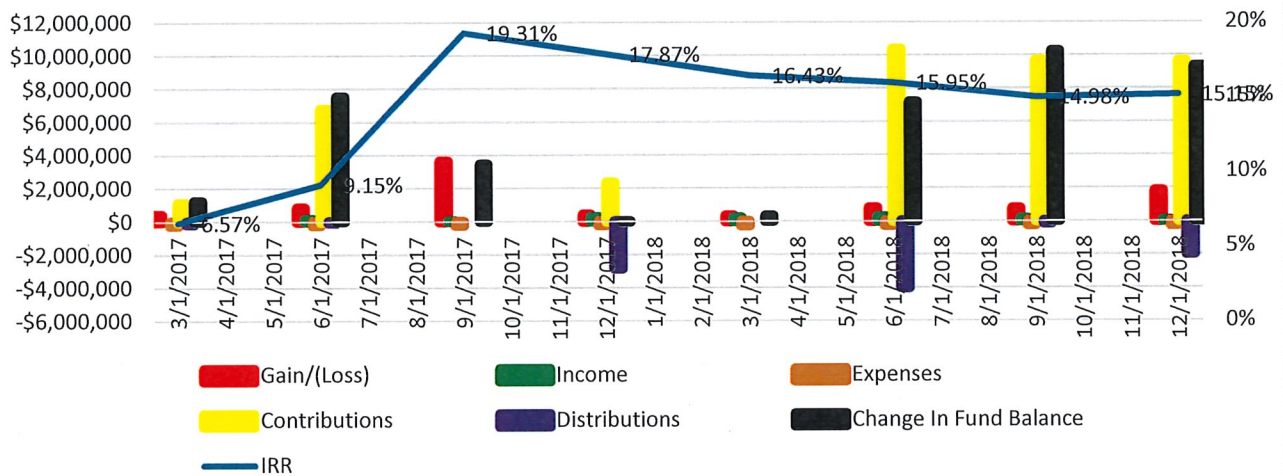
Expense Matrix

Management Fee	\$2,994,346
Organizational Expense	\$52,991
Syndication Costs	\$65,354
General/Administrative Expense	\$227,934
Broken Deal Expense	\$260,203
Interest Expense	<u>\$166,538</u>
Total	\$3,767,366

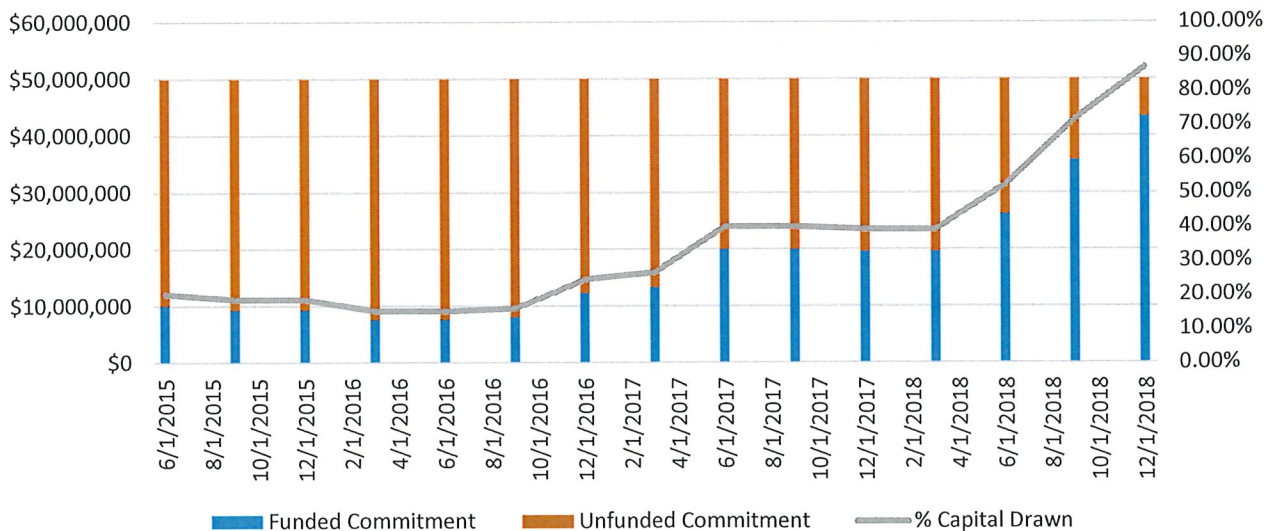
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	AQR Capital Management
Analysis Date:	12/31/2018
Reporting Frequency:	Monthly
Manager Investment Style:	Risk Parity
Fund Vintage Year:	2018
StanCERA Investment Start Date:	3/5/2018
Initial Commitment:	\$140,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$140,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$134,839,420

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-4.45%
Investment Multiple (TVPI):	\$0.96
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$0.96
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$140,000,000
Distributions	\$0
Expenses	-\$554,989
Income	\$354,778
Gain/(Loss)	<u>-\$4,960,369</u>
Ending Fund Balance	\$134,839,420

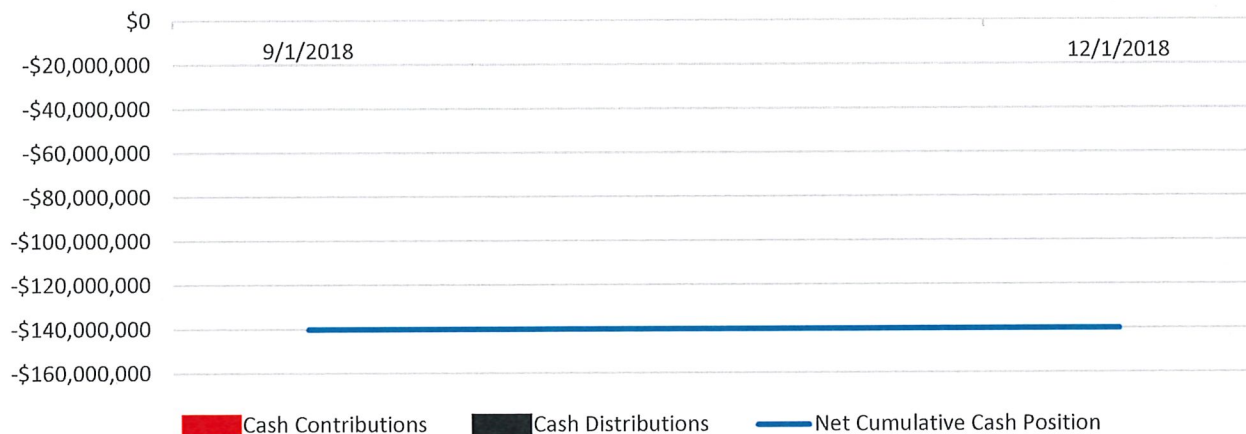
Internal Rate of Return Decomposition

Return from Income and Cash Flow	0.31%
Return from Expenses	-0.48%
Return from Gain/Loss	-4.28%
Interaction/Timing Effect:	<u>0.00%</u>
Net IRR Since Inception:	-4.45%

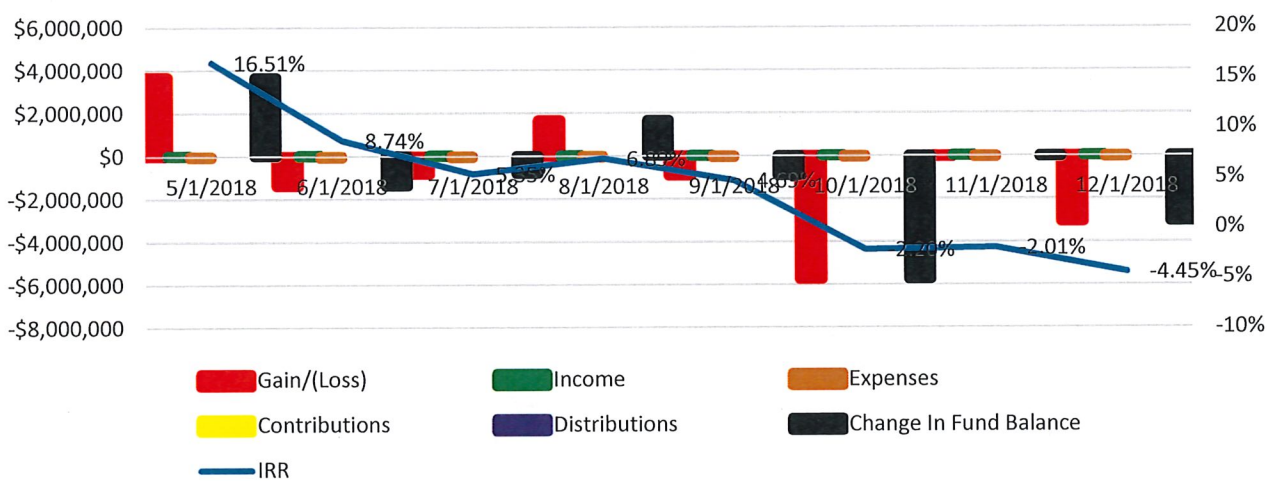
Expense Matrix

Management Fee	\$443,123
Professional Fee	\$7,926
General/Administrative Expense	\$81,669
Interest Expense	\$12,478
Custody Fee	\$9,137
Dividend Expense	<u>\$656</u>
Total	\$554,989

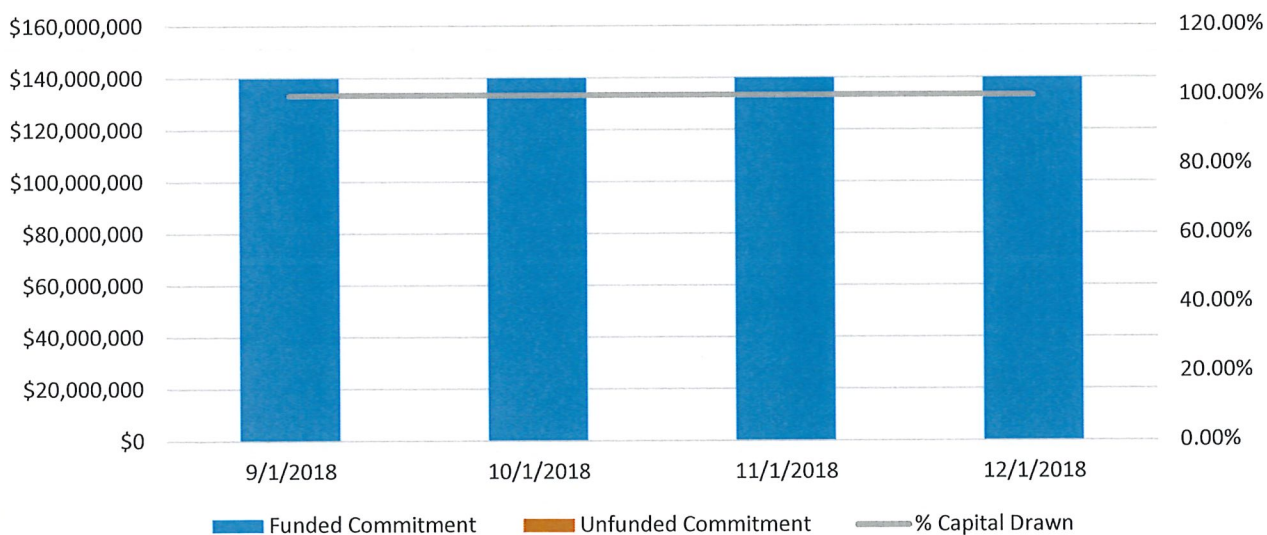
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	PanAgora Diversified Risk Multi-Asset Fund, Ltd.
Analysis Date:	12/31/2018
Reporting Frequency:	Monthly
Manager Investment Style:	Risk Parity
Fund Vintage Year:	2012
StanCERA Investment Start Date:	12/1/2017
Initial Commitment:	\$140,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$140,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$130,888,313

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	-6.03%
Investment Multiple (TVPI):	\$0.93
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$0.93
Paid in Capital Multiple (PIC):	100.0%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$140,000,000
Distributions	\$0
Expenses	-\$624,274
Income	\$2,346,966
Gain/(Loss)	<u>-\$10,834,379</u>
Ending Fund Balance	\$130,888,313

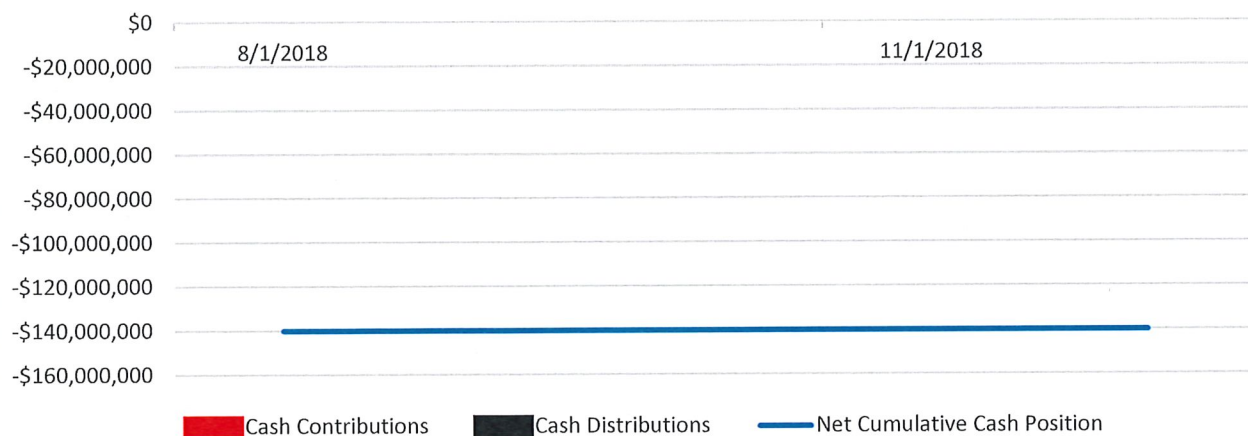
Internal Rate of Return Decomposition

Return from Income and Cash Flow	1.55%
Return from Expenses	-0.41%
Return from Gain/Loss	-7.17%
Interaction/Timing Effect:	<u>0.00%</u>
Net IRR Since Inception:	-6.03%

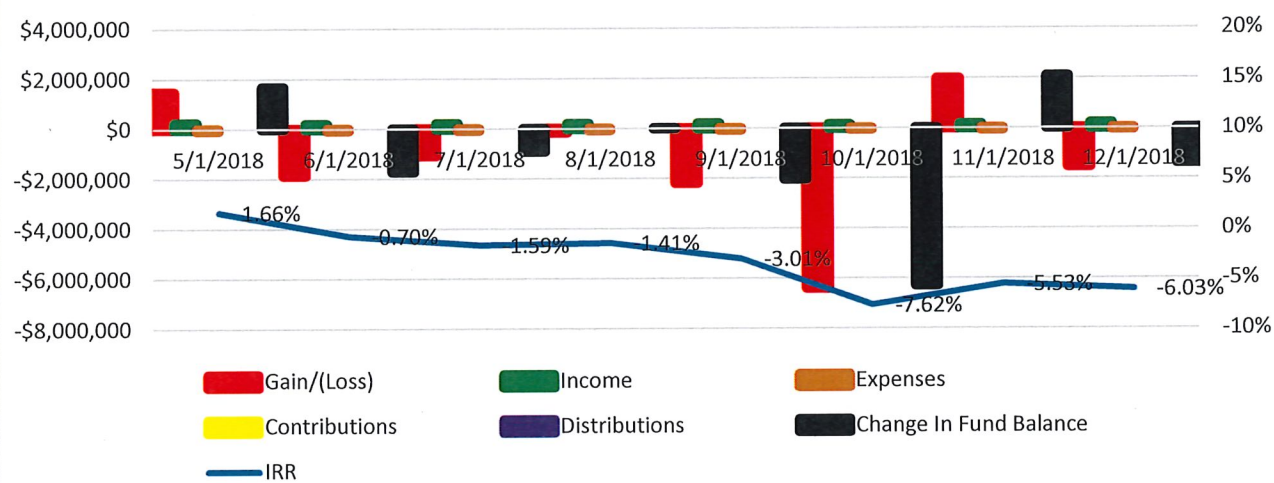
Expense Matrix

Management Fee	\$521,448
Professional Fee	<u>\$102,826</u>
Total	\$624,274

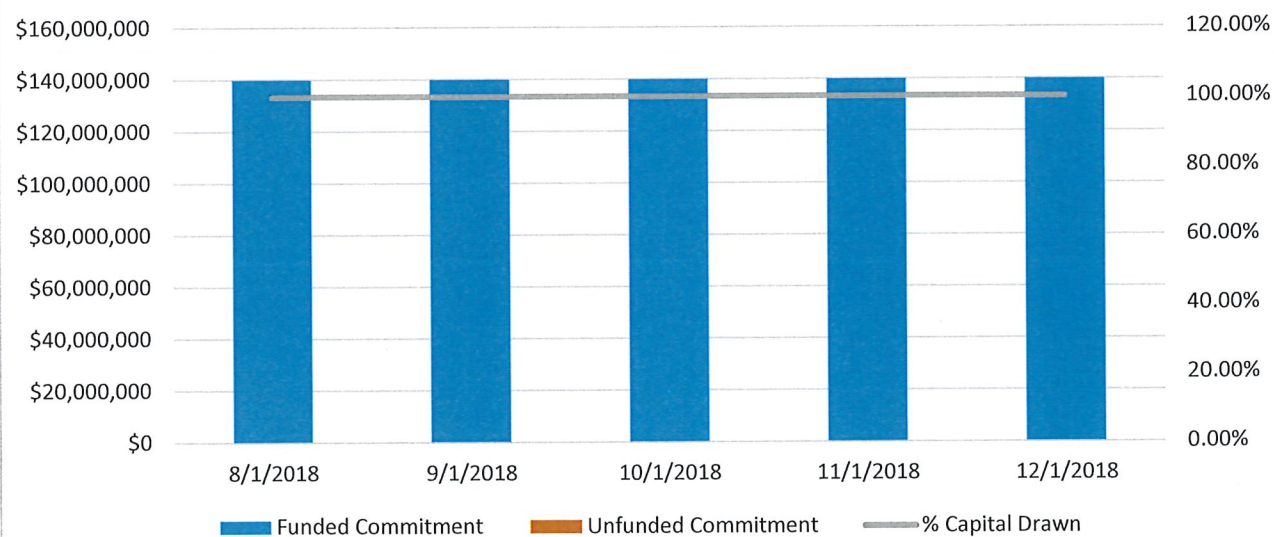
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn



Fund Information

Manager Name:	Raven Asset-Based Opportunity Fund III L.P.
Analysis Date:	12/31/2018
Reporting Frequency:	Quarterly
Manager Investment Style:	Private Credit
Fund Vintage Year:	2015
StanCERA Investment Start Date:	7/6/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$35,000,000
Total Commitment Funded:	\$33,711,014
Total Commitment Unfunded:	\$16,288,986
Fund Balance:	\$34,553,234

Fund Performance Measures Since Inception

Net Internal Rate of Return (IRR):	4.93%
Investment Multiple (TVPI):	\$1.08
Realization Multiple (DPI):	\$0.20
Residual Value to Paid in Multiple (RVPI):	\$0.88
Paid in Capital Multiple (PIC):	67.4%

Fund Balance Reconciliation Since Inception

Beginning Fund Balance	\$0
Capital Contributions	\$39,188,668
Distributions	-\$7,724,480
Expenses	-\$4,200,660
Income	\$5,418,218
Gain/(Loss)	<u>\$1,871,486</u>
Ending Fund Balance	\$34,553,233

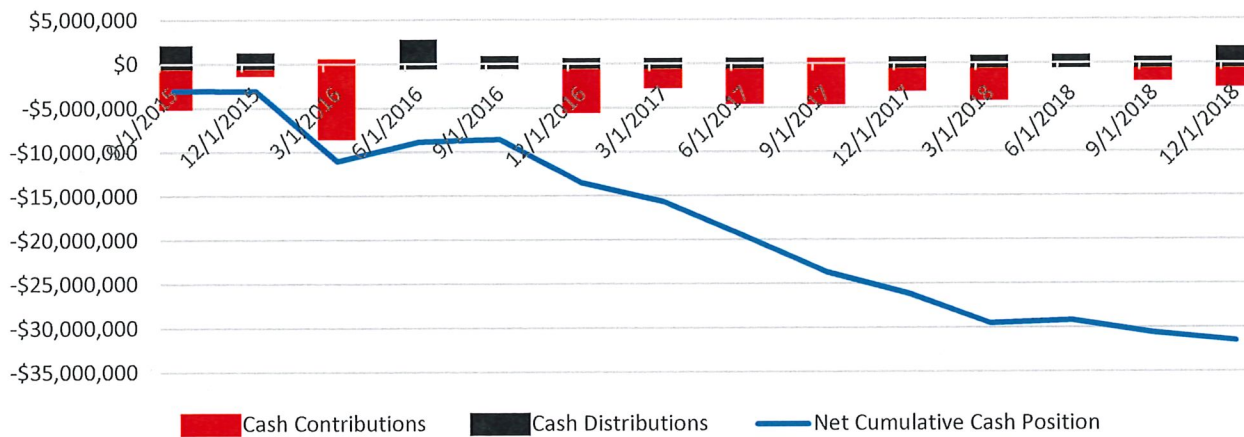
Internal Rate of Return Decomposition

Return from Income and Cash Flow	8.48%
Return from Expenses	-6.29%
Return from Gain/Loss	2.97%
Interaction/Timing Effect:	<u>-0.23%</u>
Net IRR Since Inception:	4.93%

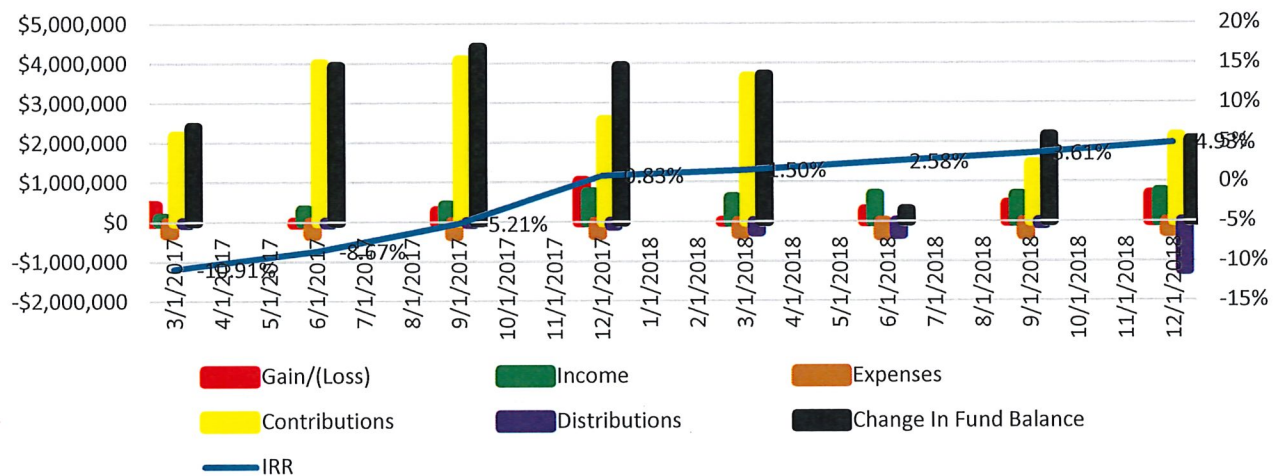
Expense Matrix

Management Fee	\$3,010,652
Organizational Expense	\$78,622
Professional Fee	<u>\$1,111,386</u>
Total	\$4,200,660

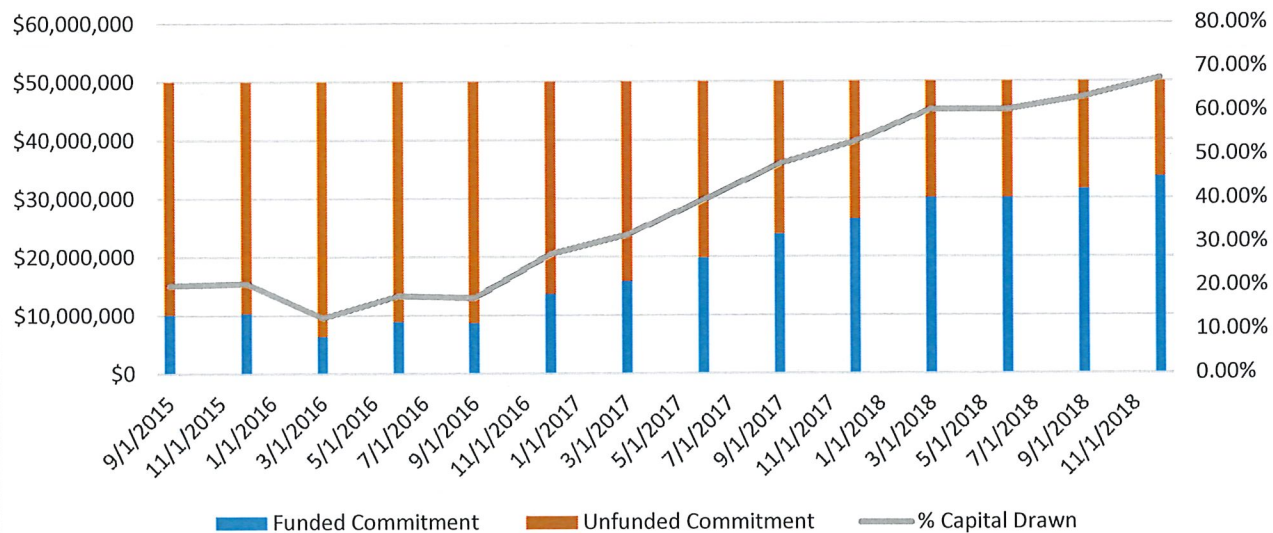
Net Cash Position



Change in Fund Balance Prior 8 Periods



Cumulative % Capital Drawn

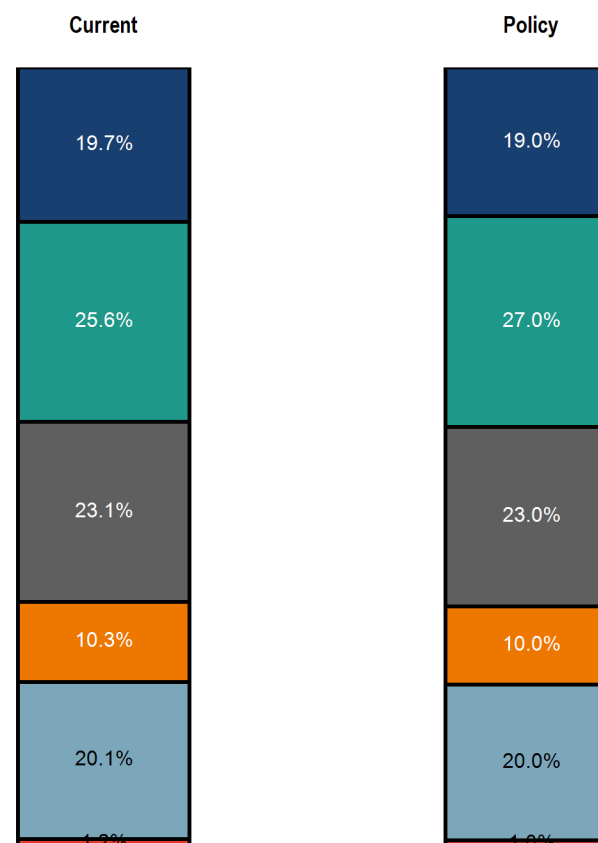


Total Fund Flash Report (Net of Fees) - Preliminary

Period Ending: March 31, 2019

	Market Value	% of Portfolio	1 Mo	YTD	Fiscal YTD
Total Fund	2,135,665,130	100.0	1.1	7.5	1.9
<i>Policy Index</i>			0.9	7.3	2.9
US Equity	420,572,985	19.7	0.7	13.6	3.7
<i>US Equity Blended</i>			1.0	14.1	3.3
<i>Russell 3000</i>			1.5	14.0	4.7
Northern Trust Russell 3000	120,581,409	5.6	1.5	14.1	--
<i>Russell 3000</i>			1.5	14.0	--
BlackRock Russell 1000 Growth	120,534,884	5.6	2.9	16.1	6.7
<i>Russell 1000 Growth</i>			2.8	16.1	6.6
BlackRock Russell 1000 Value	27,541,016	1.3	0.7	12.0	4.6
<i>Russell 1000 Value</i>			0.6	11.9	4.4
Dodge & Cox-Equity	76,140,148	3.6	-0.2	9.9	1.5
<i>Russell 1000 Value</i>			0.6	11.9	4.4
Capital Prospects	75,775,527	3.5	-3.1	13.5	-8.6
<i>Russell 2000 Value</i>			-2.9	11.9	-7.5
International Equity	547,587,211	25.6	0.3	9.8	-3.5
<i>MSCI ACWI ex USA Gross</i>			0.7	10.4	-1.4
LSV Asset Mgt	270,659,678	12.7	-0.9	8.6	-4.5
<i>MSCI ACWI ex USA Gross</i>			0.7	10.4	-1.4
Fidelity	276,927,533	13.0	1.6	11.1	-2.5
<i>MSCI ACWI ex USA Gross</i>			0.7	10.4	-1.4
US Fixed Income	492,953,870	23.1	1.3	2.5	4.1
<i>BBgBarc US Aggregate TR</i>			1.9	2.9	4.6
Insight	218,162,373	10.2	1.3	3.0	4.4
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>			0.9	1.6	3.4
DFA	214,309,682	10.0	0.9	2.0	3.8
<i>ICE BofAML 1-5 Yrs US Corp & Govt TR</i>			0.9	1.6	3.4
Northern Trust Intermediate Gov't Bond	44,893,060	2.1	1.2	1.6	3.7
<i>BBgBarc US Govt Int TR</i>			1.2	1.6	3.7
Northern Trust Long Term Gov't Bond	15,588,755	0.7	5.2	4.6	5.9
<i>BBgBarc US Govt Long TR</i>			5.2	4.6	5.9

	Current	%	Policy	%
Domestic Equity	\$420,572,985	19.7%	\$405,776,375	19.0%
International Equity	\$547,587,211	25.6%	\$576,629,585	27.0%
Domestic Fixed Income	\$492,953,870	23.1%	\$491,202,980	23.0%
Real Estate	\$219,159,650	10.3%	\$213,566,513	10.0%
Alternatives	\$429,542,074	20.1%	\$427,133,026	20.0%
Cash and Equivalents	\$25,849,341	1.2%	\$21,356,651	1.0%
Total	\$2,135,665,130	100.0%	\$2,135,665,130	100.0%



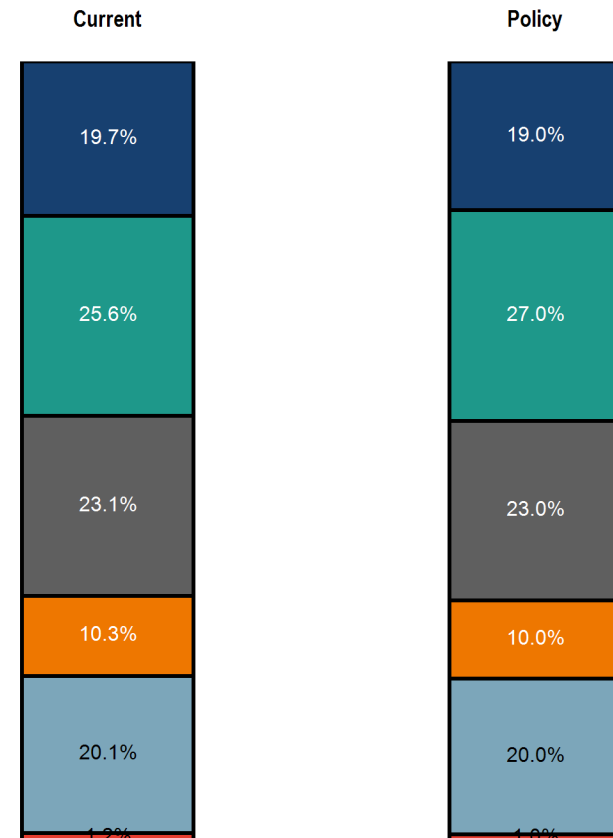
Policy Index (9/1/2018): 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 27% MSCI ACWI ex-USA, 20% BBgBarc US Gov't/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 1% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40% BBgBarc Global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

Total Fund Flash Report (Net of Fees) - Preliminary

Period Ending: March 31, 2019

	Market Value	% of Portfolio	1 Mo	YTD	Fiscal YTD
Real Estate	219,159,650	10.3	0.8	3.1	4.3
DJ US Select RESI			2.9	15.7	8.9
Prime Property Fund	56,223,742	2.6	1.3	1.3	5.3
NCREIF-ODCE			0.0	0.0	3.9
American Strategic Value Realty	43,708,637	2.0	0.0	0.0	3.6
NCREIF Property Index			1.4	1.4	4.5
BlackRock US Real Estate	36,791,717	1.7	2.9	15.7	8.9
DJ US Select RESI TR USD			2.9	15.7	8.9
Greenfield Gap VII	12,777,230	0.6			
Greenfield Gap VIII	15,204,176	0.7			
PGIM Real Estate US Debt Fund	54,454,149	2.5			
Private Credit	85,613,783	4.0			
Medley Capital	15,076,539	0.7			
Raven Capital	13,228,201	0.6			
Raven Opportunity III	32,288,435	1.5			
White Oak Pinnacle	25,020,608	1.2			
Risk Parity	294,192,003	13.8	3.6	10.7	3.9
60% MSCI ACWI Net/40% BBgBarc Global Aggregate			1.3	8.1	2.5
AQR Global Risk Premium - EL	148,348,503	6.9	3.2	10.0	3.2
60% MSCI ACWI Net/40% BBgBarc Global Aggregate			1.3	8.1	2.5
PanAgora Risk Parity Multi Asset	145,843,500	6.8	3.9	11.4	4.6
60% MSCI ACWI Net/40% BBgBarc Global Aggregate			1.3	8.1	2.5
Infrastructure	49,736,288	2.3			
MS Infrastructure Partners II	49,736,288	2.3			
Cash Account	25,849,341	1.2	0.2	0.3	1.2

	Current	%	Policy	%
Domestic Equity	\$420,572,985	19.7%	\$405,776,375	19.0%
International Equity	\$547,587,211	25.6%	\$576,629,585	27.0%
Domestic Fixed Income	\$492,953,870	23.1%	\$491,202,980	23.0%
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Cash and Equivalents	\$25,849,341	1.2%	\$21,356,651	1.0%
Total	\$2,135,665,130	100.0%	\$2,135,665,130	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.

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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

April 23, 2019

Retirement Board Agenda Item

TO: Retirement Board

FROM: Kellie Gomes, Executive Board Assistant

- I. SUBJECT: SACRS 2019 Spring Business Meeting
- II. ITEM NUMBER: 8.a
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: Each year in May, the SACRS (State Association of County Retirement Systems) elects members to serve as President, Vice President, Treasurer and Secretary for the next fiscal year. The Constitution of SACRS states that "the purpose of the Association is to provide forums for disseminating knowledge of, and developing expertise in, the 1937 Act retirement systems; and further, that the Association foster and take an active role in the legislative process as it affects SACRS retirement systems".

Today you are being asked to direct the voting delegates appointed at the previous board meeting to vote for StanCERA during the 2019 Spring SACRS Business Meeting. SACRS has asked you to please prepare your voting delegate to have the ability to vote by recommended ballot and by each position separately

SACRS Nominating Committee Recommended Ballot:

- Dan McAllister, San Diego CERA President
- Vivian Gray, Los Angeles CERA Vice President
- Harry Hagen, Santa Barbara, CERS Treasurer
- Kathryn Cavness, Mendocino CERA Secretary
- Roger Hilton, Orange CERS Regular Member
- Chris Cooper, Marin CERA Regular Member

Additional Candidates Submitted:

- Vere Williams, San Bernardino CERA Regular Member

Attached is the proposed ballot information as well as the business packet (on line only).

- 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



SACRS Business Meeting Packet

Friday, May 10, 2019

10:00 AM - Upon Adjournment

Resort at Squaw Creek
Olympic Valley, Lake Tahoe



SACRS Business Meeting Agenda
Friday, May 10, 2019
10:00 AM - Upon Adjournment
Resort at Squaw Creek
Lake Tahoe, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Bob Goodchild, San Diego CERA

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2018 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2018 – February 2019 Financials

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS & Dave Nelsen, Alameda CERA, SACRS Legislative Committee Co-Chairs

- A. 2019 Legislative Report

6. SACRS Nomination Committee - 2019-2020 SACRS Elections – Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election 2019-2020

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2017-2018 Audit Report



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Spring Conference Evaluations 2019

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

- A. SACRS Spring Conference Report 2019

10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 15, 2019, Hyatt Regency Hotel & Spa, Monterey, CA.



1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



1. SACRS System Roll Call
Kathryn Cavness, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2018 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, November 16, 2018
10:00 AM - Upon Adjournment
Renaissance Indian Wells Hotel and Spa
Indian Wells, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:20 am

SACRS Board: Dan McAllister, President; Vivian Gray, Vice President; Harry Hagen, Treasurer; Kathryn Cavness, Secretary; Roger Hilton, General Member; Lesley Nettles, SACRS Affiliate Chair/Advisor to the Board; Ben Lazarus, Affiliate Vice Chair

Absent: Chris Cooper, General Member

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

Present: 18 SACRS Systems

Absent: Fresno and Stanislaus

(Stanislaus had a Trustee present; however, the Trustee was not the authorized Voting delegate-Mandip Dhillon or Alternate delegate –Michael O’Neal.)

2. Secretary’s Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. May 2018 SACRS Business Meeting Minutes

Motion: A motion to receive and file the SACRS Business Meeting Minutes from May 2018 was made by Mendocino.

2nd: Los Angeles

Yes: All

No: 0

Absent: Fresno, Stanislaus

Motion Passes

3. Treasurer’s Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – August 2018 Financials

Motion: A motion to receive and file the Treasurers financial report was made by Orange.

2nd: Merced

Yes: All

No: 0



Absent: Fresno, Stanislaus

Motion Passes

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

Discussion:

No action taken, Dan McAllister gave an overview of the Board of Directors projects for the year and follow up on their goals from the Strategic Plan 2018-2019.

5. SACRS Legislative Committee Update - Vote

Vacant, SACRS Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. Orange CERS Proposal – Withdrawn

Discussion:

No action was taken as the Orange CERS proposal was withdrawn. A verbal report was provided by the SACRS Lobbyist and a written report on the bills being tracked was provided in the Business meeting packet. Please refer to the packet for specific bills being tracked.

6. SACRS Nomination Committee - 2019-2020 SACRS Election Notice – No Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2019-2020

Discussion:

No action was taken, please see the 2019-2020 SACRS Election Notice in the packet that was provided by Ray McCray, Nomination Committee Chair.

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit Committee Update

Discussion:

No action was taken, a verbal report as to the Audit status was provided by Steve Delaney. The 2017-2018 Audit will be completed in December and presented to the Board of Directors in January 2019. The Audit will then be provided to the membership at the May 10th Business meeting being held in Lake Tahoe at the Spring Conference.



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Fall Conference Evaluations 2018

Discussion:

No action taken; the delegation was reminded that evaluations are electronic this year, that all attendees can complete their evaluations online to receive credit toward their 24 hours of required continuing education.

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Fall Conference Report 2018

Discussion:

No action taken; Vivian Gray, Committee Chair thanked the committee members for their efforts and hard work developing a great program. Vivian asked members to please submit ideas for topics and suggestion online at the sacrs.org website.

10. SACRS Affiliate Committee Report – No Action

Lesley Nettles, Fairview Capital, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion:

No action taken; Lesley Nettles, Committee Chair thanked the Affiliate Committee members that helped develop the Affiliate Breakout session on Wednesday. The “speed dating” meeting style was well received and requested for the Spring Conference.

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

Discussion:

No action taken; no report provided.

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.



A. Administrators

Discussion:

Dominic Brown, Kern CERA reported that the administrators had a great turnout, lively discussion and Eric Stern, Sacramento CERS volunteered to serve as the Spring 2019 representative/moderator.

B. Counsel

Discussion:

Karen Levy, Contra Costa CERA reported that the group discussed many issues, Error Correction Policies in Light of Krolikowski v. San Diego City, Military Leave Purchase Statutes in CERL, Retiree Return to Work: Policy and Procedure, Discontinuance of Employer Pre-Payments: KCERA's Story – see agenda for complete list. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

C. Disability/ Operations & Benefits Combo

Discussion:

No report provided. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

D. Internal Auditors

Discussion:

No report provided. Harsh Jadhav will be their representative/moderator for the Spring 2019 conference.

E. Investment Officers

Discussion:

No report provided. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

F. Safety Trustees

Discussion:

Gabe Rodrigues, Contra Costa CERA Trustee reported that the group had a great roundtable discussion and good attendance. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.



G. General Trustees

Discussion:

Kathryn Cavness, Mendocino CERA Trustee reported that the speaker was hard to hear, chose not to utilize the microphone provided in the room. Good content but would have been a better session if the speaker did not move around the room without the aid of audio. Kathryn Cavness will be their representative/moderator for the Spring 2019 conference.

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA.

Adjournment:

Dan McAllister, SACRS President called for adjournment at 10:51 am.



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – February 2019 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**Balance Sheet**

As of February 28, 2019

	<u>Feb 28, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Foundation Bank-Checking	49,508.56
1001 · BofA Interest Checking 4389	375,602.77
1002 · First Foundation Bank ICS Acct	57,410.00
Total Checking/Savings	<u>482,521.33</u>
Other Current Assets	
1099 · CalTrust - BlackRock TempFund	8,033.39
1100 · CalTrust - Medium Term	1,152,689.56
1104 · CalTrust - BlackRock FedFund	772,534.07
1201 · Deposits in Transit	81,090.00
Total Other Current Assets	<u>2,014,347.02</u>
Total Current Assets	<u>2,496,868.35</u>
TOTAL ASSETS	<u>2,496,868.35</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Unrealized Gain (Loss)	44,179.03
Total Other Current Liabilities	<u>44,179.03</u>
Total Current Liabilities	<u>44,179.03</u>
Total Liabilities	44,179.03
Equity	
32000 · Retained Earnings	2,194,804.37
Net Income	257,884.95
Total Equity	<u>2,452,689.32</u>
TOTAL LIABILITIES & EQUITY	<u>2,496,868.35</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Performance

July 2018 through February 2019

Ordinary Income/Expense	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
Income				
4100 - Membership Dues				
4101 - Affiliates	265,000.00	268,750.00	-3,750.00	98.61%
4102 - Non Profit - Organizations	2,250.00	3,000.00	-750.00	75.0%
4103 - Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 - Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 - Systems - Large	42,000.00	42,000.00	0.00	100.0%
Total 4100 - Membership Dues	367,250.00	371,750.00	-4,500.00	98.79%
4250 - Product Income				
4251 - CERL	75.00			
4252 - Roster	25.00	0.00	25.00	100.0%
4254 - Website Job Board	0.00	500.00	-500.00	0.0%
4255 - Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
4256 - Conference Recordings	25.00			
4257 - Trustee Handbooks	25.00			
Total 4250 - Product Income	150.00	2,500.00	-2,350.00	6.0%
4270 - UC Berkeley Program				
4271 - Registrations	20,000.00	75,000.00	-55,000.00	26.67%
4272 - Sponsorships	37,000.00	50,000.00	-13,000.00	74.0%
Total 4270 - UC Berkeley Program	57,000.00	125,000.00	-68,000.00	45.6%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	220,320.00	180,000.00	40,320.00	122.4%
4302 - Affiliates - Regular	64,410.00	90,000.00	-25,590.00	71.57%
4303 - Affiliates - Late/Onsite	30,720.00	40,000.00	-9,280.00	76.8%
4304 - Non Profit	960.00	1,000.00	-40.00	96.0%
4305 - Systems	23,040.00	26,000.00	-2,960.00	88.62%
4306 - Non-Members	250,980.00	255,000.00	-4,020.00	98.42%
4307 - Fun Run	1,100.00	1,000.00	100.00	110.0%
Total 4300 - Fall Conference Registration	591,530.00	593,000.00	-1,470.00	99.75%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
4350 - Spring Conference Registration				
4351 - Affiliates - Early	160,140.00	175,000.00	-14,860.00	91.51%
4352 - Affiliates - Regular	0.00	75,000.00	-75,000.00	0.0%
4353 - Affiliates - Late/Onsite	1,280.00	33,000.00	-31,720.00	3.88%
4354 - Non Profit	480.00	1,000.00	-520.00	48.0%
4355 - Systems	8,040.00	22,500.00	-14,460.00	35.73%
4356 - Non-Members	104,130.00	230,000.00	-125,870.00	45.27%
4357 - Fun Run	500.00	1,000.00	-500.00	50.0%
4358 - Yoga	200.00			
Total 4350 - Spring Conference Registration	274,770.00	537,500.00	-262,730.00	51.12%
4900 - Interest Earned	394.07			
Total Income	1,291,094.07	1,629,750.00	-338,655.93	79.22%
Gross Profit	1,291,094.07	1,629,750.00	-338,655.93	79.22%
Expense				
5000 - Administrative Fee - SYAi	116,932.88	175,267.01	-58,334.13	66.72%
5001 - Administrative Services	0.00	3,000.00	-3,000.00	0.0%
5002 - Awards	285.96	1,000.00	-714.04	28.6%
5003 - Bank Charges/Credit Card Fees	20,425.83	45,000.00	-24,574.17	45.39%
5010 - Berkeley & Symposium				
5011 - Audio/Visual	2,159.70	1,500.00	659.70	143.98%
5012 - Delivery & Shipping	22.29	0.00	22.29	100.0%
5013 - Hotel	16,619.02	12,000.00	4,619.02	138.49%
5014 - Food & Beverage	0.00	0.00	0.00	0.0%
5015 - Materials/Printing/Design	378.88	1,500.00	-1,121.12	25.26%
5016 - Travel	2,437.19	350.00	2,087.19	696.34%
5017 - UC Berkeley	0.00	180,000.00	-180,000.00	0.0%
Total 5010 - Berkeley & Symposium	21,617.08	195,350.00	-173,732.92	11.07%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
5030 - CERL				
5031 - Materials/Printing/Design	16,302.45	20,000.00	-3,697.55	81.51%
5032 - Shipping	1,103.46	3,500.00	-2,396.54	31.53%
Total 5030 - CERL	17,405.91	23,500.00	-6,094.09	74.07%
5040 - Commissions & Fees	15,896.53	20,000.00	-4,103.47	79.48%
5041 - Consulting	13,328.00	20,000.00	-6,672.00	66.64%
5042 - Dues & Subscriptions	3,525.00	3,700.00	-175.00	95.27%
5050 - Fall Conference				
5051 - Audio/Visual	52,180.00	40,300.00	11,880.00	129.48%
5052 - Delivery & Shipping	1,920.05	2,500.00	-579.95	76.8%
5053 - Entertainment	3,000.00	0.00	3,000.00	100.0%
5054 - Hotel				
5054.1 - Wednesday Night Event	96,721.61	75,000.00	21,721.61	128.96%
5054.2 - Conference	14,265.00	0.00	14,265.00	100.0%
5054.3 - Food & Beverage	200,205.53	0.00	200,205.53	100.0%
5054 - Hotel - Other	1,478.63	275,000.00	-273,521.37	0.54%
Total 5054 - Hotel	312,670.77	350,000.00	-37,329.23	89.34%
5055 - Program Material	32,086.18	30,000.00	2,086.18	106.95%
5056 - Speakers	74,457.56	50,000.00	24,457.56	148.92%
5057 - Supplies	360.00	1,000.00	-640.00	36.0%
5058 - Travel	15,945.90	4,000.00	11,945.90	398.65%
Total 5050 - Fall Conference	492,620.46	477,800.00	14,820.46	103.1%
5070 - Insurance	3,967.00	6,000.00	-2,033.00	66.12%
5071 - Legal & Professional Fees	21,044.00	25,000.00	-3,956.00	84.18%
5072 - Legislative Advocacy	37,750.40	56,901.00	-19,150.60	66.34%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
5080 - Magazine				
5081 - Delivery & Shipping	582.24	0.00	582.24	100.0%
5082 - Design/Printing/Etc.	14,336.04	20,000.00	-5,663.96	71.68%
5080 - Magazine - Other	401.36			
Total 5080 - Magazine	15,319.64	20,000.00	-4,680.36	76.6%
6000 - Board & Committees				
6001 - Board of Directors				
6001.1 - Food & Beverage	3,129.28	2,500.00	629.28	125.17%
6001.2 - Printing/Supplies	3,058.66	2,500.00	558.66	122.35%
6001.3 - Travel - BOD Meetings	7,034.33	15,000.00	-7,965.67	46.9%
6001.4 - Travel - Miscellaneous BOD	904.48	1,000.00	-95.52	90.45%
6001 - Board of Directors - Other	0.00	1,500.00	-1,500.00	0.0%
Total 6001 - Board of Directors	14,126.75	22,500.00	-8,373.25	62.79%
6002 - Legislative Committee Meetings	171.10	250.00	-78.90	68.44%
6003 - Program Committee Meetings	929.84	400.00	529.84	232.46%
6004 - Nominating Committee	4.65	0.00	4.65	100.0%
6005 - Audit Committee	6.57			
6000 - Board & Committees - Other	17.64			
Total 6000 - Board & Committees	15,256.55	23,150.00	-7,893.45	65.9%
6010 - Office Expenses / Supplies	2,213.21	2,500.00	-286.79	88.53%
6011 - Postage & Delivery	2,717.12	3,200.00	-482.88	84.91%
6020 - Spring Conference				
6021 - Audio/Visual	16,831.13	45,000.00	-28,168.87	37.4%
6022 - Delivery & Shipping	4,623.79	2,500.00	2,123.79	184.95%
6023 - Entertainment	343.72	0.00	343.72	100.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
6024 • Hotel				
6024.1 • Wednesday Night Event	56.68	75,000.00	-74,943.32	0.08%
6024.2 • Conference	10,033.81			
6024.3 • Food & Beverage	117,981.47			
6024 • Hotel - Other	16,001.63	275,000.00	-258,998.37	5.82%
Total 6024 • Hotel	144,073.59	350,000.00	-205,926.41	41.16%
6025 • Program Material	4,903.16	30,000.00	-25,096.84	16.34%
6026 • Speakers	1,520.37	50,000.00	-48,479.63	3.04%
6027 • Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 • Travel	10,514.00	3,000.00	7,514.00	350.47%
Total 6020 • Spring Conference	182,809.76	481,500.00	-298,690.24	37.97%
6051 • Taxes & Licenses	0.00	100.00	-100.00	0.0%
6053 • Technology/AMS/Website	41,304.05	15,000.00	26,304.05	275.36%
6054 • Travel	8,789.74	25,000.00	-16,210.26	35.16%
Total Expense	1,033,209.12	1,622,968.01	-589,758.89	63.66%
Net Ordinary Income	257,884.95	6,781.99	251,102.96	3,802.5%
Net Income	257,884.95	6,781.99	251,102.96	3,802.5%



4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

A. SACRS President Update



No Printed Materials For This Item



5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS & Dave Nelsen, Alameda CERA, SACRS Legislative Committee Co-Chairs

A. 2019 Legislative Report



**State Association of County Retirement Systems
Spring Conference / Legislative Update**
by Mike Robson and Trent Smith
April 2, 2019

Overview

The State Association of County Retirement Systems' (SACRS) Spring Conference just about marks the halfway point in the 2019 legislative calendar. However, at the time of this writing, the legislative policy committees have only just begun meeting, hearing legislation, amending, and voting on the 2,500 bills introduced in the 2019 Legislative Session.

Legislation

The SACRS Legislative Committee has taken an initial review of introduced bills and is evaluating amendments to those bills. At this time, there have been no votes to support or oppose any specific legislative bills that are moving through the legislative process.

However, there are a number of bills that are of interest that are being monitored and for which information has been shared with policymakers and legislative staff.

1937 Act Legislation

**SB 783 (Senate Committee on Labor, Public Employment and Retirement) --
County Employees Retirement Law of 1937**

This is a technical committee bill that was introduced to serve as a legislative vehicle for cleaning up and making modifications to the County Employee Retirement Law (CERL). It is likely that this bill will move to the second house of the Legislature and then await amendments from SACRS and others who are seeking non-controversial changes in the CERL.

AB 664 (Cooper) -- County Employees Permanent Incapacity

This bill, as originally introduced, would have required a county retirement system to evaluate peace officer disability based on the ability to perform the full job of a sworn peace officer. This was a reintroduction of a bill Assemblyman Cooper carried in 2017 which passed the Assembly but was not heard in the Senate policy committee due to reservations expressed by the Chair of the Committee over potential increased costs to a system due to additional eligibility for disability retirements.

Assemblyman Cooper, who is carrying the bill on behalf of law enforcement managers in his district, amended the bill to take the statewide applicability out of the bill and make it specific to Sacramento County only. At the time of this writing, the bill has not been heard in committee.

AB 1212 (Levine) -- Infrastructure Investment

AB 1212 would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by public pension retirement boards and to provide it to them.

While this bill is not specific to the 37 Act systems, the author believes that local retirement boards are best positioned to invest in infrastructure projects, stating:

“Public pension funds in California make many investments in a wide array of investment opportunities. While there are conflict-of-interest rules that can limit public pension fund investments in state projects, local (e.g., county) pension funds are less likely to encounter those conflicts than the state’s two major pension funds.”

This bill is set for hearing in the Assembly Public Employment and Retirement Committee on April 24.

Divestment

Mandating or encouraging divestment as a means to influence social policy remains popular among some members of the Legislature.

AB 1320 (Nazarian) -- Divestment in Turkey

AB 1320 would require PERS and STRS to divest in any investment vehicle in Turkey, issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. This divestment mandate is contingent on the passage of a federal law imposing sanctions on Turkey for failure to acknowledge the Armenian Genocide. Assemblyman Nazarian authored a similar bill last year, AB 1597, that was vetoed by Governor Brown.

AB 33 (Bonta) -- Divestment in Private Prisons

AB 33 would prohibit PERS and STRS from investing in private prisons and requires both entities to liquidate any investments in these companies by July 1, 2020. The author is focused on divestment of private prisons because many of these facilities have been used to detain undocumented immigrants, including children.

AB 1332 (Bonta) -- Sanctuary State Contracting

Assemblyman Bonta also introduced AB 1332, which would enact the Sanctuary State Contracting and Investment Act. This measure would prohibit state or local agencies

from entering into new, or extending, contracts with companies providing services to federal immigration agencies or detention facilities. As originally drafted, AB 1332 would have prohibited local governments, including counties, from making pension investments in these same business. However, the pension portion of the bill was poorly drafted and, upon being informed of implications to pension systems, the author was convinced to remove the pension investment provisions from the bill.

Governor/State Budget

Governor Newsom released his proposed State Budget in January which contemplates \$209 billion in state spending of which \$144.2 billion will be from the state General Fund. Governor Newsom, like his predecessor Governor Brown, has placed a premium on trying to be fiscally prudent by limiting ongoing state spending commitments in order to avoid spending cuts in the future should the economy decline. For that reason, while the Governor has many new spending proposals in his budget, 86 percent of his new spending is on a one-time basis.

One example is the Governor's \$6 billion, one-time expenditure to pay down future pension liabilities at both CalPERS and CalSTRS.



6. SACRS Nomination Committee - 2019-2020 SACRS Elections – Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election 2019-2020



March 25, 2019

To: SACRS Trustees & SACRS Administrators/CEO's
From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2019-2020 Elections – Final Ballot

SACRS BOD 2019-2020 election process began January 2019. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members*

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

SACRS Nominating Committee Final Ballot:

- | | |
|------------------------------------|----------------|
| • Dan McAllister, San Diego CERA | President |
| • Vivian Gray, Los Angeles CERA | Vice President |
| • Harry Hagen, Santa Barbara, CERS | Treasurer |
| • Kathryn Cavness, Mendocino CERA | Secretary |
| • Roger Hilton, Orange CERS | Regular Member |
| • Chris Cooper, Marin CERA | Regular Member |

Additional Candidates Submitted:

- | | |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | Regular Member |
|--------------------------------------|----------------|

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Ray McCray, raym1@sbcglobal.net or (209) 471-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

Ray McCray

Ray McCray, San Joaquin CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Administrator



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Dan McAllister
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	619-531-5231 dan.mcallister@sdcounty.ca.gov 1600 Pacific Hwy, Room 112 San Diego, CA 92101
Name of Retirement System Candidate Currently Serves On	SDCERA
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	County Treasurer-Tax Collector, mandated member.
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<p>Dan McAllister has served San Diego County residents as the County's Treasurer-Tax Collector since 2002. He was re-elected to his fifth term in June. Dan oversees the collection of more than \$6 billion in property taxes each year, the management of \$11.6 billion in the County's Investment Pool, and the administration of the County's \$1.5 billion defined contribution program. Since assuming office, he has worked extensively to improve customer service, enhance communications and outreach initiatives, and ensure the fiscal stability of the treasury. Under his direction, his office collected a record high 60% of property tax payments electronically, while maintaining a 99% collection rate for the past three years. He is also a strong advocate for diversity, a value reflected in his staff that comes from all walks of life and backgrounds. His office now delivers service in 17 different languages.</p> <p>As part of his duties, Dan serves as a member of the San Diego County Employees Retirement Association (SDCERA), which manages more than \$13 billion of investments; he also serves as a board member of several non-profit organizations in San Diego.</p>



**TREASURER-TAX COLLECTOR
SAN DIEGO COUNTY**

www.sdttc.com

Dan McAllister
Treasurer-Tax Collector



February 21, 2019

Mr. Ray McCray
Chairman
Nominating Committee
State Association of County Retirement Systems

Dear Mr. McCray,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past five years, it has been my distinct honor and pleasure to serve on the SACRS Board. First as Treasurer and now President, I am extremely proud of the work our board has completed during these years to improve our levels of customer service to our members. During the past two years for example the SACRS Board performed a comprehensive review and update of Board Policies and Procedures. We added two new seats to the Board to be more inclusive and give more members an opportunity to serve. We also made strong efforts to add new people to a number of our standing committees.

Indeed, it has been a productive year for the Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments and continuous improvement.

SACRS is a special organization and one that must continue to provide educational forums for disseminating information to Trustees and system staffs from all '37 Act counties. Additionally, SACRS must take an active role in the legislative process as it impacts county retirement systems.

As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees statewide to ensure that our educational programs and conferences continue to be of the highest quality and content.

With your support and nomination, I would be honored to serve again as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,



Dan McAllister



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2018-2019**

All interested candidates must complete this form and submit it along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2018.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net or to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	VIVIAN GRAY
Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)	Viviangray@aol.com, Vgray@lacera.com 300 N. Lake Ave., Ste. 820 Pasadena, CA 91101 Phone: (213) 440-0142
Name of Retirement System Candidate Currently Serves On	Los Angeles County Employees Retirement Association (LACERA)
Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	General Elected Trustee, Board of Retirement http://www.lacera.com/about_lacera/bor/gray.html
Applying for SACRS Board of Directors Position (You may only select one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> • Chair, LACERA Board of Retirement 2018 • Chair, SACRS Program Committee • Elected general member trustee since 2012 <ul style="list-style-type: none"> 35 years of service to Los Angeles County 10 years in Law Enforcement 25 years as an attorney for Los Angeles County • 6 years in private law practice • Education/Pension Trustee Certificates <ul style="list-style-type: none"> - Bachelors of Arts: UCLA - JD: UWLA - New York Law School - Public Pension Trustee Fiduciary Program - Stanford Law School (CALAPRS) - Principles of Pension Management - Harvard Law School Program - Trustee Work Life - UC Berkeley (SACRS) - Modern Investment Theory & Practice for Retirement Systems - IFEBP - Trustee Masters Program - NCPERS - Public Pension Funding Forum - Wharton Business School - Portfolio Concepts and Management (Pending) - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 20, 2019

VIA EMAIL

SACRS Nominating Committee
Mr. Ray McCray, Chair

Dear Mr. McCray:

I would like to express my interest in remaining SACRS' Vice President for 2019/2020.

I have been honored to serve as Vice President and Chair of the Program Committee for the past 2018/2019 year. During this past year SACRS has made considerable strides in remaining a relevant organization for trustee education for the 20 systems comprising the 1937 Act Counties.

As instituted by the revised SACRS Bylaws in 2018 the SACRS leadership was expanded to a seven member board of directors. This expansion has served SACRS well by fostering a cohesive elected board whose focus is to increase SACRS level of recognition while maintaining its reputation as an excellent educational forum for trustees, its affiliates and the related pension community.

Through its strong leadership, SACRS can continue to become the premier entity in the direct education of trustees. I believe SACRS is a viable organization among retirement systems. We have secured a presence not only in our CERL 37 Act Systems, but are gaining headway and recognition beyond CERL.

Your consideration of me to continue as vice president would be an honor.

I have attached the SACRS Nomination Form containing my brief bio.

Sincerely,

Vivian Gray

Vivian Gray

cc: Sulema Peterson, SACRS



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	805-568-2490 hhagen@co.santa-barbara.ca.us P.O. Box 579 Santa Barbara, CA 93102-0579
Name of Retirement System Candidate Currently Serves On	SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="radio"/> Other Ex-officio member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	See Attachment

February 28, 2019

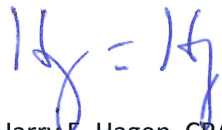
To Ray McCray , SACRS Nominating Committee Chair,

I would like to continue serving on the SACRS Board of Directors and am submitting my letter of intent to run for the position of Treasurer.

I believe I am well qualified for the position based upon my educational and work experience. I am a 23-year employee of Santa Barbara County and the current Vice-Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for over eight years. I was also an alternate member to the board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

Should you have any questions, please don't hesitate to call me directly.

Thank you for your consideration.



Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM
Treasurer-Tax Collector-Public Administrator-Public Guardian
County of Santa Barbara
(805) 568-2490
hhagen@co.santa-barbara.ca.us

Harry E. Hagen
Bio for SACRS Nomination Submission Form

I am the current Santa Barbara County Treasurer-Tax Collector-Public Administrator. I was first elected in 2010 and am currently serving in my third four-year term.

I am responsible for overseeing and investing a \$1.6 billion investment pool for local schools, general County government, and special districts. I manage the collection of taxes and general collections, administer Public Administrator estates and Public Guardian conservatorships, and oversee Veterans' Services programs. My duties also include serving as Chair of the County Debt Advisory Committee, implementing and managing the County's municipal financing program, and administering the County's deferred compensation program.

I hold a Bachelor's degree in Business Economics from UCSB, am a 27-year California Certified Public Accountant, and have completed the Certificate in Public Treasury Management from USC. Additionally, I have earned the designations of CPFO from the Government Finance Officers Association, CPFA and ACPFIM from the Association of Public Treasurers, CGIP from the Government Investment Officers Association, and CFIP from the Fixed Income Academy.



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Kathryn Cavness
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Home Phone (707) 459-2215 Cell Phone (707) 354-8105 Email k24u2figure@gmail.com Mailing Address 6500 Ridgewood Road, Willits, CA 95490
Name of Retirement System Candidate Currently Serves On	Mendocino County Employee Retirement Association (MCERA)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)	MCERA Chair, General Elected
Applying for SACRS Board of Directors Position (select only one)	<input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer <input checked="" type="checkbox"/> Secretary <input type="checkbox"/> Regular Member
Brief Bio	<p>My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:</p> <ul style="list-style-type: none"> • Two years' experience as Secretary for SACRS Board of Directors • Trustee and Chair on the MCERA Board and member of the MCERA Auditing Committee • Executive Education Investment Program, Hass School of Business, UC Berkeley • Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University • Advanced Principles of Pension Management for Trustees, UCLA • Master's Degree in Business Administration/Accounting Emphasis • County of Mendocino District Attorney's Office Administrative Services Manager • Fiscal Officer for the Lake and Mendocino County Area Agency on Aging

Kathryn Cavness
6500 Ridgewood Road
Willits, CA 95490
(707) 459-2215
k24u2figure@gmail.com

January 29, 2017

Ray McCray, Chair
SACRS Nominating Committee
1415 L St., Suite 1000,
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for Secretary of the State Association of County Retirement Systems (SACRS) Board of Directors in the upcoming May 2019 election. If elected, this will be my third term to serve as SACRS Secretary. I am also currently the Chair, as an Elected Trustee, of the Mendocino County Employee Retirement Association (MCERA) and member of the MCERA Audit Committee.

My interest in seeking the position of Secretary on the SACRS Board of Directors is to continue representing the interests of all 1937 Act County Trustees and to reach out to Trustees to attain greater participation in SACRS activities; my commitment to 1937 Act Trustees and Members is to carry out the goals and objectives of the SACRS strategic plan. If elected, my focus will be on improving our Trustee participation at the Spring and Fall Conferences, the UC Berkeley Educational Programs, and increasing membership on SACRS' Committees, including the Legislative, Program, Education and Bylaws Committees.

I wish to persist in my efforts to attain greater parity for the smaller, rural, central and northern 1937 Act systems; I am Chair of MCERA, the smallest, northernmost, rural SACRS retirement system. I have had the pleasure of visiting a few of the retirement systems in Northern California and I look forward to engaging in more of these relationship building activities to discover what individual retirement systems are seeking from SACRS.

My educational background and professional experience has provided me with a strong administrative/financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:

- Two years as Secretary for SACRS Board of Directors
- Chair on the MCERA Board and MCERA Auditing Committee Member
- County of Mendocino District Attorney's Office Administrative Services Manager
- Executive Education Investment Program, Hass School of Business, UC Berkeley
- Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University
- Advanced Principles of Pension Management for Trustees, UCLA
- MBA/Accounting Emphasis

Sincerely,

Kathryn Cavness



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Roger Hilton
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	(714) 325-9295, rhilton@ocers.org , roger@aocds.org 2223 East Wellington Ave. Suite 100 Santa Ana, CA 92701
Name of Retirement System Candidate Currently Serves On	Orange County Employees Retirement System (OCERS)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	Vice-Chair - Elected Safety Member
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio	<input type="checkbox"/> Currently serving as SACRS Regular Board Member 2018-2019 <input type="checkbox"/> OCERS: served as Chairman of the board, chair of the Investment Committee, and have chaired several committees, elected 2012 - Present. <input type="checkbox"/> Association of Orange County Deputy Sheriffs (AOCDS) Board of Directors: Currently serving as Vice President and Political Action Chairman, 2011 - Present. <input type="checkbox"/> Trustee on Medical and Benefits Trusts, 2011 - Present. <input type="checkbox"/> Association of Deputy Marshals Board of Directors, 1992-2000 – Served as President 1996-2000, Treasurer 1993-1996. Public Pension Trustee certificates: -Modern Investment Theory & Practice – UC Berkeley; -Portfolio concepts and Management -Wharton School of Business; -Certificate in Public Plan Policy I and II; -Principles of Pension Management - Stanford University; -Advanced Principles of Pension Management - UCLA; -Labor and Worklife Program, Harvard Law School

February 15, 2019

2223 East Wellington Ave. Suite 100
Santa Ana, CA 92701

Ray McCray, SACRS Nominating Committee Chair

Dear Mr. McCray:

Please accept this letter as my intent to run for the Board of Directors for the position of Regular Member. I would request that my name be included in the 2019-2020 SACRS Nomination Slate at the upcoming elections in May 2019.

I believe my years of experience leading employee labor organizations and the OCERS Board of Retirement have uniquely prepared me for this challenge. I have 30 years of experience in law enforcement, 26 years serving in the leadership of employee labor organizations, 6 ½ years on the OCERS Board of Retirement, and a year on the SACRS Board. My experience is further outlined on the Nomination Submission form attached to this letter.

Since elected to OCERS, I have made it a point to attend the SACRS conferences. Through these conferences, I have learned a great deal about pensions and have found many friends and mentors. I believe that SACRS is the most effective and important conference '37 Act trustees should attend, because of its relevant content and top-notch presenters. My primary goal is to keep SACRS as the premier public pension organization. I plan to utilize my extensive leadership experience by reaching out to and communicating with our members so they fully understand the many benefits of SACRS. My focus will be on continuing successful conferences and keeping SACRS a professional organization.

It would be an honor to continue to serve on the SACRS Board of Directors and I appreciate the consideration.

Sincerely,



Roger Hilton

OCERS Board of Directors



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Chris C. Cooper
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	MCERA 1 McInnis Pkwy San Rafael, CA 94903 chriscooperinmarin@yahoo.com (415) 827-0772
Name of Retirement System Candidate Currently Serves On	Marin County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"><input type="radio"/> Chair<input type="radio"/> Alternate<input type="radio"/> General Elected<input type="radio"/> Retiree<input type="radio"/> Other ____ Elected Public Safety____
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"><input type="radio"/> President<input type="radio"/> Vice President<input type="radio"/> Treasurer<input type="radio"/> Secretary<input type="radio"/> Regular Member XXXX
Brief Bio	<p>My name is Chris Cooper and I am running to be re-elected to the position of Regular Member on the SACRS Board of Directors. I served in the U.S. Army for 8 years as a Mandarin Linguist/Interrogator and then graduated from the University of California, Berkeley with a degree in Political Economy of Industrial Societies. After a career as a merchandise buyer for a large retailer, I left to own/manage several franchise stores.</p> <p>Gradually, my hobby of volunteering with Wilderness and Urban Search and Rescue pulled me back to a career in Public Service. I sold the stores and became a Paramedic then attended the Fire Academy. I have been a Fire Captain/Paramedic in the City of San Rafael for 9 years and have served on the Marin Board of Retirement for 7 years. I live in San Rafael with my wife Lisa and 2 children (Calvin 17, Lucy 13).</p> <p>Serving on the SACRS Board for the last year has been rewarding and I would like to continue for the next term.</p> <p>Thank you</p>

Letter of Intent

I am Chris Cooper and I have had the honor of serving on the SACRS Board of Directors for the last year as a Regular Member. I am a Fire Captain/Paramedic in San Rafael, CA and have served as the Elected Safety member on the Marin County Employees' Retirement Association for 7 years. Having attended SACRS conferences for 7 years, I want to give back to the Association and people who have given so much to help me be a better Trustee. The last year on the Board has been eye-opening and I would like to serve in the position another year.

Thank you,

Chris Cooper



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Vere Williams
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	(760) 486-6311 verevlw@aol.com 8379 Icicle Drive Pinon Hills CA 92372
Name of Retirement System Candidate Currently Serves On	San Bernardino County Employees' Retirement Association (SBcera)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	General Elected
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> <input type="radio"/> <input type="radio"/> Regular Member
Brief Bio	<p>Seated on the SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment committees. Served on the governing Boards of Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. Past president of the African-American Employees Association and currently Treasurer of the Hispanic Employees Alliance. Earned an MBA in Information Management/Accounting and has completed certification courses at UCLA, Pepperdine and Wharton on Retirement System Management. I have been an Enrolled Agent for over 20 years along with over 25 years experience working in the finance department at Arrowhead Regional Medical Center, Colton. I have been trained in conflict resolution and have attend various workshop and seminars on organizational dynamics and interplay.</p> <p>A guiding quote – <i>"I always wondered why somebody didn't do something about that, then I realized I was somebody."</i> – Lily Tomlin</p>

March 1, 2019

VIA Email

Ray McCray, Chair

SACRS Nominating Committee

Dear Mr. McCray,

Please accept this letter as my letter of intent to run for the position of Regular Member in SACRS Board of Directors Elections 2019-2020.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). I started on the SBcera Board in January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts or thought leaders in their field. Since then, I have attended several conferences sponsored by other organizations that are single topic focused and I have also completed certification programs at Wharton, Pepperdine and UCLA. In comparison, SACRS conferences provide a comprehensive insight into the "nuts and bolts" of the functioning of the retirement systems with an emphasis on current application of the topics. SACRS provides attendees an opportunity to understand different perspectives thereby encouraging clearer lines of communication and to hear about what works and what may be problematic. The networking and information sharing opportunities with colleagues at SACRS is immensely valuable.

SACRS recent expansion of the Board to include additional members was a very good strategic move that has helped to expand experience pool and knowledge base. If elected as a Regular Member, I would work to ensure that SACRS remain the preeminent educational organization for the CERL 37 Act Systems by maintaining the high caliber of our conferences. Additionally, I would seek to encourage even greater participation from trustees and staff of the 37 Act Systems. I believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending a few sessions. Over the years, I have served on the governing Boards of Teamsters Local 1932, Working Assembly of Governmental Employees and other organizations.

I thank you in advance for your kind consideration and support. It would be a high honor to be elected to serve on the SACRS Board for the 2019-2020 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams

Vere Williams, MBA

SBcera Board of Directors – General Member

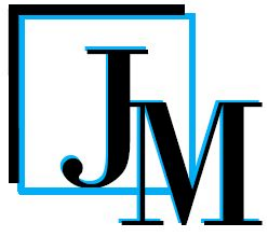
cc: Sulema Peterson, SACRS



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2017-2018 Audit Report



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2018 AND 2017**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2018

BOARD OF DIRECTORS

Dan McAllister
President

Vivian Gray
Vice President

Harry Hagen
Treasurer

Kathryn Cavness
Secretary

Raymond McCray
Immediate Past President

Lesley Nettles
Affiliate Chair

Roger Hilton
Board Member

Chris Cooper
Board Member

* * * *

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2018 AND 2017

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL SECTION	
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	3
NOTES TO THE FINANCIAL STATEMENT	4
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	7
GRAPHICAL PRESENTATION OF CASH RECEIPTS	8
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS	10
CONFERENCE SUMMARY REPORT	12



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2018 and 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2018 and 2017, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

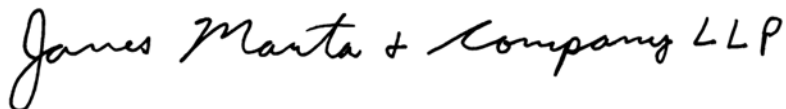
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 12, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 14, 2018

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2017-18	2016-17
<u>Cash Receipts</u>		
Dues	\$ 324,000	\$ 312,000
Conference		
Fall	581,490	566,200
Spring	546,860	575,399
Seminars	181,000	130,000
Other Admin Receipts	18,030	3,031
Other Conference Receipts	40	229
Interest	11,510	16,473
Total Cash Receipts	<u>1,662,930</u>	<u>1,603,332</u>
<u>Cash Disbursements</u>		
Conference		
Fall - 2017 and 2016		
Hotel and meals	304,155	310,266
Audio and visual	43,826	49,186
Program materials	78,637	86,216
Spring - 2018 and 2017		
Hotel and meals	167,017	114,162
Audio and visual	40,300	10,000
Program materials	56,567	58,546
Seminars	247,190	240,609
Conference Administration	12,416	39,672
Prior Year and Other Expenses	216,357	237,789
Total conference disbursements	<u>1,166,465</u>	<u>1,146,446</u>
Administration	345,134	398,845
Legislative representation	836	158
Lobbying	76,477	67,945
Newsletters	-	14,423
Committee meetings	24,997	18,831
Special projects	17,642	19,857
Total administration disbursements	<u>465,086</u>	<u>520,059</u>
Total Cash Disbursements	<u>1,631,551</u>	<u>1,666,505</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	31,379	(63,173)
Cash and Investments, Beginning	<u>2,174,622</u>	<u>2,237,795</u>
Cash and Investments, Ending	<u>\$ 2,206,001</u>	<u>\$ 2,174,622</u>
<i>Supplementary Information</i>		
<u>Cash and Investments at June 30,</u>	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,075,711	\$ 1,046,079
Current portion of investments	-	-
Non current portion of investments	<u>1,130,290</u>	<u>1,128,543</u>
Total Cash and Investments	<u>\$ 2,206,001</u>	<u>\$ 2,174,622</u>

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Strategic Local Government Services, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

Management has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	2018	2017
Bank accounts	\$ 305,726	\$ 285,552
Bank certificates of deposit	-	-
Money market accounts	769,985	760,527
Total cash and cash equivalents	<u>\$ 1,075,711</u>	<u>\$ 1,046,079</u>

Cash in bank accounts at June 30, 2018 consisted of the following:

	Bank of America	Community First Bank	Total
Per bank	\$ 186,544	\$ 137,881	\$ 324,425
Checks outstanding	(1,186)	(17,513)	(18,699)
Deposits in transit	-	-	-
Total bank accounts	<u>\$ 185,358</u>	<u>120,368</u>	<u>\$ 305,726</u>

Cash in bank accounts at June 30, 2017 consisted of the following:

	Bank of America	Community First Bank	Total
Per bank	\$ 144,645	\$ 160,233	\$ 304,878
Checks outstanding	2,445	(17,513)	(15,068)
Deposits in transit	(4,258)	-	(4,258)
Total bank accounts	<u>\$ 142,832</u>	<u>\$ 142,720</u>	<u>\$ 285,552</u>

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There were no amounts in excess of FDIC as of June 30, 2018 and 2017.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the “Fund”), depositing \$1,104,130. The balance as of June 30, 2018 and 2017 presented in the financial statement is \$1,130,290 and \$1,128,543; respectively. This balance includes reinvested interest income totaling \$15,892 and \$10,124, respectively, but does not include changes in fair market value for the year ended June 30, 2018 and 2017 totaling (\$1,140) and (\$2,262) respectively. The fair market value of SACRS’ investment in the Fund at June 30, 2018 and 2017 is \$1,129,150 and \$1,126,281, respectively. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2018 and 2017 was \$0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2018 and 2017 was 1.41% and 1.28%, respectively.

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
Fall 2018	\$55,418-\$286,672	\$100,000	968	774	\$226 plus tax
Spring 2019	\$156,549-\$281,789	\$100,000	1035	880	\$189 plus tax
Fall 2019	\$84,596-\$181,192	\$120,000	875	700	\$199 plus tax
Spring 2020	\$214,705-\$316,464	\$170,000	1145	973	\$229 plus tax
Fall 2020	\$49,194-\$408,276	\$80,000	890	700	\$226 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS’ management has evaluated subsequent events through December 12, 2018, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

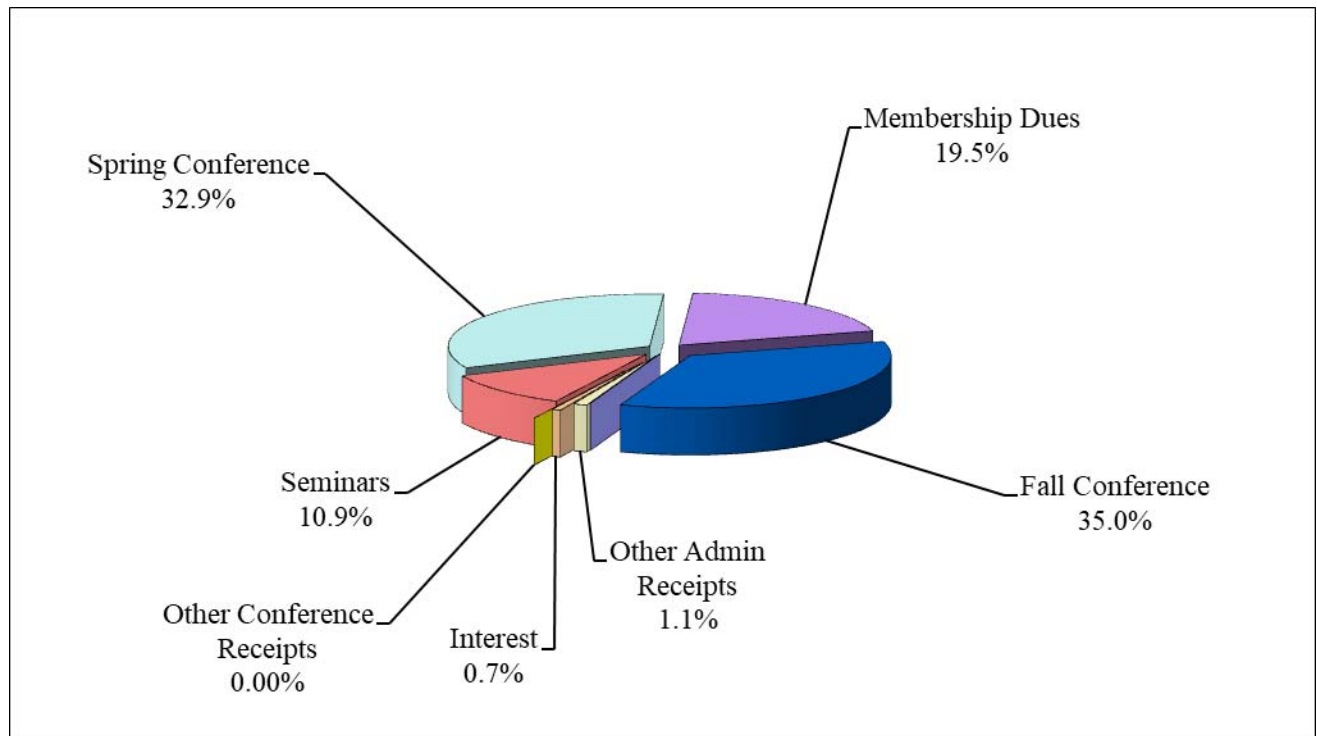
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 324,000	\$ 324,000
Conference			
Fall	581,490	-	581,490
Spring	546,710	-	546,710
Seminars	181,000		181,000
Other Admin Receipts	-	18,180	18,180
Other Conference Receipts	40	-	40
Interest	11,510	-	11,510
	<u>1,320,750</u>	<u>342,180</u>	<u>1,662,930</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2016			
Hotel and meals	304,155	-	304,155
Audio and visual	43,826	-	43,826
Program materials	78,637	-	78,637
Spring - 2017			
Hotel and meals	167,017	-	167,017
Audio and visual	40,300	-	40,300
Program materials	56,567	-	56,567
Seminars	247,190	-	247,190
Conference Administration	12,416	-	12,416
Prior Year and Other Expenses	216,357	-	216,357
Total conference disbursements	<u>1,166,465</u>	<u>-</u>	<u>1,166,465</u>
Administration	-	345,134	345,134
Legislative representation	-	836	836
Lobbying	-	76,477	76,477
Newsletters	-	-	-
Committee meetings	-	24,997	24,997
Special projects	-	17,642	17,642
Total administration disbursements	<u>-</u>	<u>465,086</u>	<u>465,086</u>
Total Cash Disbursements	<u>1,166,465</u>	<u>465,086</u>	<u>1,631,551</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	154,285	(122,906)	31,379
Cash and Investments, Beginning	<u>2,883,638</u>	<u>(709,016)</u>	<u>2,174,622</u>
Cash and Investments, Ending	<u>3,037,923</u>	<u>(831,922)</u>	<u>2,206,001</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CASH RECEIPTS BY SOURCE

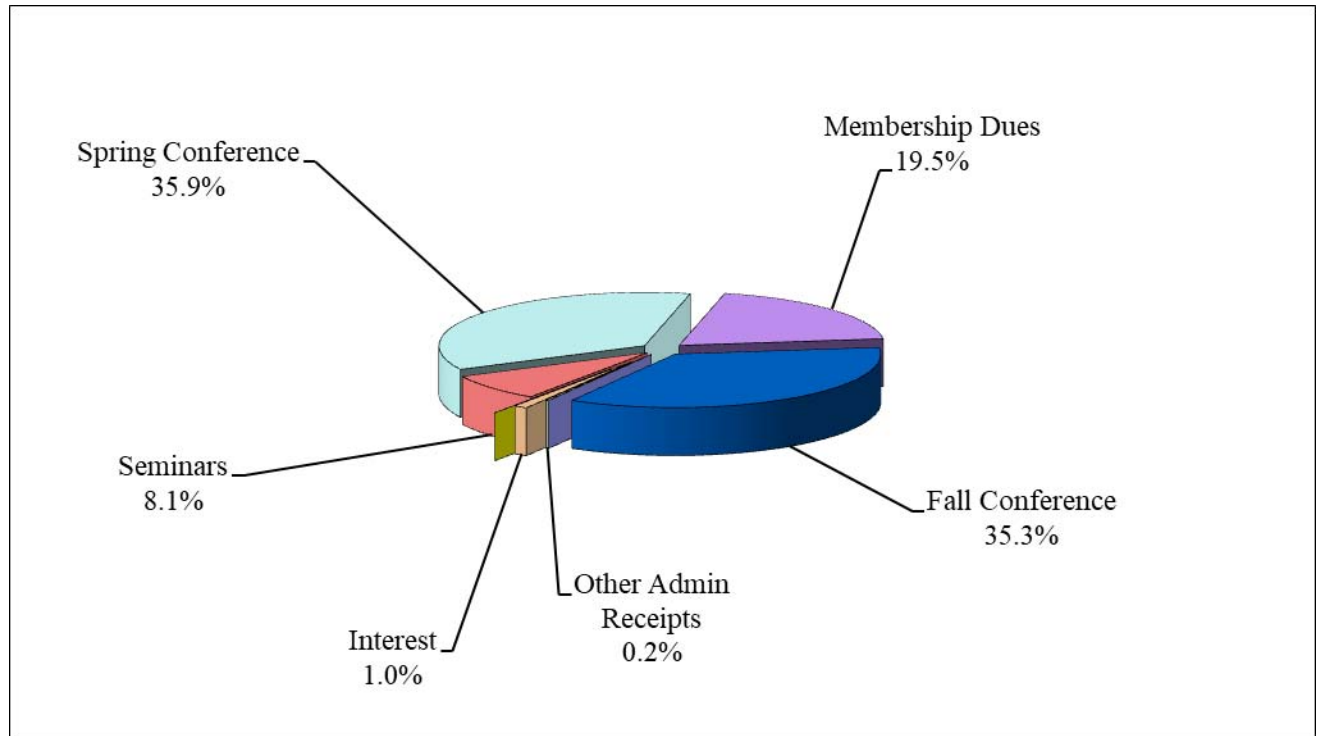


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CASH RECEIPTS BY SOURCE

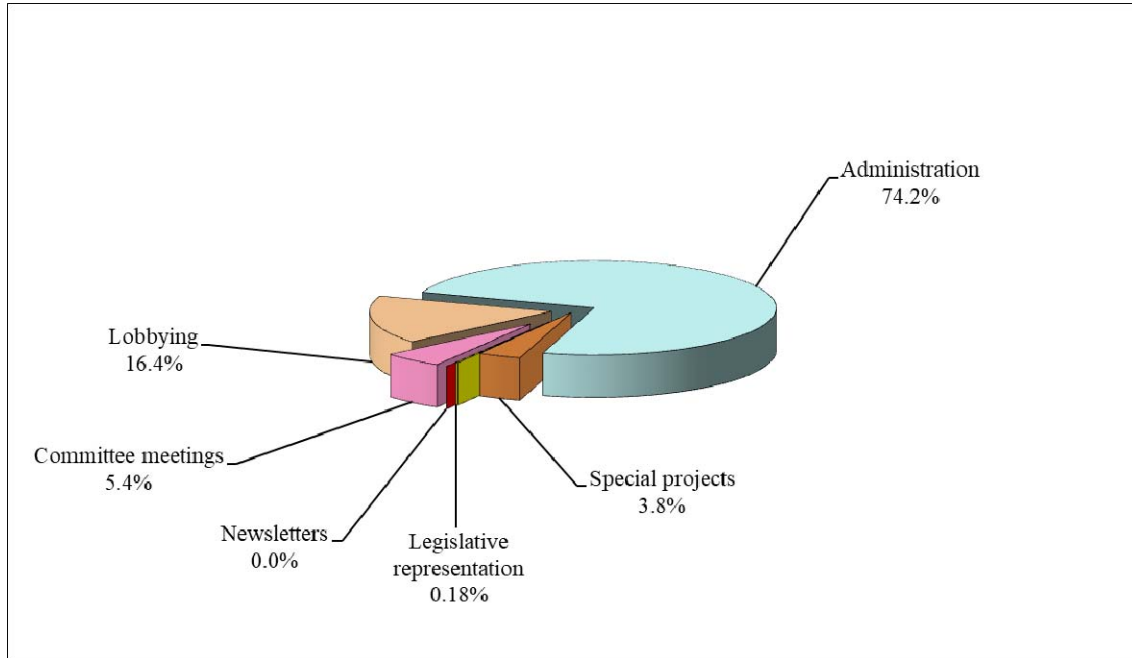


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

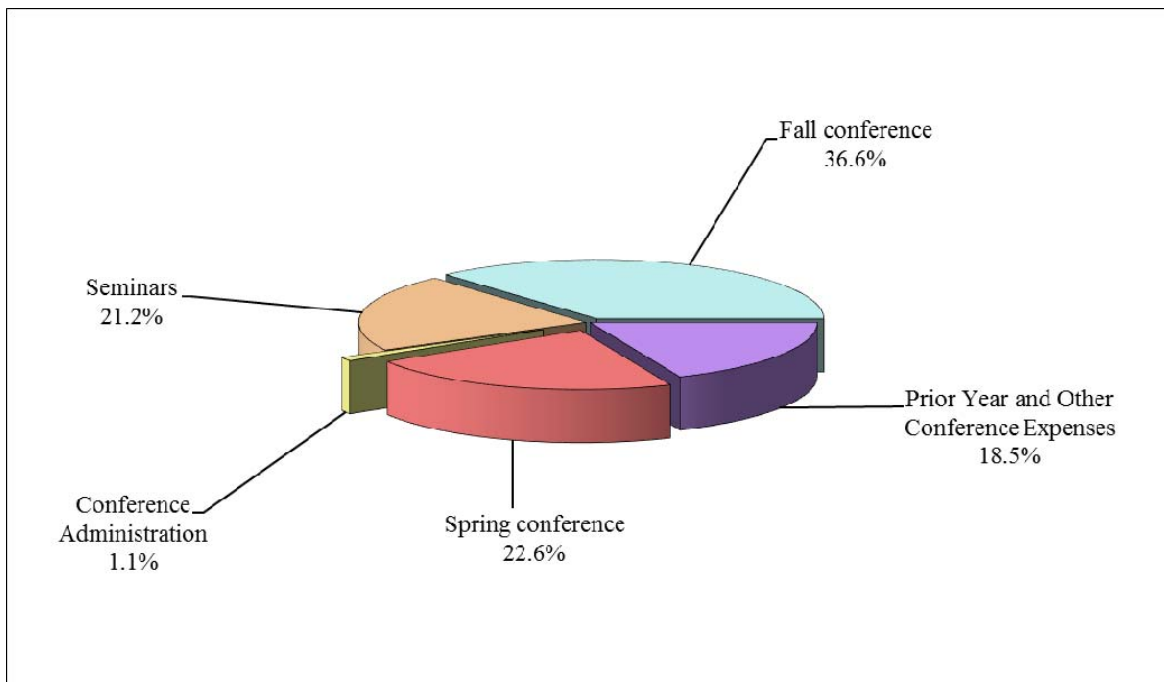
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

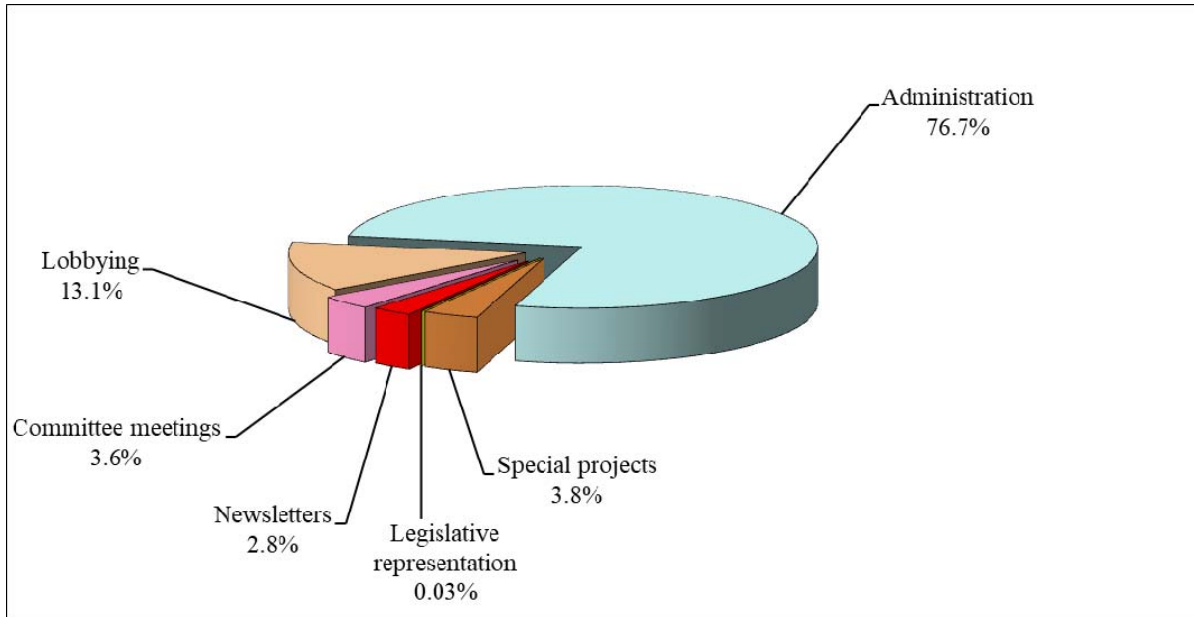


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

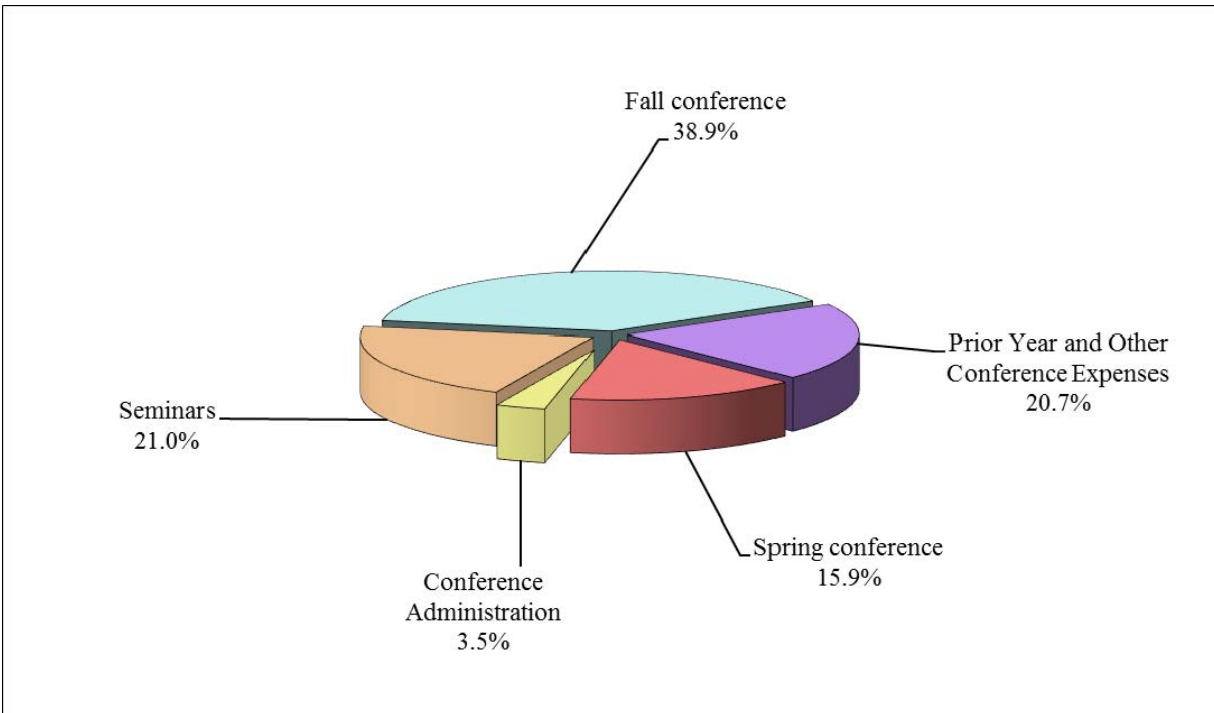
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2018 Anaheim	Fall 2017 San Francisco	Spring 2017 Napa	Fall 2016 Indian Wells	Spring 2016 Costa Mesa	Fall 2015 San Diego
Cash receipts						
Conference	\$ 546,900	\$ 581,490	\$ 572,159	\$ 566,265	\$ 494,920	\$ 586,885
Total cash receipts	<u>546,900</u>	<u>581,490</u>	<u>572,159</u>	<u>566,265</u>	<u>494,920</u>	<u>586,885</u>
Cash disbursements						
Hotel and meals	152,017	304,155	295,157	310,266	236,616	307,120
Audio and visual	40,300	43,826	10,000	49,186	39,483	42,378
Program materials	20,909	26,722	42,282	77,666	36,907	44,441
Program Speakers	35,159	50,363	-	-	-	-
Conference Administration	7,183	11,333	6,921	7,198	15,958	17,570
Total cash disbursements	<u>255,568</u>	<u>436,400</u>	<u>354,361</u>	<u>444,317</u>	<u>328,963</u>	<u>411,509</u>
Net cash provided by conference	\$ 291,332	\$ 145,090	\$ 217,798	\$ 121,948	\$ 165,957	\$ 175,376
Total attendees	599	603	611	597	601	715



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Spring Conference Evaluations 2019



No Printed Materials For This Item



9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Spring Conference Report 2019



No Printed Materials For This Item



10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No Printed Materials For This Item



11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No Printed Materials For This Item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



No Printed Materials For This Item



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 15, 2019, Hyatt Regency Hotel & Spa, Monterey, CA.



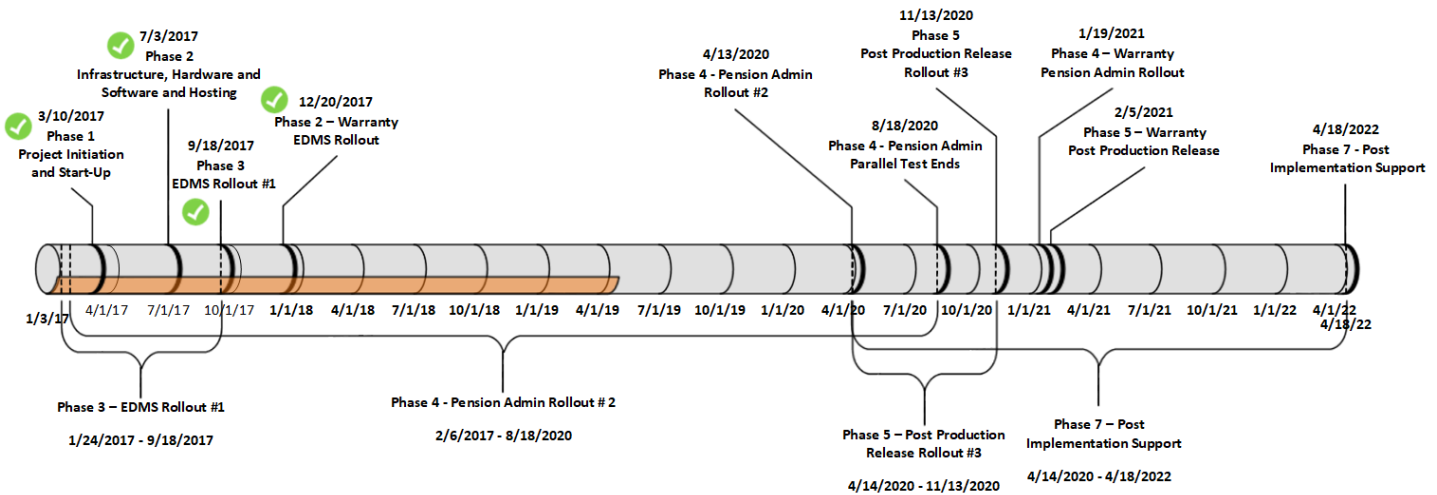
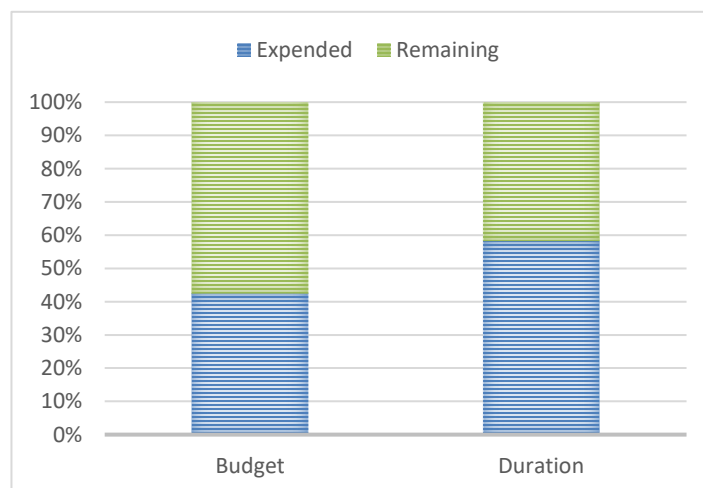
PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE


SPONSOR:

Rick Santos

REPORT DATE:

04-19-2019


Baseline 12/01/2016
STATUS


Linea Budget as of 03/31/19

Risks & Issues:

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

Accomplishments:

- Received and began analysis work on a second test file from City of Ceres and additional "parallel" test files from County and Courts that included fixes and data corrections.
- SMEs completed testing of resolved PIRs to achieve their closure.
- Conducted meetings with Tegrit and StanCERA to discuss and resolve outstanding items including address formats and lost time and service displays in Arrivos.

Upcoming:

- Analysis of testing results for resolved PIRs and closure of PIRs with validated resolutions.
- R13 release to UAT environment and UAT testing of new functionality, including workflows, retiree screens, and GL functions.
- Completion of analysis and investigation of additional "parallel" test files from County and Courts and second test file from City of Ceres.

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 (BSR046, BSR050).
- 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

