

AGENDA

BOARD OF RETIREMENT Boardroom 832 12th Street Suite 600 Modesto, CA 95353

April 27, 2021 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.

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.

AUDIO/VIDEO: All Board of Retirement regular meetings are audio and visually recorded. Audio/Video 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.

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20, The Board of Retirement ("StanCERA") is authorized to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public who wish to participate and to provide public comment to the local legislative body during the current health emergency. We are unable to safely distance ourselves due to the COVID-19 Pandemic guidelines in our own boardroom. StanCERA's offices are currently closed to public access. The StanCERA Boardroom is being utilized for some Trustees and Staff who will be attending in person. All other Trustees, Staff and Consultants unable to attend in person will be attending remotely via teleconference.

If you wish to make either a general public comment or to comment on a specific agenda item in writing, please submit your comment (if your comment pertains to a specific agenda item, please include the agenda item number in the subject line) via email or fax prior to the meeting. Written comments regarding StanCERA's agenda items can be submitted by 4:30 p.m. on the day before the board meetings via email to Gomesk@Stancera.org or via fax to 209-558-4976. Pursuant to Government Code section 54954.3(a), Public Comment or public comment on an Agenda Item are limited to (400 words or less).

The public will not be granted access to Board of Retirement Boardroom to attend StanCERA's meeting. If you wish to join the meeting by teleconference as a member of the public and listen to the meeting, then please dial in using your phone and call **209-689-0007 Access Code: 414752** When directed to do so please press 5* on your phone to alert the Chair you wish to a public comment. Pursuant to Government Code section 54954.3(a), Public Comment or public comment on an Agenda Item are limited to three (3) minutes StanCERA will provide its best effort to fulfill the request.

In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid, or service to participate in this meeting should contact StanCERA at (209) 525-6393, as far in advance as possible but no later than 48 hours before the scheduled event.

Agendas and Minutes are on our website at www.stancera.org.

- Call Meeting to Order
- 2. Pledge of Allegiance
- 3. Roll Call
- 4. Announcements
- 5. Public Comment
- 6. Consent Items
 - a. Approval of the March 23, 2021 Meeting Minutes View
 - b. Applications for Service Retirement(s) **Government Code Sections 31499.14, 31670, 31662.2, 31810 & 31700** See attachment for details. <u>View</u>
 - c. Application for Non-Service Connected Disability Retirement Government Code Section 31724
 - 1. Gonzalez, Esperanza Stanislaus County Effective 8/8/2019
 - d. Information Technology Solutions (ITS) Project View
 - e. Investment Matrix View
 - f. Private Markets Commitment Notice
 - Strategic Value Special Situations Fund V View
 - 2. Genstar View
 - g. Auxiliary Investment Report as of December 31, 2020
 - AB2833 Auxiliary Report
 Agenda Item <u>View</u> Attachment 1 <u>View</u>
 - h. 2021 Executive Director Goals Update Quarter 1 Agenda Item <u>View</u> Attachment 1 <u>View</u>
- 7. NEPC Investment Consultant
 - a. April Flash View
- 8. Investment
 - a. VERUS Private Equity QTR 4 Period Ending December 30, 2020 View
 - b. Verus Private Credit and Private Equity Strategic Investment Plan 2021-2023 View

9. Administrative

a. Stanislaus Regional Transit Authority Resolution to Join the Stanislaus County Employees' Retirement Association

Agenda Item View Attachment 1 View Attachment 2 View

- b. Actuarial Assumptions, Funding Policy and New StanCERA Employer
 Agenda Item View Attachment 1 View
- c. 2021 SACRS Spring Business Meeting Proxy and Proxy Directives
 Agenda Item <u>View</u> Attachment 1 <u>View</u> Attachment 2 <u>View</u>
- d. Verbal All Staff Update

10. Closed Session

- a. Conference with Legal Counsel Pending Litigation One (1) 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 (1) 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)
- 11. Members' Forum (Information and Future Agenda Requests Only)
- 12. Adjournment



BOARD OF RETIREMENT MINUTES March 23, 2021

Call Meeting to Order

Meeting called to order 1:30 pm by Trustee Grover, Chair

2. Pledge of Allegiance

3. Roll Call

Trustees Present by Conference Call

Jeff Grover-Chair Donna Riley-Vice Chair, Michael O'Neal, Terry Withrow, Darin Gharat, Mike Lynch, Joshua Clayton, Sam Sharpe, Rhonda Biesemeier

Trustees Absent: Mandip Dhillon

Others Present by Conference Call:

Rick Santos, Executive Director Stan Conwell, Retirement Investment Officer Kellie Gomes, Executive Board Assistant Natalie Davis, Part time, Fiscal Services Manager Brittany Atkins-Smith, Fiscal Services Manager Lisa Fraser, Benefits Manager Fred Silva, General Legal Counsel Daniel Hennessy, NEPC Investment Consultant

4. Announcements

Chairman Trustee Grover had the following announcement:

Due to the COVID-19 Pandemic, StanCERA's offices are currently closed to public access. We are meeting today virtually to accommodate COVID 19 distancing guidelines for this meeting. If you are joining the meeting today by teleconference as a member of the public your phone will be muted. When directed to do so please press 5* on your phone to alert the Chair you wish to a public comment.

5. Public Comment

None

6. Consent Items

a. Approval of the February 23, 2021 Meeting Minutes

- b. Applications for Service Retirement(s) **Government Code Sections 31499.14, 31670, 31662.2, 31810 & 31700** See attachment for details.
- c. Information Technology Solutions (ITS) Project
- d. Investment Matrix

1:34pm Trustee Withrow joined the meeting

Motion was made by Trustee Riley and seconded by Trustee O'Neal to accept the consent items as presented

Roll Call Vote was as follows:

Trustee Grover,	YES
Trustee Riley,	YES
Trustee O'Neal,	YES
Trustee Withrow	YES
Trustee Sharpe	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Clayton	YES
Motion carried unanim	ously

7. NEPC - Investment Consultant

a. February Flash

Presented by Dan Hennessy, NEPC Investment Consultant

8. Investment

a. Infrastructure Manager Search

Motion was made by Trustee O'Neal and seconded by Trustee Riley to allocate \$80 Million (approximately 3.2% of the fund) between the IFM Global Infrastructure Fund at 50 million and JP Morgan Infrastructure Fund at 30 million and authorize staff to negotiate and execute the final contract with the selected firms.

Roll Call Vote was as follows:

Trustee Grover,	YES
Trustee Riley,	YES
Trustee O'Neal,	YES
Trustee Withrow	YES
Trustee Sharpe	YES
Trustee Gharat	YES
Trustee Lynch	YES
Trustee Clayton	YES
-	

Motion carried unanimously

b. Transition Manager Overview

Presented by Rick Santos, Executive Director and Stan Conwell, Retirement Investment Officer

9. Administrative

a. Government Code Section 37100 – Reporting of Deferred Members

Presented by Lisa Frazer, Benefits Manager

- 10. Closed Session
 - a. Government Code Section 54956.9(d)(2) Anticipated Litigation Significant Exposure to Litigation One (1) Case
 - b. Conference with Legal Counsel Pending Litigation One (1) 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)
 - c. Conference with Legal Counsel Pending Litigation One (1) 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)

No closed session Items were heard at this meeting

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

None

12. Adjournment

Meeting adjourned at 3:19 p.m.

Respectfally submitted

Rick Santos, Executive

APPROVED AS TO FORM

Fred Silva, GENERAL LEGAL COUNSEL

StanCERA Applications for Service Retirement(s) Government Code Sections 31499.14, 31670, 31662.2, 31810 & 31700

- 1. Allinson, Cheryl Stanislaus County Effective 04/15/2021
- 2. Croom, Katherine Stanislaus County Effective 03/03/2021
- 3. Frazier, Sheree Stanislaus County Effective 04/03/2021
- 4. Keating, Stephen City of Ceres Effective 04/01/2021
- 5. Pehl, Veronica Stanislaus County Effective 03/22/2021
- 6. Ruiz, Laura Stanislaus County Effective 03/19/2021
- 7. Smithcamp, Sharen Stanislaus County Effective 03/31/2021
- 8. Webb, Cathy Stanislaus County Effective 04/03/2021



PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE

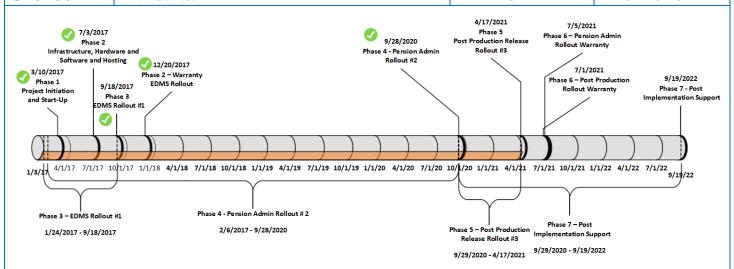


Sponsor:

Rick Santos

REPORT DATE:

04-16-2021



Baseline 12/01/2016

Budget

■ Expended ■ Remaining 100% 90% 80% 70% 60% 50% 40% 30% 20% 10% 0%

Duration

STATUS

Risks & Issues:

The project team has completed work to define the remaining project scope and is close to finalizing a new project timeline. Project pace has started to return to normal as progress is made toward the short-term project goals. Project risks going forward are likely to be timeline based.

Accomplishments:

Linea Budget as of 03/31/2021

- ► Held a training session for StanCERA staff on new workflows included in R24 production release.
- Project team improved management of Help Desk tickets, PIRs, and enhancement requests to increase project efficiency.
- Project Planning Working Group completed work on defining remaining project scope and identifying remaining work.

Upcoming:

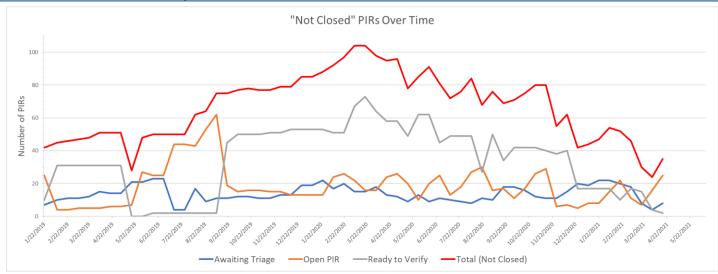
- Continuation of regular project work to develop functionality planned for R25.
- Project team to finalize the remaining project timeline and proposed end date.
- Release R25 to UAT planned for early May.

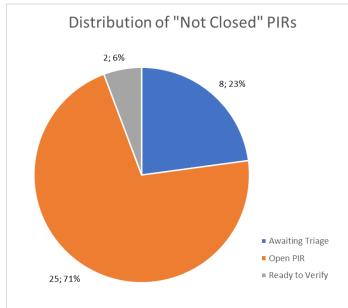
Ongoing Project Contributions

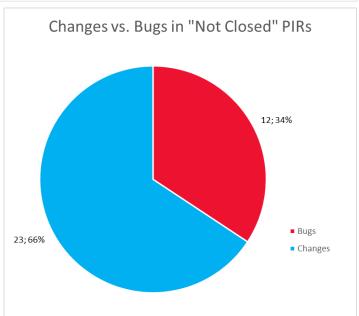
- Facilitate weekly Project Manager's meetings and create meeting minutes.
- Facilitate monthly Steering Committee Meetings and create meeting minutes.
- Participate in Tegrit work sessions, review meeting minutes, and compile resulting decision logs and action items.
- Regularly review action items for follow up and completion.

- Review and hold group review sessions for BSRD deliverables made by Tegrit (BSR080, BSR090).
- 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









Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Investment Matrix

II. ITEM NUMBER: 6.e

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. ANALYSIS:

a) Investment Program Activities & Governance:

In March and early April work continued on the onboarding and legal due diligence of new investment funds including the two new infrastructure funds selected by the Board at last month's meeting. Commitments were made to Genstar Capital Partners X a private equity fund and Strategic Value Special Situations V a private credit fund. Phase 1 of the portfolio rebalance was completed in early March and work on phase II will begin once the final agreement for the public infrastructure proxy fund and coordination with the transition manager is complete. Onboarding new managers requires coordination between investment and fiscal staff which creates good opportunities for cross training and teamwork to meet what are often strict deadlines.

b) Money Transfer Report:

March

	From			То	
Manager	Asset Class	Amount	Manager	Asset Class	Amount
Northern Trust Russell 3000 Fund	Public Equity	\$-5,139,129.40	Gryphon Partners VI, LP	Private Equity	\$5,139,129.40
Northern Trust Russell 3000 Fund	Public Equity	\$-1,800,000.00	Insight Partners XI, LP	Private Equity	\$1,800,000.00
Northern Trust Russell 3000 Fund	Public Equity	\$-15,000,000.00	Blackrock US Real Estate Fund	Public Equity	\$15,000,000.00

Blackrock	Public	\$-15,000,000.00	Blackrock US	Public	\$15,000,000.00
Russell 1000	Equity		Real Estate	Equity	
Growth Fund			Fund		

c) Manager Meeting Notes:

AQR

Investment staff met with an account representative and a portfolio manager of the AQR Global Risk Premium strategy for an update call. This fund managed by AQR follows a risk parity process that seeks to balance risk across the multiple asset classes in which it invests. The AQR fund is part of the risk mitigating sub-portfolio and can dampen the volatility from the growth sub-portfolio. While AQR does apply a value investing style to many of their investment products, the fund StanCERA holds is strategic in its process and doesn't apply any style methodologies to its management of fund assets. The topic of benchmarking, recent performance and current portfolio positioning were discussed. New research which could potentially improve the investment process of the fund was also reviewed.

d) Trainings/Conferences:

None

VI. RISK: None

VII. STRATEGIC PLAN: N/A



Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

 SUBJECT: Private Markets Commitment Notice Strategic Value Special Situations Fund V (SVSS V)

II. ITEM NUMBER: 6.f.1

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. Executive Summary:

On April 16, 2021 StanCERA committed \$10 million to the Strategic Value Special Situations Fund V (SVSS V). SVSS V is a private credit fund managed by Strategic Value Partners (SVP) and seeks to invest in distressed and deep-value opportunities by purchasing the senior debt of middle-market companies and assets that are fundamentally sound but are in financial distress as a result of their capital structure. The goal of SVP is to emerge from restructuring with equity in the business, and subsequently drive operational performance. SVP is headquartered in Greenwich, Connecticut with major offices in London and Tokyo. SVP manages about \$10.7 Billion with \$5.9 Billion in its special situations fund series.

StanCERA has an 8.0% target allocation to the private credit asset class with a sub-asset class target allocation of 5% to direct lending and 3% to Special Situations. The commitment to SVSS V will be allocated to the special situations sub-asset class and is in compliance with StanCERA's Private Markets Investment Policy Statement. For each private market investment, several due diligence reports are completed by the investment consultant and staff. These reports contain confidential information and are available to Trustees for review upon request.

SVSS V Due Diligence Reports:

Attachment 1 - Executive Summary (Staff)

Attachment 2 - Compliance Checklist (Staff)

Attachment 3 - Executive Summary and Comprehensive Due Diligence Report

(Consultant)

Attachment 4 - Recommendation/Approval Memo (Consultant)

Attachment 5 - Manager Pitchbook

VI. RISK: None

VII. STRATEGIC PLAN: N/A



Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Private Markets Commitment Notice

II. ITEM NUMBER: 6.f.2

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. Executive Summary:

On April 1, 2021 StanCERA committed \$15 million to the Genstar Capital Partners X fund (Genstar X). Genstar Partners is a private equity firm focusing on middle market buyouts within the financial services, healthcare, industrials, and software industries. The fund generally targets high quality businesses in attractive sub-sectors with strong consolidation potential and good growth tailwinds. Genstar is supported by a team of experienced executives on its strategic advisor board as it seeks to add value through the rapid execution of mergers & acquisitions and the talent management of company leadership teams. Genstar operates from a single San Francisco office and follows its one asset class, one office, and one culture philosophy. The firm has \$16.5+ Billion in aggregate commitments.

StanCERA has a 5.0% target allocation to the private equity asset class with a sub-asset class target allocation of 3.5% to buyouts and 1.5% to venture capital. The commitment to Genstar X will be allocated to the buyouts sub-asset class and is in compliance with StanCERA's Private Markets Investment Policy Statement. For each private market investment, several due diligence reports are completed by the investment consultant and staff. These reports contain confidential information and are available to Trustees for review upon request.

Gryphon VI Due Diligence Reports:

Attachment 1 - Executive Summary (Staff)

Attachment 2 - Compliance Checklist (Staff)

Attachment 3 - Executive Summary and Comprehensive Due Diligence Report

(Consultant)

Attachment 4 - Recommendation/Approval Memo (Consultant)

Attachment 5 - Manager Pitchbook

VI. RISK: None

VII. STRATEGIC PLAN: N/A



Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: AB2833 Auxiliary Report

II. ITEM NUMBER: 6.g.1

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. ANALYSIS:

Attachment 1 contains information regarding StanCERA's alternative type investments. In StanCERA's context, "alternative" type investments are defined as the private credit, infrastructure and private real estate asset classes. This information is required to be published at least annually and is a result of Assembly Bill 2833 that went into effect January 1, 2017. The bill requires various information mostly related to performance, cash flows and their classification. Internal staff has been producing most of this information since October of 2014 and enhance and update the report periodically to response to changing investment program and reporting requirements.

The report presents information about individual funds including general fund information, performance measures, fund balance reconciliation, performance decomposition, and fund expense information. A visual exhibit is also provided for each fund that describes the changes in the investment's fund value over the past 8 periods. With this information, one can quickly see recent trends in the general partner's performance and its attribution.

In addition, the report presents performance and expense information for funds grouped by asset class. Provided in this report are the real estate, private credit and alternative type program grouping. The alternative type program includes the private credit, infrastructure, and private real estate asset classes.

This report is as of December 31, 2020, which is the most recent quarter with complete data on the alternative type managers. The aggregate performance since inception of the private market alternative manager's for December 31, 2020 was 5.35%. The private credit group returned 1.88% and the real estate group returned 8.63% as of December 31, 2020. The performance of the alternative type managers increased slightly versus the prior quarter. The private credit group performance improved this quarter while the real estate group performance held steady.

Below are the metrics and their definitions used in the report:

- Performance measures
 - Net internal rate of return (IRR) The return on the investment since inception after fees. This measure includes all cash flows into and out of the investment, their timing and the ending fund value as of the measurement date. This measure is generally the most accurate, however, is highly dependent on the ending fund value as approximated by the general partner.
 - Realization multiple or distributions to paid-in-capital (DPI) This is a
 measure of the cash received by StanCERA relative to cash contributed. For
 instance, if this measure is \$0.75, then for every dollar StanCERA has
 contributed, it has received back 75 cents.
 - Residual value to paid-in-capital multiple (RVPI) This is a measure of the current fund value relative to cash contributed. For instance, if this measure is \$0.50, then for every dollar StanCERA has contributed, it holds an investment dollar valued at 50 cents. Like IRR, this measure is highly dependent on the ending fund value approximated by the general partner.
 - Investment multiple or total value to paid-in-capital (TVPI) This
 measure is simply the sum of the DPI and RVPI and is a widely quoted
 number in the investment world in a general sense.
- Return decomposition The return decomposition allows the investor to see the decomposition of the net internal rate of return from the following sources:
 - Return from income and cash flow Generally, this is the return from interest, principal maturation and the timing of the cash flows from the investment. If this number is relatively high, then it can be said that the general partner is generating a good portion of its returns from income and the timely return of contributions to the investor
 - Return from expenses This is the drag on return from expenses incurred by the fund. If this number is relatively high, then the return on investment is lower because of the high expense ratio
 - Return from gain/loss This is the return due to gains and losses on the
 actual investments since purchase. This number is the sum of both realized
 and unrealized gains and losses. If this number is relatively high, then it can
 be considered that the general partner has made good investment choices
 - Interaction effect This is the return due to the interaction between all of the sources mentioned above. In other words, the return from the other sources are not completely independent of one another
- Expense matrix This is simply all the expenses/fees broken out by all sources reported to StanCERA by the general partner

VI. RISK: None

VII. STRATEGIC PLAN: N/A

Alternative Type Program Performance

Analysis Date:	12/31/2020	Expense Matrix Sino	e Inception	
Program Name:	Alternative Type	Expense Type	<u>Expense</u>	% of Total
Program Inception Date:	5/16/2013	Management Fee	\$27,543,613	68.5%
Total Commitment:	\$436,999,999	Partnership Operations	\$1,840,175	4.9%
Unfunded Commitment as of Analysis Date:	\$50,878,502	Organizational Expense	\$227,021	0.6%
% Funded as of Analysis Date:	88.36%	Incentive Allocation	\$3,526,538	9.3%
Program Fund Balance:	\$350,534,107	Offering Costs	\$54	0.0%
		Service Fee	\$339,601	0.9%
Performance Measures		Syndication Costs	\$65,354	0.2%
Net IRR Since Inception:	5.35%	Professional Fee	\$3,441,062	9.1%
Realization Multiple (DPI):	\$0.36	Other Expense	\$179,503	0.5%
Residual Value to Paid in Multiple (RVPI):	\$0.73	Management Fee Reimbursement	-\$1,611,862	-
Investment Multiple (TVPI):	\$1.08	General/Administrative Expense	\$700,015	1.8%
		Broken Deal Expense	\$267,706	0.7%
Net IRR Decomposition		Interest Expense	\$1,200,018	3.2%
Return from Income & Cash Flow:	6.32%	Custody Fee	\$125,001	0.3%
Return from Expenses:	-2.47%	Dividend Expense	\$0	0.0%
Return from Gain/Loss:	1.35%	Performance Fee	<u>\$0</u>	0.0%
Interaction Effect:	<u>0.15%</u>	Total	\$37,843,800	100.0%
Net IRR Since Inception:	5.35%			

Real Estate Program Performance

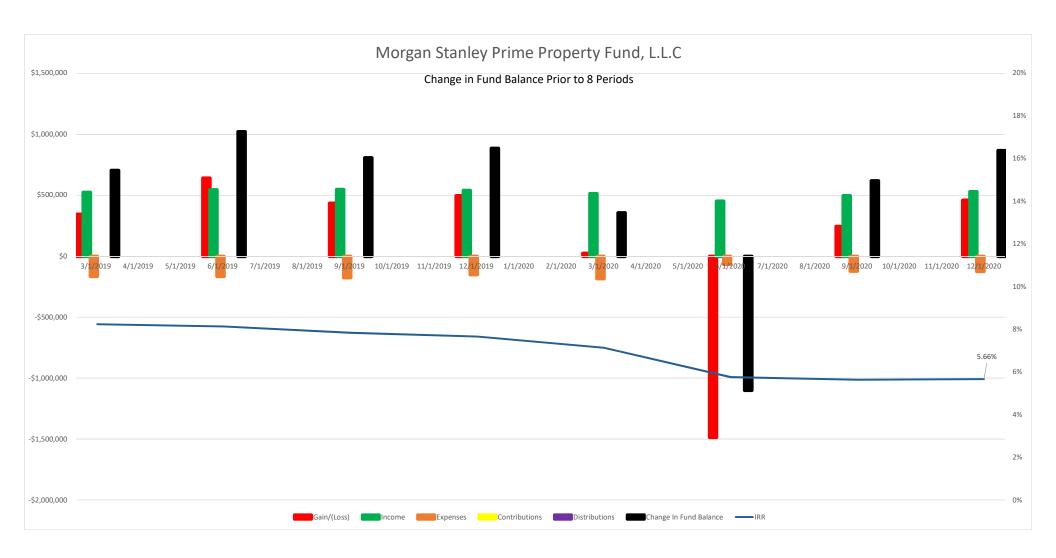
Analysis Date:	12/31/2020	Expense Matrix Sinc	e Inception	
Program Name:	Real Estate	Expense Type	<u>Expense</u>	% of Total
Program Inception Date:	7/8/2014	Management Fee	\$12,518,223	70.0%
Total Commitment:	\$267,000,000	Partnership Operations	\$436,766	2.4%
Unfunded Commitment as of Analysis Date:	\$34,392,843	Organizational Expense	\$52,991	0.3%
% Funded as of Analysis Date:	87.12%	Incentive Allocation	\$3,526,539	19.7%
Program Fund Balance:	\$259,022,365	Offering Costs	\$54	0.0%
		Service Fee	\$0	0.0%
Performance Measures		Syndication Costs	\$65,354	0.4%
Net IRR Since Inception:	8.63%	Professional Fee	\$121,361	0.7%
Realization Multiple (DPI):	\$0.22	Other Expense	\$0	0.0%
Residual Value to Paid in Multiple (RVPI):	\$0.93	Management Fee Reimbursement	\$0	-
Investment Multiple (TVPI):	\$1.16	General/Administrative Expense	\$203,528	1.1%
		Broken Deal Expense	\$267,706	1.5%
Net IRR Decomposition		Interest Expense	\$619,840	3.5%
Return from Income & Cash Flow:	4.64%	Custody Fee	\$63,139	0.4%
Return from Expenses:	-2.56%	Dividend Expense	\$0	0.0%
Return from Gain/Loss:	6.14%	Performance Fee	<u>\$0</u>	0.0%
Interaction Effect:	<u>0.41%</u>	Total	\$17,875,501	100.0%
Net IRR Since Inception:	8.63%			

Private Credit Program Performance

Analysis Date:	12/31/2020	Expense Matrix Sinc	e Inception	
Program Name:	Private Credit	Expense Type	<u>Expense</u>	% of Total
Program Inception Date:	5/16/2013	Management Fee	\$15,025,391	67.2%
Total Commitment:	\$169,999,999	Partnership Operations	\$1,403,409	7.0%
Unfunded Commitment as of Analysis Date:	\$16,485,659	Organizational Expense	\$174,030	0.9%
% Funded as of Analysis Date:	90.30%	Incentive Allocation	-\$1	0.0%
Program Fund Balance:	\$91,511,742	Offering Costs	\$0	0.0%
		Service Fee	\$339,601	1.7%
Performance Measures		Syndication Costs	\$0	0.0%
Net IRR Since Inception:	1.88%	Professional Fee	\$3,319,701	16.6%
Realization Multiple (DPI):	\$0.54	Other Expense	\$179,503	0.9%
Residual Value to Paid in Multiple (RVPI):	\$0.45	Management Fee Reimbursement	-\$1,611,862	-
Investment Multiple (TVPI):	\$0.99	General/Administrative Expense	\$496,487	2.5%
		Broken Deal Expense	\$0	0.0%
Net IRR Decomposition		Interest Expense	\$580,178	2.9%
Return from Income & Cash Flow:	7.71%	Custody Fee	\$61,863	0.3%
Return from Expenses:	-2.29%	Dividend Expense	\$0	0.0%
Return from Gain/Loss:	-3.04%	Performance Fee	<u>\$0</u>	0.0%
Interaction Effect:	<u>-0.51%</u>	Total	\$19,968,299	100.0%
Net IRR Since Inception:	1.88%			

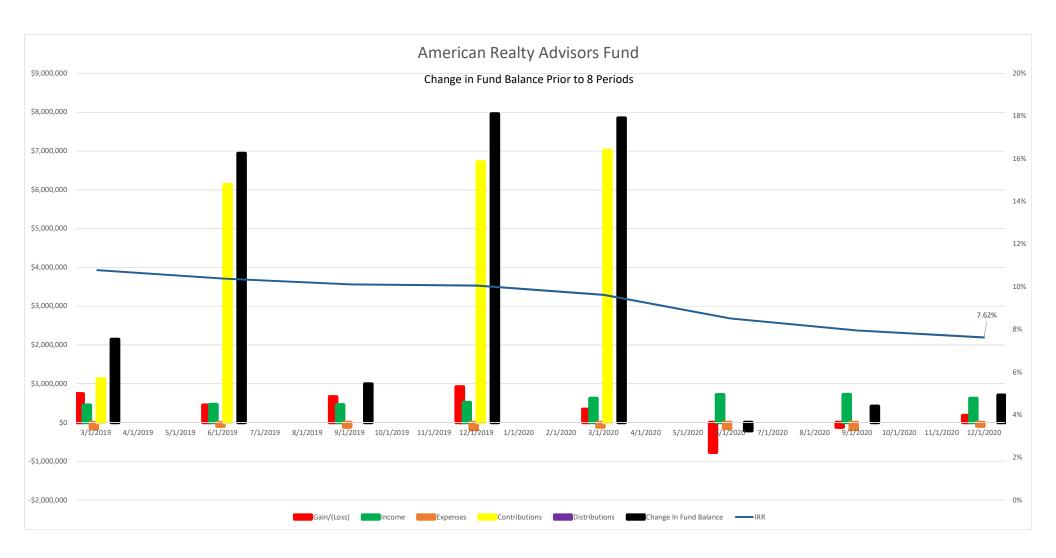
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Manager Name:	Morgan Stanley Prime Property Fund, L.L.C
Analysis Date:	12/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	12/31/2020
Manager Investment Style:	Core Real Estate
Fund Vintage Year:	1973
StanCERA Investment Start Date:	10/1/2015
Initial Commitment:	\$15,000,000
Additional Commitments:	\$35,000,000
Total Commitment Funded:	\$50,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$59,685,560
Fund Performance Measures	Since Inception
Net Internal Rate of Return (IRR):	5.66%
Investment Multiple (TVPI):	\$1.19
Realization Multiple (DPI):	\$0.00
Residual Value to Paid in Multiple (RVPI):	\$1.19
Paid in Capital Multiple (PIC):	100.0%
Tale III capital III capital (116).	200.6/0
Fund Balance Reconciliation S	•
Beginning Fund Balance	\$0
Capital Contributions	\$50,000,000
Distributions	\$0
Expenses	-\$1,842,352
Income	\$6,766,065
Gain/(Loss)	<u>\$4,761,847</u>
Ending Fund Balance	\$59,685,560
Internal Rate of Return Dec	composition
Return from Income and Cash Flow	4.05%
Return from Expenses	-0.98%
Return from Gain/Loss	2.68%
Interaction/Timing Effect:	-0.07%
Net IRR Since Inception:	5.66%
Expense Matrix	•
Management Fee	\$1,515,091
\sim	1 //
Incentive Allocation	\$327.262
Incentive Allocation Total	<u>\$327,262</u> \$1,842,352

^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



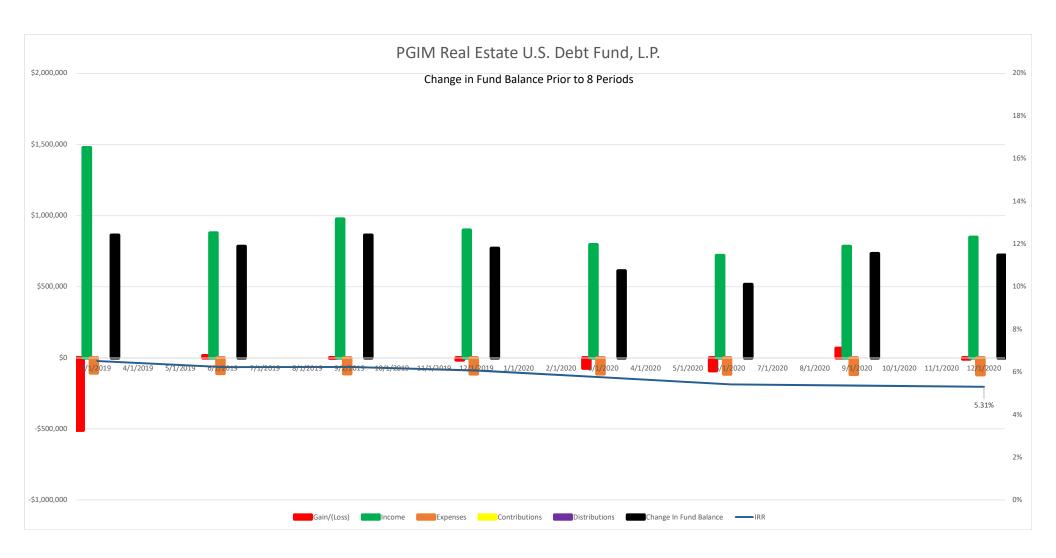
Managar Nama	American Dealty Advisors Fund
Manager Name:	American Realty Advisors Fund
Analysis Date:	12/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	12/31/2020
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2009
StanCERA Investment Start Date:	12/15/2014
Initial Commitment:	\$30,000,000
Additional Commitments:	\$28,000,000
Total Commitment Funded:	\$58,000,000
Total Commitment Unfunded:	\$0
Fund Balance:	\$69,366,281
Fund Perfo	rmance Measures Since Inception
Net Internal Rate of Return (IRR):	7.62%
Investment Multiple (TVPI):	\$1.23
Realization Multiple (DPI):	\$0.04
Residual Value to Paid in Multiple (RVPI):	\$1.20
Paid in Capital Multiple (PIC):	100.0%
Fund Balan	ce Reconciliation Since Inception
Beginning Fund Balance	\$0
Capital Contributions	\$58,000,000
Distributions	-\$2,031,680
Expenses	-\$2,438,815
Income	\$8,530,806
Gain/(Loss)	\$7,305,970
Ending Fund Balance	\$69,366,281
	+
	Rate of Return Decomposition
Return from Income and Cash Flow	5.04%
Return from Expenses	-1.23%
Return from Gain/Loss	3.96%
Interaction/Timing Effect:	<u>-0.14%</u>
Net IRR Since Inception:	7.62%
	Expense Matrix
Management Fee	\$2,301,754
Incentive Allocation	\$251,323
Offering Costs	\$54
General/Administrative Expense	<u>-\$114,316</u>
Total	\$2,438,815

^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



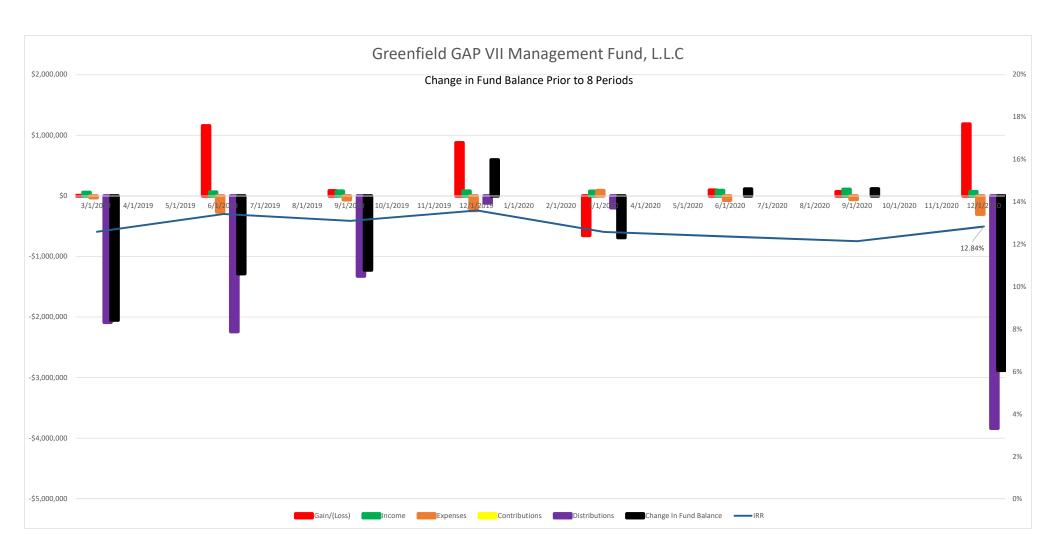
Manager Investment Style: Real Estate Debt Fund Vintage Year: 0 StanCERA Investment Start Date: 9/28/2018 Initial Commitment: \$54,000,000 Additional Commitments: \$0 Total Commitment Funded: \$54,000,000 Total Commitment Unfunded: \$0 Fund Balance: \$60,313,488 Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): \$3.31% Investment Multiple (TVPI): \$1.12 Realization Multiple (PIPl): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Expenses \$54,000,000 Distributions \$0 Capital Contributions \$54,000,000 Distributions \$5 Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition	Manager Name: Analysis Date: Reporting Frequency: Latest Data Date:	PGIM Real Estate U.S. Debt Fund, L.P. 12/31/2020 Quarterly 12/31/2020
Fund Vintage Year: 0 StanCERA Investment Start Date: 9/28/2018 Initial Commitment: \$54,000,000 Additional Commitments: \$0 Total Commitment Funded: \$54,000,000 Total Commitment Unfunded: \$0 Fund Balance: \$60,313,488 Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): \$1.12 Investment Multiple (TVPI): \$1.12 Realization Multiple (PIC): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Beginning Fund Balance \$0 Capital Contributions \$54,000,000 Distributions \$0 Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78%		
StanCERA Investment Start Date: 9/28/2018 Initial Commitment: \$54,000,000 Additional Commitments: \$0 Total Commitment Funded: \$54,000,000 Total Commitment Unfunded: \$0 Fund Balance: \$60,313,488 Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): \$3.1% Investment Multiple (TVPI): \$1.12 Realization Multiple (DPI): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Beginning Fund Balance \$0 Capital Contributions \$54,000,000 Styributions \$50 Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$559,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Expenses -\$0 Return from Expenses -0.78% Return from Expenses -0.78%	•	
Additional Commitments: \$0 Total Commitment Funded: \$54,000,000 Total Commitment Unfunded: \$0 Fund Balance: \$60,313,488 Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): 5.31% Investment Multiple (TVPI): \$1.12 Realization Multiple (DPI): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Expenses \$0 Capital Contributions \$54,000,000 Distributions \$54,000,000 Distributions \$54,000,000 Distributions \$54,000,000 Distributions \$55,313 Income \$7,781,341 Gain/(Loss) \$559,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Expenses -0.78% Return from Expenses -0.78% Return from Gain/Loss -0.42% <td< td=""><td></td><td>9/28/2018</td></td<>		9/28/2018
Total Commitment Funded: \$54,000,000 Total Commitment Unfunded: \$0 Fund Balance: \$60,313,488 Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): 5.31% Investment Multiple (TVPI): \$1.12 Realization Multiple (DPI): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Fund Balance \$0 Capital Contributions \$54,000,000 Distributions \$54,000,000 Expenses \$958,136 Income \$7,781,341 Gain/(Loss) \$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix	Initial Commitment:	\$54,000,000
Total Commitment Unfunded: \$0 Fund Balance: \$60,313,488 Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): \$31% Investment Multiple (TVPI): \$1.12 Realization Multiple (DPI): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Fund Balance Reconciliation Since Inception Distributions \$54,000,000 Distributions \$50 Expenses \$554,000,000 Expenses \$5958,136 Income \$7,781,341 Gain/(Loss) \$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fe	Additional Commitments:	\$0
Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): 5.31% Investment Multiple (TVPI): \$1.12 Realization Multiple (DPI): \$0.00 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Beginning Fund Balance \$0 \$0 Capital Contributions \$54,000,0000 Distributions \$54,000,0000 Distributions \$54,000,0000 Distributions \$554,000,0000 Distributions \$554,000,0000 Distributions \$554,000,0000 Distributions \$554,000,0000 Distributions \$554,000,0000 Distributions \$550,000 Distributions \$50,000 Distributions \$5	Total Commitment Funded:	\$54,000,000
Fund Performance Measures Since Inception Net Internal Rate of Return (IRR): 5.31% Investment Multiple (TVPI): \$1.12 Realization Multiple (DPI): \$0.000 Residual Value to Paid in Multiple (RVPI): \$1.12 Paid in Capital Multiple (PIC): 100.0% Fund Balance Reconciliation Since Inception Beginning Fund Balance \$0 \$0.000 Capital Contributions \$54,000,000 Distributions \$54,000,000 Distributions \$54,000,000 Distributions \$54,000,000 Distributions \$54,000,000 Distributions \$54,000,000 Distributions \$554,000,000 Distributions \$554,000,000 Distributions \$50,000 Capital Contributions \$50,000 Capital Contribu	Total Commitment Unfunded:	\$0
Net Internal Rate of Return (IRR):5.31%Investment Multiple (TVPI):\$1.12Realization Multiple (DPI):\$0.00Residual Value to Paid in Multiple (RVPI):\$1.12Paid in Capital Multiple (PIC):100.0%Fund Balance Reconciliation Since InceptionFund Balance Reconciliation Since InceptionBeginning Fund Balance\$0Capital Contributions\$54,000,000Distributions\$0Expenses-\$958,136Income\$7,781,341Gain/(Loss)-\$509,715Ending Fund Balance\$60,313,489Internal Rate of Return DecompositionReturn from Income and Cash Flow6.50%Return from Expenses-0.78%Return from Expenses-0.42%Interaction/Timing Effect:0.00%Net IRR Since Inception:5.31%Expense MatrixManagement Fee\$958,136Incentive Allocation\$0	Fund Balance:	\$60,313,488
Net Internal Rate of Return (IRR):5.31%Investment Multiple (TVPI):\$1.12Realization Multiple (DPI):\$0.00Residual Value to Paid in Multiple (RVPI):\$1.12Paid in Capital Multiple (PIC):100.0%Fund Balance Reconciliation Since InceptionFund Balance Reconciliation Since InceptionBeginning Fund Balance\$0Capital Contributions\$54,000,000Distributions\$0Expenses-\$958,136Income\$7,781,341Gain/(Loss)-\$509,715Ending Fund Balance\$60,313,489Internal Rate of Return DecompositionReturn from Income and Cash Flow6.50%Return from Expenses-0.78%Return from Expenses-0.42%Interaction/Timing Effect:0.00%Net IRR Since Inception:5.31%Expense MatrixManagement Fee\$958,136Incentive Allocation\$0	Fund Performance Measures Since I	nception
Investment Multiple (TVPI): Realization Multiple (DPI): Residual Value to Paid in Multiple (RVPI): Paid in Capital Multiple (PIC): Fund Balance Reconciliation Since Inception Beginning Fund Balance Capital Contributions Society Standard Standar		-
Realization Multiple (DPI):\$0.00Residual Value to Paid in Multiple (RVPI):\$1.12Paid in Capital Multiple (PIC):100.0%Fund Balance Reconciliation Since InceptionBeginning Fund Balance\$0Capital Contributions\$54,000,000Distributions\$0Expenses-\$958,136Income\$7,781,341Gain/(Loss)-\$509,715Ending Fund Balance\$60,313,489Internal Rate of Return DecompositionReturn from Income and Cash Flow6.50%Return from Expenses-0.78%Return from Gain/Loss-0.42%Interaction/Timing Effect:0.00%Net IRR Since Inception:5.31%Management Fee\$958,136Incentive Allocation\$0	·	\$1.12
Fund Balance Reconciliation Since Inception Beginning Fund Balance \$0 Capital Contributions \$54,000,000 Distributions \$0 Expenses \$958,136 Income \$7,781,341 Gain/(Loss) \$5400,000 Ending Fund Balance \$7,781,341 Gain/(Loss) \$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow \$6.50% Return from Expenses \$0.078% Return from Gain/Loss \$0.00% Interaction/Timing Effect: \$0.00% Net IRR Since Inception: \$5.31% Management Fee \$958,136 Incentive Allocation \$0.00%	Realization Multiple (DPI):	\$0.00
Fund Balance Reconciliation Since Inception Beginning Fund Balance \$0 Capital Contributions \$54,000,000 Distributions \$0 Expenses \$-\$958,136 Income \$7,781,341 Gain/(Loss) \$-\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow \$6.50% Return from Expenses \$0.78% Return from Gain/Loss \$0.00% Return from Gain/Loss \$0.00% Interaction/Timing Effect: \$0.00% Net IRR Since Inception: \$5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0.000\$	Residual Value to Paid in Multiple (RVPI):	\$1.12
Beginning Fund Balance \$0 Capital Contributions \$54,000,000 Distributions \$0 Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0	Paid in Capital Multiple (PIC):	100.0%
Beginning Fund Balance \$0 Capital Contributions \$54,000,000 Distributions \$0 Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0	Fund Balance Reconciliation Since In	nception
Capital Contributions \$54,000,000 Distributions \$0 Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0		-
Expenses -\$958,136 Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0		\$54,000,000
Income \$7,781,341 Gain/(Loss) -\$509,715 Ending Fund Balance \$60,313,489 Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0	·	
Gain/(Loss)-\$509,715Ending Fund Balance-\$509,715Internal Rate of Return DecompositionReturn from Income and Cash Flow6.50%Return from Expenses-0.78%Return from Gain/Loss-0.42%Interaction/Timing Effect:0.00%Net IRR Since Inception:5.31%Expense MatrixManagement Fee\$958,136Incentive Allocation\$0	Expenses	-\$958,136
Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$\$0\$	Income	\$7,781,341
Internal Rate of Return Decomposition Return from Income and Cash Flow 6.50% Return from Expenses -0.78% Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$0	Gain/(Loss)	<u>-\$509,715</u>
Return from Income and Cash Flow Return from Expenses Return from Gain/Loss Interaction/Timing Effect: Net IRR Since Inception: Expense Matrix Management Fee Incentive Allocation 6.50% 6.50	Ending Fund Balance	\$60,313,489
Return from Income and Cash Flow Return from Expenses Return from Gain/Loss Interaction/Timing Effect: Net IRR Since Inception: Expense Matrix Management Fee Incentive Allocation 6.50% 6.50	Internal Rate of Return Decompo	sition
Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$\frac{5}{2}\$	•	
Return from Gain/Loss -0.42% Interaction/Timing Effect: 0.00% Net IRR Since Inception: 5.31% Expense Matrix Management Fee \$958,136 Incentive Allocation \$ \$0	Return from Expenses	-0.78%
Net IRR Since Inception: Expense Matrix Management Fee \$958,136 Incentive Allocation \$50	Return from Gain/Loss	-0.42%
Expense Matrix Management Fee \$958,136 Incentive Allocation \$90	Interaction/Timing Effect:	0.00%
Management Fee \$958,136 Incentive Allocation \$95		
Management Fee \$958,136 Incentive Allocation \$95	Expense Matrix	
Incentive Allocation \$0	•	\$958.136
-		
•		\$958,136

^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



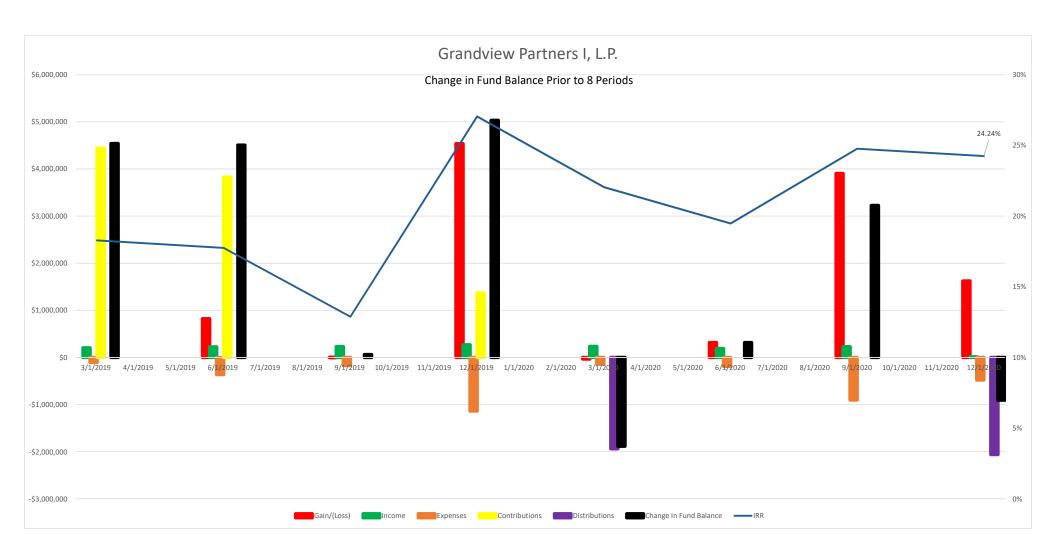
Manager Name: Analysis Date: Reporting Frequency: Latest Data Date: Manager Investment Style: Fund Vintage Year: StanCERA Investment Start Date:	Greenfield GAP VII Management Fund, L.L.C 12/31/2020 Quarterly 12/31/2020 Value Added Real Estate 2011 7/8/2014
Initial Commitment: Additional Commitments: Total Commitment Funded: Total Commitment Unfunded: Fund Balance:	\$15,000,000 \$0 \$9,194,476 \$5,805,524 \$7,552,062
Fund Performance Measu	res Since Inception
Net Internal Rate of Return (IRR): Investment Multiple (TVPI): Realization Multiple (DPI): Residual Value to Paid in Multiple (RVPI): Paid in Capital Multiple (PIC):	\$1.49 \$1.07 \$0.42 61.3%
Fund Balance Reconciliat	ion Since Inception
Beginning Fund Balance Capital Contributions Distributions Expenses Income Gain/(Loss) Ending Fund Balance	\$0 \$18,013,692 -\$19,329,270 -\$2,849,457 \$2,784,061 \$8,933,038 \$7,552,064
Internal Rate of Return	n Decomposition
Return from Income and Cash Flow Return from Expenses Return from Gain/Loss Interaction/Timing Effect: Net IRR Since Inception:	5.28% -2.72% 12.65% -2.38% 12.84%
Expense M	atrix
Management Fee Partnership Operations Incentive Allocation Interest Expense Total	\$1,554,217 \$135,389 \$1,156,982 \$2,869 \$2,849,457

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rana mormation	
Manager Name:	Grandview Partners I, L.P.
Analysis Date:	12/31/2020
Reporting Frequency:	Quarterly
Latest Data Date:	12/31/2020
Manager Investment Style:	Value Added Real Estate
Fund Vintage Year:	2017
StanCERA Investment Start Date:	4/27/2018
Initial Commitment:	\$40,000,000
Additional Commitments:	\$0
Total Commitment Funded:	\$18,079,449
Total Commitment Unfunded:	\$21,920,551
Fund Balance:	\$25,642,863
	+ 10,0 11,000
Fund Performance Measures Since Inception	
Net Internal Rate of Return (IRR):	24.24%
Investment Multiple (TVPI):	\$1.55
Realization Multiple (DPI):	\$0.21
Residual Value to Paid in Multiple (RVPI):	\$1.34
Paid in Capital Multiple (PIC):	45.2%
Fund Balance Reconciliation Since Inception	
Beginning Fund Balance	\$0
Capital Contributions	\$19,130,897
Distributions	-\$4,000,965
Expenses	-\$4,675,968
Income	\$1,090,585
Gain/(Loss)	<u>\$14,098,314</u>
Ending Fund Balance	\$25,642,863
Internal Pate of Patrum Decomposition	
Internal Rate of Return Decomposition Return from Income and Cash Flow	2.69%
Return from Expenses Return from Gain/Loss	-9.11%
•	34.74%
Interaction/Timing Effect:	<u>-4.07%</u>
Net IRR Since Inception:	24.24%
Expense Matrix	
Management Fee	\$2,193,144
Partnership Operations	\$263,740
Incentive Allocation	\$1,790,973
Professional Fee	\$20,386
Interest Expense	\$407,725
Total	\$4,675,968
	+ .,

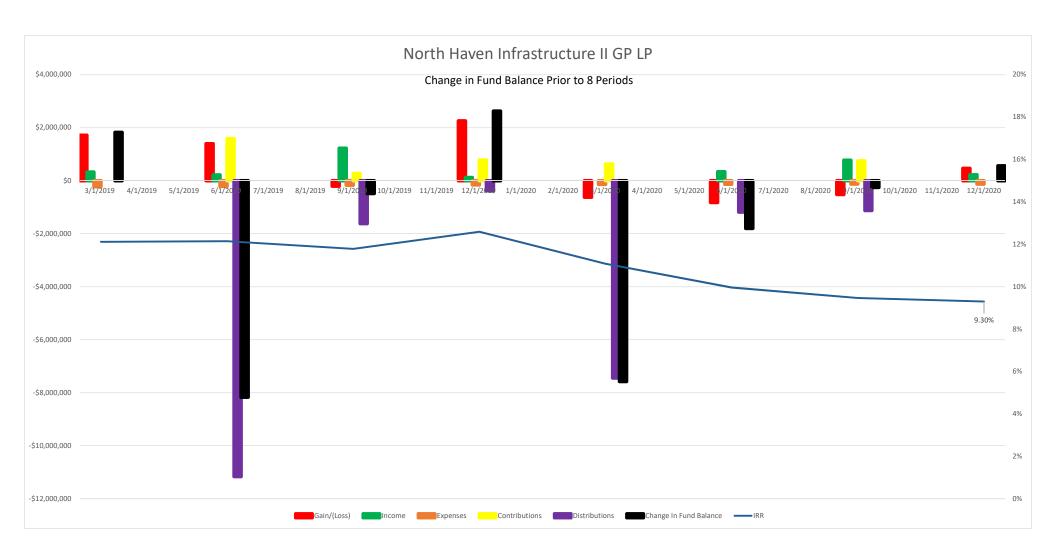
^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Fund information		
Manager Name:	North Haven Infrastructure II GP LP	
Analysis Date:	12/31/2020	
Reporting Frequency:	Quarterly	
Latest Data Date:	12/31/2020	
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:	\$43,333,232	
Total Commitment Unfunded:	\$6,666,768	
Fund Balance:	\$36,462,111	
Fund Performance Measures Since Inc	ception	
Net Internal Rate of Return (IRR):	9.30%	
Investment Multiple (TVPI):	\$1.20	
Realization Multiple (DPI):	\$0.60	
Residual Value to Paid in Multiple (RVPI):	\$0.60	
Paid in Capital Multiple (PIC):	86.7%	
Fund Dalamas Dassasiliation Cines In continu		
Fund Balance Reconciliation Since Inc Beginning Fund Balance	\$0	
Capital Contributions	\$60,550,306	
Distributions	-\$36,313,738	
	-\$5,047,634	
Expenses Income	\$4,331,449	
Gain/(Loss)	\$13,638,431	
Ending Fund Balance	\$37,158,814	
Internal Rate of Return Decomposi		
Return from Income and Cash Flow	3.44%	
Return from Expenses	-2.99%	
Return from Gain/Loss	9.92%	
Interaction/Timing Effect:	<u>-1.07%</u>	
Net IRR Since Inception:	9.30%	
Expense Matrix		
Management Fee	\$3,995,881	
Partnership Operations	\$37,637	
Organizational Expense	\$52,991	
Syndication Costs	\$65,354	
Professional Fee	\$100,975	
General/Administrative Expense	\$317,844	
Broken Deal Expense	\$267,706	
Interest Expense	\$209,246	
* Performance and return measures have not been reviewed, calcul	ated or verified	
by the general partner or any of its affiliates		

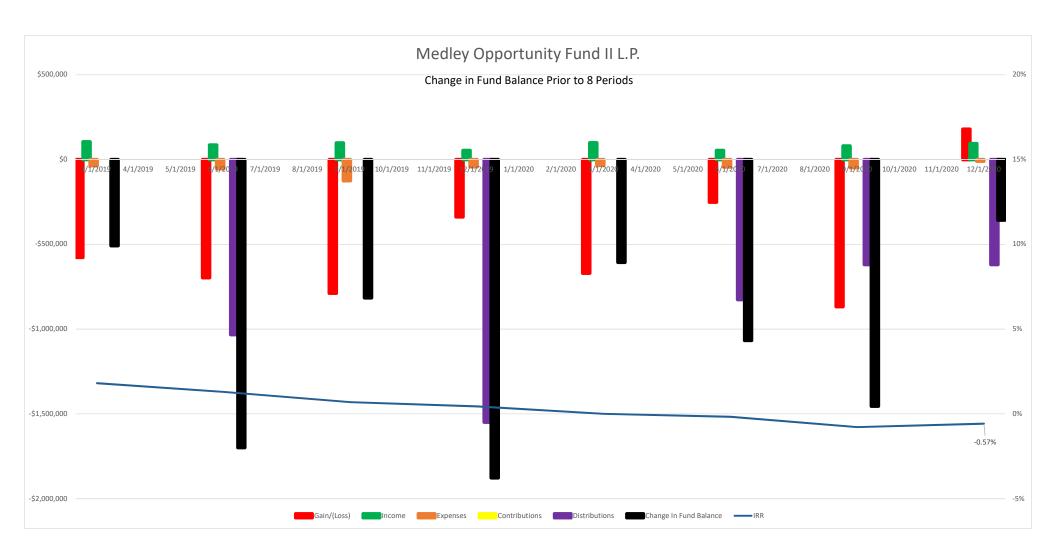
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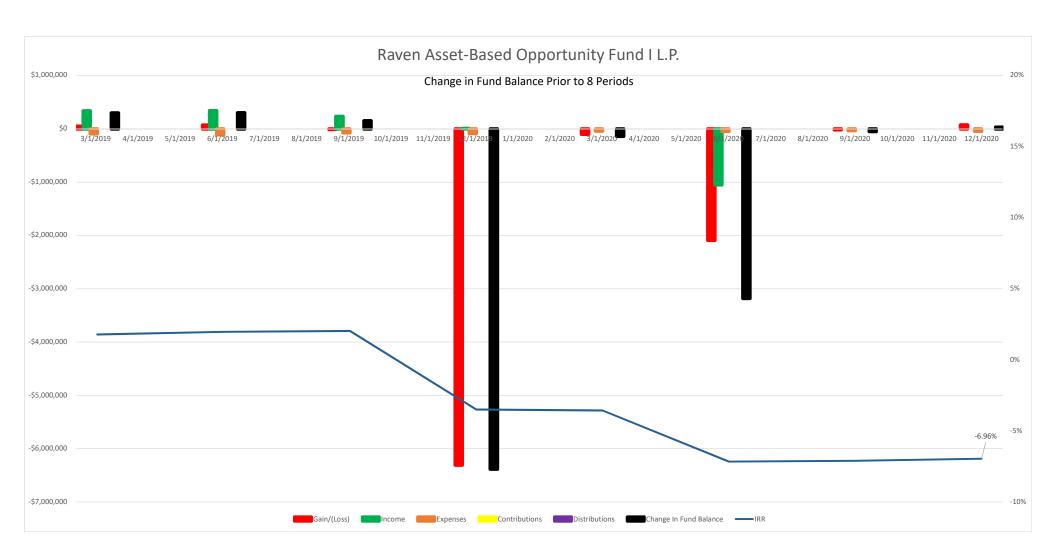
Manager Name:	Medley Opportunity Fund II L.P.	
Analysis Date:	12/31/2020	
Reporting Frequency:	Quarterly	
Latest Data Date:	12/31/2020	
Manager Investment Style:	Private Credit	
Fund Vintage Year:	2011	
StanCERA Investment Start Date:	5/16/2013	
Initial Commitment:	\$30,000,000	
Additional Commitments:	\$0	
Total Commitment Funded:	\$29,000,453	
Total Commitment Unfunded:	\$999,547	
Fund Balance:	\$6,692,733	
Fund Performance Measures Since Ince	ption	
Net Internal Rate of Return (IRR):	-0.57%	
Investment Multiple (TVPI):	\$1.07	
Realization Multiple (DPI):	\$0.85	
Residual Value to Paid in Multiple (RVPI):	\$0.22	
Paid in Capital Multiple (PIC):	96.7%	
Fund Balance Reconciliation Since Inception		
Beginning Fund Balance	\$0	
Capital Contributions	\$31,086,716	
Distributions	-\$26,558,211	
Expenses	-\$3,738,427	
Income	\$17,699,886	
Gain/(Loss)	<u>-\$11,797,231</u>	
Ending Fund Balance	\$6,692,733	
Internal Rate of Return Decompositi	on	
Return from Income and Cash Flow	7.54%	
Return from Expenses	-2.46%	
Return from Gain/Loss	-6.56%	
Interaction/Timing Effect:	0.90%	
Net IRR Since Inception:	-0.57%	
Expense Matrix		
Management Fee	\$2,538,273	
Partnership Operations	\$1,200,155	
Incentive Allocation	<u>-\$1</u>	
Total	\$3,738,427	

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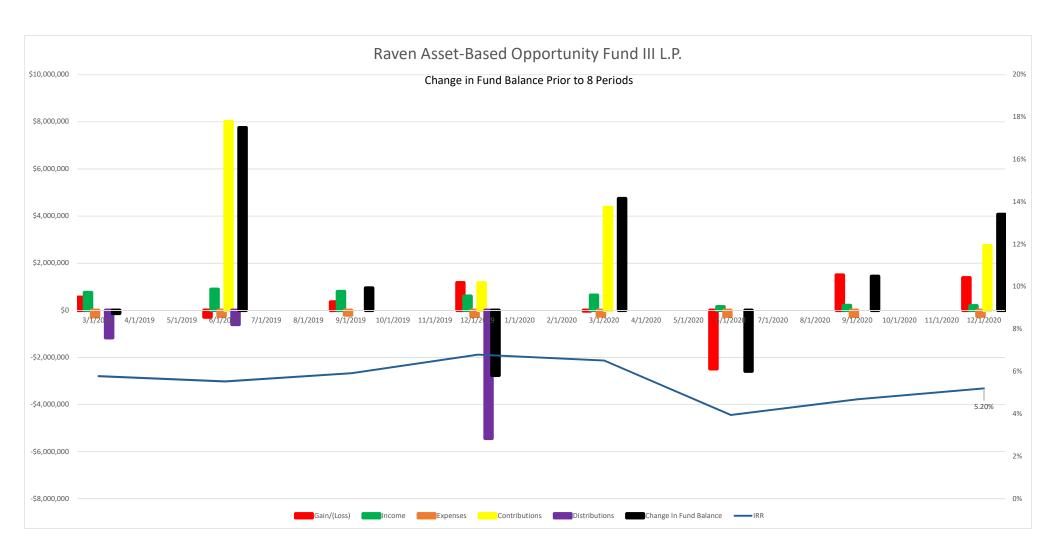
Manager Name:	Raven Asset-Based Opportunity Fund I L.P.	
Analysis Date:	12/31/2020	
Reporting Frequency:	Quarterly	
Latest Data Date:	12/31/2020	
Manager Investment Style:	Private Credit	
Fund Vintage Year:	2012	
StanCERA Investment Start Date:	5/22/2013	
Initial Commitment:	\$40,000,000	
Additional Commitments:	\$0	
Total Commitment Funded:	\$34,505,763	
Total Commitment Unfunded:	\$5,494,237	
Fund Balance:	\$4,609,846	
Fund Performance Measures Since Inception		
Net Internal Rate of Return (IRR):	-6.96%	
Investment Multiple (TVPI):	\$0.82	
Realization Multiple (DPI):	\$0.68	
Residual Value to Paid in Multiple (RVPI):	\$0.13	
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	-\$5,481,497	
Income	\$11,999,640	
Gain/(Loss)	<u>-\$12,831,070</u>	
Ending Fund Balance	\$4,609,845	
Internal Rate of Return Decomposition		
Return from Income and Cash Flow	6.51%	
Return from Expenses	-5.65%	
Return from Gain/Loss	-10.65%	
Interaction/Timing Effect:	<u>2.83%</u>	
Net IRR Since Inception:	-6.96%	
Expense Matrix		
Management Fee	\$3,381,252	
Organizational Expense	\$92,275	
Service Fee	\$339,601	
Professional Fee	<u>\$1,668,369</u>	
Total	\$5,481,497	

^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates



Manager Name:	Raven Asset-Based Opportunity Fund III L.P.	
Analysis Date:	12/31/2020	
Reporting Frequency:	Quarterly	
Latest Data Date:	12/31/2020	
Manager Investment Style:	Private Credit	
Fund Vintage Year:	2015	
StanCERA Investment Start Date:	7/6/2015	
Initial Commitment:	\$15,000,000	
Additional Commitments:	\$34,999,999	
Total Commitment Funded:	\$49,999,999	
Total Commitment Unfunded:	\$0	
Fund Balance:	\$48,013,573	
Net Internal Rate of Return (IRR):	Measures Since Inception 5.20%	
Investment Multiple (TVPI):	\$1.13	
Realization Multiple (DPI):	\$0.27	
Residual Value to Paid in Multiple (RVPI):	\$0.27	
Paid in Capital Multiple (PIC):	100.0%	
raid in Capital Matciple (Fig.).	100.070	
	onciliation Since Inception	
Beginning Fund Balance	\$0	
Capital Contributions	\$55,477,654	
Distributions	-\$14,926,304	
Expenses	-\$6,172,541	
Income	\$9,624,955	
Gain/(Loss)	\$4,009,807	
Ending Fund Balance	\$48,013,572	
Internal Rate of Return Decomposition		
Return from Income and Cash Flow	6.58%	
Return from Expenses	-3.80%	
Return from Gain/Loss	2.71%	
Interaction/Timing Effect:	<u>-0.29%</u>	
Net IRR Since Inception:	5.20%	
Expense Matrix		
Management Fee	\$4,336,598	
Partnership Operations	\$102,856	
Organizational Expense	\$81,755	
Professional Fee	\$1,651,332	
Total	\$6,172,541	

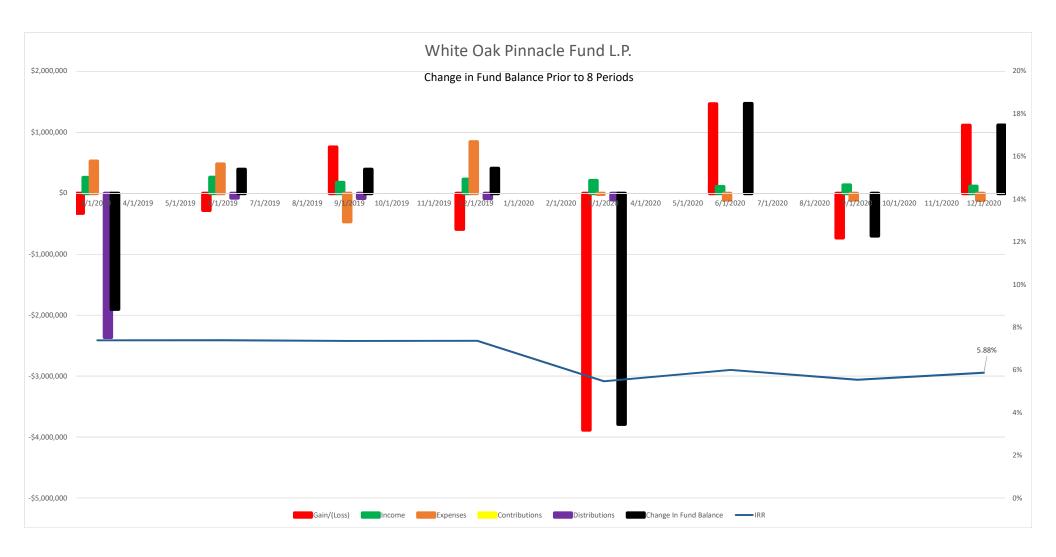
^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates

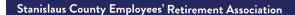


Fund Information

Manager Name:		White Oak Pinnacle Fund L.P.
Analysis Date:		12/31/2020
Reporting Frequency:		Quarterly
Latest Data Date:		12/31/2020
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:		\$24,789,653
Fu	nd Performance Measures Since Inception	
Net Internal Rate of Return (IRR)	-	5.88%
Investment Multiple (TVPI):		\$1.24
Realization Multiple (DPI):		\$0.79
Residual Value to Paid in Multiple	(RVPI):	\$0.45
Paid in Capital Multiple (PIC):	,	81.9%
Fi	nd Balance Reconciliation Since Inception	
Beginning Fund Balance	na balance Reconcination since inception	\$0
Capital Contributions		\$55,047,161
Distributions		-\$43,683,941
Expenses		-\$3,537,271
Income		\$22,134,009
Gain/(Loss)		-\$5,170,305
Ending Fund Balance		\$24,789,653
Enang rana balance		¥2 4 ,763,033
	Internal Rate of Return Decomposition	
Return from Income and Cash Flo	W	9.15%
Return from Expenses		-1.41%
Return from Gain/Loss		-2.02%
Interaction/Timing Effect:		<u>0.16%</u>
Net IRR Since Inception:		5.88%
	Expense Matrix	
Management Fee		\$4,510,675
Incentive Allocation		\$0
Other Expense		\$141,971
Management Fee Reimbursemer	t	-\$1,611,862
General/Administrative Expense		\$496,487
Total		\$3,537,271

^{*} Performance and return measures have not been reviewed, calculated or verified by the general partner or any of its affiliates







April 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Investment Fee Summary, Value Added, and Cash Flow Reports –

December 31, 2020

II. ITEM NUMBER: 6.g.2

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS:

Attachment 1 contains the investment fee summary, value added and cash flow reports.

Investment Fee Summary – This report details StanCERA's investment management fees by asset class, manager discretion, investment style and individual manager. Fee data for this report began in July 2015 and is updated on at least a quarterly basis. For the period, 7/01/2015 to 12/31/2020, total investment fees were approximately \$56.38 Million or roughly 49 bps (0.49%) when annualized. In this report the beginning date was changed to July 2015 from July 2014 due to space constraints on page 4 of the report. The lookback period is sufficient enough to give a good indication of the overall long-term fees of the investment program.

Value Added Report – In total for the quarter ending 12/31/2020, the managers on this report finished ahead of their primary and secondary benchmarks. Dodge and Cox and Fidelity both added value. LSV underperformed against their primary benchmark for the quarter but finished ahead of their secondary benchmark. Bernzott, a sub-manager in the Attucks small cap equity fund, also underperformed. LSV is currently the only manager on this report with a secondary benchmark. The primary benchmark for LSV is the ACWI ex-US value index and the secondary benchmark is the ACWI ex-US Core index.

Cash Flow Report – This report details StanCERA's year-to-date cash activities.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

StanCERA Investment Fee Summary - By Asset Class



Cash

Fiscal Year to Date

7/1/2015 thru 12/31/2020

			F	ees In Dollars				Annualized Fee	s in Basis Po	ints	
	Average AUM	<u>Managerial</u>	Performance*	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Total StanCERA Portfolio	\$1,969,980,614	\$42,988,195	\$4,655,154	\$6,931,358	\$1,807,563	\$56,382,270	37.0	4.1	6.1	1.6	49.4
			Fe	es By Asse	t Class						
	Average AUM	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	Managerial	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Domestic Equity	\$627,531,183	\$8,440,857	\$0	\$0	\$524,830	\$8,965,687	7.4	0.0	0.0	0.5	7.9
Domestic Fixed Income	\$464,633,472	\$4,412,150	\$0	\$0	\$154,536	\$4,566,686	3.9	0.0	0.0	0.1	4.0
International Equity	\$444,439,762	\$6,098,224	\$2,026,738	\$0	\$990,004	\$9,114,966	5.3	1.8	0.0	0.9	8.0
Alternatives	\$92,584,883	\$10,007,716	-\$826,564	\$4,679,973	\$53,395	\$13,914,519	8.0	-0.7	4.1	0.0	12.2
Real Assets	\$165,538,887	\$10,877,464	\$3,454,981	\$1,374,547	\$68,449	\$15,775,441	9.5	3.0	1.2	0.1	13.8
Risk Parity	\$162,737,670	\$3,151,784	\$0	\$876,838	\$15,600	\$4,044,222	2.8	0.0	0.8	0.0	3.5

\$0

\$0

\$0

* Performance fees can be negative due to the clawback of incentive fees

\$12,514,756

Asset Class	<u>Fees</u>
Domestic Equity	\$8,965,687
Domestic Fixed Income	\$4,566,686
International Equity	\$9,114,966
Alternatives	\$13,914,519
Real Assets	\$15,775,441
Risk Parity	\$4,044,222
Cash	\$750

Total \$56,382,270

Fees By Asset Class Risk Parity Cash **Domestic Equity** 0% **7**% 16% **Domestic Fixed** Income **Real Assets** 8% 28% **International Equity** 16% **Alternatives** 25%

0.0

0.0

0.0

0.0

0.0

\$750

\$750

StanCERA Investment Fee Summary - By Investment Discretion



Fiscal Year to Date

7/1/2015 thru 12/31/2020

Fees In Dollars Annualized Fees in Basis Points

	Average AUM	<u>Managerial</u>	Performance*	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	<u>Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Total StanCERA Portfolio	\$1,969,980,614	\$42,988,195	\$4,655,154	\$6,931,358	\$1,807,563	\$56,382,270	37.0	4.1	6.1	1.6	49.4

Fees By Investment Discretion

	Average AUM	<u> Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>	<u> Managerial</u>	<u>Performance</u>	<u>Other</u>	<u>Custodial</u>	<u>Total</u>
Active	\$1,552,206,241	\$42,305,942	\$4,655,154	\$6,931,358	\$1,757,329	\$55,649,783	36.4	4.1	6.1	1.5	48.8
Passive	\$417,774,373	\$682,254	\$0	\$0	\$50,234	\$732,487	0.6	0.0	0.0	0.0	0.6

^{*} Performance fees can be negative due to the clawback of incentive fees

 Investment Discretion
 Fees

 Active
 \$55,649,783

 Passive
 \$732,487

 Total
 \$56,382,270

Fees By Investment Discretion



StanCERA Investment Fee Summary - By Investment Style



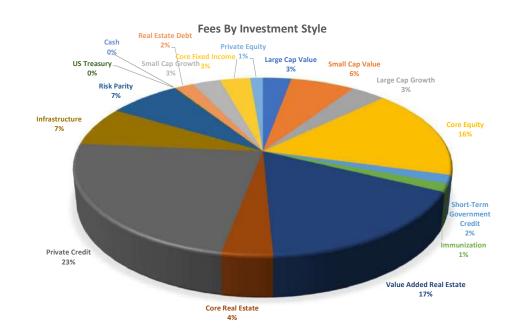
Fiscal Year to Date

7/1/2015 thru 12/31/2020

			F	ees In Dollars			An	nualized Fees i	n Basis	Points	
	Average AUM	Managerial	Performance*	<u>Other</u>	Custodial	<u>Total</u>	Managerial	<u>Performance</u>	Other	Custodial	<u>Total</u>
Total StanCERA Portfolio	\$1,969,980,614	\$42,988,195	\$4,655,154	\$6,931,358	\$1,807,563	\$56,382,270	37.0	4.1	6.1	1.6	49.4
				Fee	s By Investme	nt Style					
	Average AUM	Managerial	<u>Performance</u>	<u>Other</u>	Custodial	<u>Total</u>	Managerial	<u>Performance</u>	Other	Custodial	<u>Total</u>
Large Cap Value	\$216,407,575	\$1,536,853	\$0	\$0	\$79,553	\$1,616,406	1.3	0.0	0.0	0.1	1.4
Small Cap Value	\$87,907,392	\$3,409,240	\$0	\$0	\$240,763	\$3,650,003	3.0	0.0	0.0	0.2	3.2
Large Cap Growth	\$180,428,445	\$1,911,993	\$0	\$0	\$51,592	\$1,963,585	1.7	0.0	0.0	0.0	1.7
Core Equity	\$560,215,164	\$6,233,860	\$2,026,738	\$0	\$996,673	\$9,257,271	5.5	1.8	0.0	0.9	8.1
Short-Term Government Credit	\$134,166,481	\$833,427	\$0	\$0	\$37,694	\$871,121	0.7	0.0	0.0	0.0	0.8
Immunization	\$114,250,222	\$770,392	\$0	\$0	\$33,784	\$804,176	0.7	0.0	0.0	0.0	0.7
Value Added Real Estate	\$58,795,596	\$5,846,994	\$3,127,719	\$617,290	\$30,170	\$9,622,173	5.1	2.7	0.5	0.0	8.4
Core Real Estate	\$79,419,284	\$1,737,330	\$327,262	\$0	\$25,639	\$2,090,230	1.5	0.3	0.0	0.0	1.8
Private Credit	\$92,142,630	\$9,437,642	-\$826,564	\$4,523,460	\$51,929	\$13,186,467	8.0	-0.7	4.0	0.0	11.6
Infrastructure	\$27,324,007	\$3,293,141	\$0	\$757,257	\$12,640	\$4,063,038	2.9	0.0	0.7	0.0	3.6
Risk Parity	\$162,737,670	\$3,151,784	\$0	\$876,838	\$15,600	\$4,044,222	2.8	0.0	0.8	0.0	3.5
US Treasury	\$39,745,783	\$87,004	\$0	\$0	\$0	\$87,004	0.1	0.0	0.0	0.0	0.1
Cash	\$12,514,756	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.0	0.0
Real Estate Debt	\$23,359,737	\$1,076,127	\$0	\$0	\$5,732	\$1,081,859	0.9	0.0	0.0	0.0	0.9
Small Cap Growth	\$27,012,371	\$1,447,135	\$0	\$0	\$146,254	\$1,593,388	1.3	0.0	0.0	0.1	1.4
Core Fixed Income	\$153,111,250	\$1,645,201	\$0	\$0	\$77,327	\$1,722,527	1.4	0.0	0.0	0.1	1.5
Private Equity	\$442,253	\$570,074	\$0	\$156,513	\$1,466	\$728,052	0.0	0.0	0.1	0.0	0.6

^{*} Performance fees can be negative due to the clawback of incentive fees

By Investment Style	<u>Fees</u>
Large Cap Value	\$1,616,406
Small Cap Value	\$3,650,003
Large Cap Growth	\$1,963,585
Core Equity	\$9,257,271
Short-Term Government Credit	\$871,121
Immunization	\$804,176
Value Added Real Estate	\$9,622,173
Core Real Estate	\$2,090,230
Private Credit	\$13,186,467
Infrastructure	\$4,063,038
Risk Parity	\$4,044,222
US Treasury	\$87,004
Cash	\$750
Real Estate Debt	\$1,081,859
Small Cap Growth	\$1,593,388
Core Fixed Income	\$1,722,527
Private Equity	\$728,052



Stanislaus County Employees' Retirement Association - Investment Fee Summary



7/1/2015 thru 12/31/2020

_			Fee	s in Dollars				Fees in Annua	lized Bas	is Points	
Count <u>Manager Name</u>	Average AUM	Management	<u>Performance</u>	<u>Other</u>	Custodial	<u>Total</u>	Management	<u>Performance</u>	<u>Other</u>	Custodial	<u>Total</u>
1 Dodge Cox Equity	\$128,744,969	\$1,441,024	\$0	\$0	\$64,687	\$1,505,711	20.3	0.0	0.0	0.9	21.3
2 PIMCO	\$91,701,084	\$786,156	\$0	\$0	\$29,688	\$815,843	39.5	0.0	0.0	1.5	41.0
3 Bernzott	\$12,240,000	\$463,021	\$0	\$0	\$31,053	\$494,074	66.8	0.0	0.0	4.5	71.3
4 Eudaimonia	\$7,168,065	\$96,579	\$0	\$0	\$35,607	\$132,186	124.3	0.0	0.0	45.8	170.1
5 Jackson Square	\$106,491,951	\$1,770,447	\$0	\$0	\$36,909	\$1,807,355	62.4	0.0	0.0	1.3	63.7
6 LSV	\$220,460,122	\$3,011,899	\$971,617	\$0	\$632,556	\$4,616,072	24.8	8.0	0.0	5.2	38.0
7 Dodge Cox Fixed Income	\$296,876,711	\$859,045	\$0	\$0	\$47,639	\$906,684	13.3	0.0	0.0	0.7	14.1
8 Fidelity	\$223,979,640	\$3,086,325	\$1,055,121	\$0	\$357,448	\$4,498,894	25.0	8.6	0.0	2.9	36.5
9 Blackrock Value	\$87,662,606	\$95,829	\$0	\$0	\$14,865	\$110,694	2.0	0.0	0.0	0.3	2.3
10 Blackrock Growth	\$128,877,863	\$141,546	\$0	\$0	\$14,683	\$156,230	2.0	0.0	0.0	0.2	2.2
11 Raven Asset-Based Opportunity Fund I L.P.	\$15,421,147	\$1,389,816	\$0	\$1,233,038	\$12,767	\$2,635,621	163.8	0.0	145.3	1.5	310.6
12 BNYM S&P	\$79,581,396	\$59,846	\$0	\$0	\$6,669	\$66,515	3.5	0.0	0.0	0.4	3.9
13 White Oak Pinnacle Fund L.P.	\$31,186,301	\$2,541,010	\$0	\$67,609	\$12,606	\$2,621,225	148.1	0.0	3.9	0.7	152.7
14 Medley Opportunity Fund II L.P.	\$19,328,058	\$1,087,813	-\$826,564	\$743,402	\$12,267	\$1,016,918	102.3	-77.7	69.9	1.2	95.6
15 Blackrock US Real Estate	\$45,712,720	\$222,239	\$0	\$0	\$14,016	\$236,255	8.8	0.0	0.0	0.6	9.4
16 Greenfield GAP VII Management Fund, L.L.C	\$12,102,802	\$1,198,653	\$1,156,982	\$138,258	\$12,050	\$2,505,943	180.0	173.7	20.8	1.8	376.3
17 AMI	\$17,891,910	\$325,296	\$0	\$0	\$14,822	\$340,118	83.8	0.0	0.0	3.8	87.7
18 CastleArk	\$11,481,333	\$206,257	\$0	\$0	\$39,245	\$245,502	107.9	0.0	0.0	20.5	128.5
19 Lee Munder	\$12,290,267	\$220,762	\$0	\$0	\$35,945	\$256,707	107.9	0.0	0.0	17.6	125.5
20 Rice Hall	\$21,989,996	\$398,084	\$0	\$0	\$16,696	\$414,780	83.5	0.0	0.0	3.5	87.0
21 Channing	\$18,661,314	\$706,952	\$0	\$0	\$57,907	\$764,859	68.8	0.0	0.0	5.6	74.5
22 Inview	\$18,350,373	\$689,428	\$0	\$0	\$30,563	\$719,991	68.3	0.0	0.0	3.0	71.3
23 Keeley	\$10,978,247	\$415,787	\$0	\$0	\$31,427	\$447,214	66.9	0.0	0.0	5.1	71.9
24 Pacific Ridge	\$15,430,962	\$696,752	\$0	\$0	\$46,773	\$743,524	82.1	0.0	0.0	5.5	87.6
25 Walthausen	\$11,564,965	\$437,301	\$0	\$0	\$43,040	\$480,341	68.7	0.0	0.0	6.8	75.5
26 Morgan Stanley Prime Property Fund, L.L.C	\$36,483,679	\$1,515,091	\$327,262	\$0	\$11,624	\$1,853,976	81.7	17.6	0.0	0.6	100.0
27 American Realty Advisors Fund	\$37,464,832	\$2,455,197	\$179,764	-\$212,819	\$12,313	\$2,434,455	119.1	8.7	-10.3	0.6	118.1
28 North Haven Infrastructure II GP LP	\$27,324,007	\$3,293,141	\$0	\$757,257	\$12,640	\$4,063,038	219.0	0.0	50.4	0.8	270.2
29 Raven Asset-Based Opportunity Fund III L.P.	\$25,946,523	\$4,160,411	\$0	\$1,761,303	\$11,749	\$5,933,463	300.6	0.0	127.3	0.8	428.8
30 Insight Investment	\$179,548,824	\$770,392	\$0	\$0	\$33,784	\$804,176	12.3	0.0	0.0	0.5	12.8
31 Dimensional Fund Advisors	\$216,085,438	\$833,427	\$0	\$0	\$37,694	\$871,121	11.3	0.0	0.0	0.5	11.8
32 Essex	\$13,775,561	\$77,144	\$0	\$0	\$519	\$77,664	111.8	0.0	0.0	0.8	112.5
33 Redwood	\$15,823,940	\$123,012	\$0	\$0	\$3,420	\$126,432	155.2	0.0	0.0	4.3	159.5
34 Northern Trust Cash Account	\$20,155,977	\$0	\$0	\$0	\$750	\$750	0.0	0.0	0.0	0.1	0.1
35 Northern Trust Long Term Bond Fund	\$16,807,599	\$23,077	\$0	\$0	\$0	\$23,077	3.9	0.0	0.0	0.0	3.9
36 Northern Trust Intermediate Term Bond Fund	\$45,654,499	\$63,926	\$0	\$0	\$0	\$63,926	4.0	0.0	0.0	0.0	4.0
37 Northern Trust Russell 1000 Fund	\$138,105,067	\$30,438	\$0	\$0	\$0	\$30,438	1.7	0.0	0.0	0.0	1.7
38 PanAgora Diversified Risk Multi-Asset Fund, Ltd.	\$150,286,246	\$1,622,297	\$0	\$375,493	\$8,299	\$2,006,089	35.0	0.0	8.1	0.2	43.3
39 PGIM Real Estate U.S. Debt Fund, L.P.	\$55,109,238	\$1,076,127	\$0	\$0	\$5,732	\$1,081,859	83.7	0.0	0.0	0.4	84.2
40 AQR Capital Management	\$152,394,213	\$1,529,487	\$0	\$501,345	\$7,300	\$2,038,132	35.4	0.0	11.6	0.2	47.2
41 Grandview Partners I, L.P.	\$18,455,923	\$2,193,144	\$1,790,973	\$691,851	\$5,807	\$4,681,775	431.9	352.7	136.2	1.1	921.9
42 Northern Trust Russell 3000 Fund	\$134,771,391	\$45,352	\$0	\$0	\$0	\$45,352	1.6	0.0	0.0	0.0	1.6
43 Owl Rock First Lien Fund	\$5,385,085	\$258,593	\$0	\$718,107	\$2,540	\$979,240	442.9	0.0	1230.0	4.4	1677.2
44 Insight Partners XI	\$4,176,598	\$282,186	\$0	\$79,373	\$1,466	\$363,024	N/A	N/A	N/A	N/A	N/A
45 Vista Foundation Fund IV	-\$52,501	\$243,956	\$0	\$26,636	\$0	\$270,592	N/A	N/A	N/A	N/A	N/A
46 Clayton, Dubilier, Rice Fund XI (CD&R XI)	-\$94,436	\$43,932	\$0	\$50,504	\$0	\$94,436	N/A	N/A	N/A	N/A	N/A



StanCERA Value Added Report

10/1/2020 through 12/31/2020

									Pri	imary Benchmark	Sec	ondary Benchmark			Val	ue Added Primary	Valu	ie Added Secondary
Manager	Δ	verage AUM	Ma	nager Returns	Ma	anager Fees	Cust	odial Fees		Returns		Returns	В	enchmark Fees*		Benchmark		Benchmark
Dodge Cox Equity	\$	89,730,749	\$	17,657,237	\$	(54,695)	\$	(2,682)	\$	14,583,803		None	\$	(5,589)	\$	3,021,647	\$	3,021,647
Bernzott	\$	12,400,246	\$	2,986,699	\$	(23,210)	\$	(1,903)	\$	4,137,019		None	\$	(7,415)	\$	(1,168,018)	\$	(1,168,018)
Dimensional Fund Advisors	\$	188,843,356	\$	579,054	\$	(53,754)	\$	(2,515)	\$	1,071,875		None	\$	(23,525)	\$	(525,566)	\$	(525,566)
LSV	\$	249,186,495	\$	46,780,853	\$	(159,144)	\$	(30,768)	\$	48,305,034	\$	42,555,802	\$	(192,459)	\$	(1,521,634)	\$	4,227,598
Fidelity	\$	286,985,514	\$	52,860,886	\$	(309,145)	\$	(17,032)	\$	49,011,077		None	\$	(221,653)	\$	3,745,284	\$	3,745,284
Channing	\$	16,436,141	\$	5,730,200	\$	(31,151)	\$	(3,095)	\$	5,483,490		None	\$	(9,828)	\$	222,292	\$	222,292
Inview	\$	14,108,048	\$	5,250,999	\$	(26,829)	\$	(1,271)	\$	4,706,782		None	\$	(8,436)	\$	524,553	\$	524,553
Keeley	\$	9,672,355	\$	3,325,663	\$	(18,324)	\$	(1,564)	\$	3,226,929		None	\$	(5,784)	\$	84,630	\$	84,630
Pacific Ridge	\$	13,414,589	\$	4,042,431	\$	(30,403)	\$	(1,570)	\$	4,394,868		None	\$	(8,021)	\$	(376,388)	\$	(376,388)
Walthausen	\$	9,746,521	\$	2,549,900	\$	(18,294)	\$	(1,887)	\$	3,251,673		None	\$	(5,828)	\$	(716,126)	\$	(716,126)
Totals	\$	890,524,014	\$	141,763,923	\$	(724,948)	\$	(64,286)	\$	138,172,550	\$	42,555,802	\$	(488,536)	\$	3,290,674	\$	9,039,906

^{*} Benchmark fees are approximated based on a hypothetical investment in a passive fund/ETF



Cash Flow Report

July 2020 through Dec 2020

Beginning Cash Balance*	\$24,374,444
Cash Flow In	
Cash Draw From Managers	\$12,223,252
Employer Contributions	\$49,077,184
Employee Contributions	\$15,343,514
Employee Redeposits	\$90,522
Rental Income	\$44,110
Commission Recapture	\$3,158
W/O Cancelled checks	\$13,555
Total Cash Flow In	\$76,795,295
Cash Flow Out	Á72 762 204
Retiree Payroll	\$72,762,281
StanCERA Payroll	\$1,035,739
StanCERA Operations Expense	\$403,439
Fixed Asset Purchases Refunds	\$997,698
	\$960,788 \$46,132
Death Benefits - Salary Based Burial Allowance	\$245,000
Death Benefits - Lump Sum	\$134,622
Investment Consulting Fees	\$113,687
Actuarial Fees	\$63,751
Custodial Fees	\$317,439
Investment Management Fees	\$17,167
Audit Fees	\$43,100
Legal Fees	\$317,358
Total Cash Flow Out	\$77,458,201
	<i>Ţ,</i> 130,201
Ending Cash Balance	\$23,711,538
Change in Cash Balance	-\$662,906



April 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

I. SUBJECT: Executive Director Goals Quarter 1 2021

II. ITEM NUMBER: 6.h.

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: None

V. ANALYSIS: This is the Quarter 1 Executive Director Goals update for 2021. Staff has made great progress towards the completion of its goals for 2021. In fact, everything is essentially ahead of schedule and the only goal that has yet to be worked on this year has to do with the development of a formalized Operational Risk Management Plan. However, while most of this Objective was completed in 2020, there is still some work left. Additionally, the development of the Organizational Communications and Staff Support position has not been started, however, staff is planning on meeting with the SPOT (Strategic Planning and Organizational Transition) Committee this quarter to get some guidance.

This quarter's work has been focused mainly on the new Pension Administration System and document management surrounding the rebranding of StanCERA. On the investment side, work continues to progress with the documentation of all StanCERA Investment processes and management of the portfolio transition and initiation of the Private Market investments.

As of today, staff sees no issues with the completion of its 2021 goals and strategic objectives.

VI. RISK: NONE

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



StanCERA Strategic Goals Quarter 1 2021 (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
 - County officials regarding the recent actuarial valuation and projected employer rates
 - County, Courts and City of Ceres regarding pension system administration
 - Ceres constituents/officials regarding pension costs and unfunded liability
 - Multiple communications with 1937 Act CEOs regarding the Alameda Decision and return to work discussions
- 2. Maintenance of StanCERA's asset allocation targets
 - Asset allocation targets up to date. Note that the portfolio is in the midst of an allocation change, however, we are up to date with respect to the timing
- 3. Continued progress on the System data clean-up project
 - Audits are approximately 80% complete as of April 8th. Service purchase requests and retirement estimates have priority in terms of audit completion
- 4. Director Professional Development
 - None
- Oversee Information Technology Solutions Project
 - Project is progressing as anticipated
- 6. Oversee and completion of day to day administrative functions
 - All administrative functions are current. Note that the StanCERA newsletter has resumed production. Outstanding disabilities stand at 15 as of April 8th.
- 7. Oversee and monitor the transition of the StanCERA portfolio to the new targets
 - Transition is progressing as expected
- 8. Complete implementation of the Alameda Decision
 - All affected retiree benefits have been adjusted
 - Staff expects to refund active and deferred member contributions by the end of the 3rd quarter. Note that the automated process to accomplish this mass refund process is currently being built into our new system

Items Tied to the Strategic Plan

Strategic Objective #1

Develop an Organizational Structure reflective of our operational capabilities and succession planning needs

Strategic Plan Objective #1, Deliverables



Executive Director Goals

2021

- 1. Develop the Job Description for the Organizational Support/Communications Manager position by StanCERA leadership
- 2. Hiring and onboarding of Organizational Support/Communications Manager (Late 2021-Early 2022)

Strategic Objective # 2

Successful implementation/completion of the Pension Administration System (PAS)

Strategic Plan Objective #2, Deliverables

- Strive to unlock the full value inherent in the PAS for both internal and external constituents
 - ✓ Consider mid-career retirement seminars
- Rebrand and market StanCERA
 - ✓ Revamp all forms, documents and templates using StanCERA's new logo
 - > 85% Complete
 - ✓ Replace all items/documents using StanCERA's old mission and vision statements with new statements
 - > 95% Complete
 - ✓ Resume all quarterly newsletter publication
 - > Spring newsletter ready for mailing
 - ✓ Consider modern, aesthetic changes to StanCERA's office
 - Architectural design currently underway; staff to review as soon as complete

Strategic Objective #3

Development and implementation of a formalized succession plan for StanCERA

Strategic Plan Objective #3 Deliverables

- Foster and promote a professional organization and strong leadership team. Create a Committee comprised of at least 2 trustees, the Fiscal and Member & Employer Services Managers and the Executive Director. This committee will:
 - ✓ research and recommend strategies on the type of Organization StanCERA wishes
 to become as it grows over the next several years
 - ✓ be tasked with building a leadership program that will foster StanCERA's leadership qualities in staff who may choose to become future leaders
 - SPOT Committee formed (Strategic Planning and Organizational Transition). Next step will be for staff to meet to decide what the specific goals are for this Committee and then meet with the Committee members

Strategic Objective #4

Development of a formalized Operational Risk Management Plan







Strategic Plan Objective #4 Deliverables

- 1. Identify the risks within the organization and determine the type of risk, the level of the risk, cause of the risk, effect of the risk and the controls in place regarding the risk
- 2. Communicate and inform StanCERA staff of their risk responsibilities and any controls that are associated with their activities

Strategic Objective # 5

Process documentation and standardization of the Investment Governance Process

Strategic Plan Objective #5 Deliverables

- Create an investment governance process manual. Tasks with high operational importance and greater frequency will take priority and will be completed during 2021 with the remainder being completed in 2022
 - ✓ Processes to be documented in 2021
 - ➤ Capital calls in process
 - >Trade order and web cash approvals
 - >Trade order and web cash initiations
 - ➤ Portfolio target monitoring
 - ➤ Alternative manager database upload
 - Alternative manager reporting process
 - Fund performance, ending balance, and benchmark returns database upload in process
 - Fund cash balance database upload in process
 - ➤ Manager fee database entry
 - ➤ Custody fee database upload
 - Liquidity sub-portfolio: cash shortfall forecasting
 - Liquidity sub-portfolio: reconciliation and reporting

MONTHLY PERFORMANCE REPORT

Stanislaus County ERA

March 31, 2021



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

TOTAL FUND ASSET ALLOCATION VS. POLICY

Policy	Current
7.0%	5.5%
16.0%	17.3%
3.5%	4.0%
23.0%	24.6%
6.0%	6.8%
5.0%	4.0%
2.0%	4.0% 1.4%
6.0%	6.7%
4.5%	3.4%
13.0%	13.6%
5.0%	4.4%
8.0%	7.4%

	Asset Allocation	vs. Target			
	Current	Policy	Current	Policy Range	Within Range
Cash	\$19,729,156	1.0%	0.8%	0.0% - 4.0%	Yes
Cashflow-Matched Bonds	\$141,054,637	7.0%	5.5%	3.0% - 9.0%	Yes
US Large Equity	\$443,994,703	16.0%	17.3%	12.0% - 20.0%	Yes
US Small Equity	\$103,891,856	3.5%	4.0%	0.0% - 7.0%	Yes
International Equity	\$631,419,591	23.0%	24.6%	14.0% - 32.0%	Yes
Core Real Estate	\$175,781,798	6.0%	6.8%	0.0% - 11.0%	Yes
Value-Add Real Estate	\$102,286,655	5.0%	4.0%	0.0% - 10.0%	Yes
Infrastructure	\$36,462,128	2.0%	1.4%	0.0% - 5.0%	Yes
Private Equity	\$172,265,680	6.0%	6.7%	0.0% - 11.0%	Yes
Private Credit	\$87,612,931	4.5%	3.4%	0.0% - 10.0%	Yes
Risk Parity	\$349,815,764	13.0%	13.6%	8.0% - 18.0%	Yes
US Treasury Bonds	\$114,084,994	5.0%	4.4%	2.0% - 8.0%	Yes
Short-Term Bonds	\$188,818,210	8.0%	7.4%	0.0% - 9.0%	Yes
Total	\$2,567,218,101	100.0%	100.0%		

⁻ The Private Equity allocation includes the Private Equity Proxy account value.



TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	2,567,218,101	100.0	1.9	3.4	18.5	30.8	8.5	9.6	8.1	9.1	Jan-95
Policy Index			1.1	2.5	17.6	30.7	8.9	9.5	8.1	8.3	Jan-95
Liquidity Sub-Portfolio	160,783,793	6.3	-0.3	-0.6	1.2	8.5	5.0	3.1			Apr-11
StanCERA Liquidity Blended BM			-0.9	-1.9	0.6	6.8	4.7	3.0	2.0	2.0	Apr-11
Cash	19,729,156	0.8	0.1	0.4	1.0	1.3	1.6	1.4			Apr-11
FTSE T-Bill 1 Month TR			0.0	0.0	0.1	0.1	1.4	1.1	0.6	0.6	Apr-11
Cashflow-Matched Bonds	141,054,637	5.5	-0.3	-0.7	1.2	9.0	5.4			4.2	Jun-17
BBgBarc US Govt/Credit Int TR			-0.8	-1.9	-0.8	2.0	4.4	2.8	2.9	3.3	Jun-17
Insight	141,054,637	5.5	-0.3	-0.7	1.2	9.0	5.4	-		4.2	Jun-17
BBgBarc US Govt/Credit Int TR			-0.8	-1.9	-0.8	2.0	4.4	2.8	2.9	3.3	Jun-17
Growth Sub-Portfolio	1,753,715,340	68.3	2.9	5.9	25.4	40.7	10.0	11.8	9.7	8.5	Dec-03
StanCERA Growth Blended BM			1.6	3.3	22.1	37.9	10.0	11.2	-		Dec-03
US Equities	547,886,558	21.3	4.1	8.8	38.0	69.2	15.4	16.0	13.1	10.3	Dec-03
Russell 3000			3.6	6.3	33.2	62.5	17.1	16.6	13.8	10.1	Dec-03
US Large Equity	443,994,703	17.3	3.7	6.6	33.5	63.5	17.2	17.1	14.1	13.1	Dec-94
Russell 1000			3.8	5.9	31.8	60.6	17.3	16.7	14.0	10.9	Dec-94
BlackRock Russell 1000 Growth	224,064,801	8.7	1.7	0.9	27.3	62.7	22.8	21.1	16.7	18.0	Jul-10
Russell 1000 Growth			1.7	0.9	27.3	62.7	22.8	21.0	16.6	18.0	Jul-10
BlackRock Russell 1000 Value	105,103,704	4.1	5.9	11.3	36.6	56.2	11.1	11.8	11.1	12.7	Jul-09
Russell 1000 Value			5.9	11.3	36.6	56.1	11.0	11.7	11.0	12.6	Jul-09
Dodge & Cox-Equity	114,826,198	4.5	5.9	15.5	44.7	72.0	12.8	15.1	12.7	12.3	Dec-94
Russell 1000 Value			5.9	11.3	36.6	56.1	11.0	11.7	11.0	10.1	Dec-94
US Small Equity	103,891,856	4.0	5.4	19.3	62.4	100.2	9.8	12.3	9.9	13.3	Dec-08
Russell 2000			1.0	12.7	55.4	94.8	14.8	16.4	11.7	14.5	Dec-08
Attucks Small Cap	103,891,856	4.0	5.4	19.3	62.4	100.2	9.8	13.3	10.4	13.6	Dec-08
Russell 2000 Value			5.2	21.2	65.7	97.1	11.6	13.6	10.1	12.4	Dec-08
International Equity	631,419,591	24.6	3.0	6.3	32.8	55.2	6.3	10.1	5.6	7.0	Sep-04
MSCI ACWI ex USA			1.3	3.5	28.7	49.4	6.5	9.8	4.9	6.5	Sep-04
LSV Int'l Large Cap Value	301,223,654	11.7	3.9	8.8	32.0	51.3	3.3	8.8	4.8	6.4	Sep-04
MSCI ACWI ex USA			1.3	3.5	28.7	49.4	6.5	9.8	4.9	6.5	Sep-04
Fidelity Int'l Growth	330,195,937	12.9	2.2	4.1	33.4	59.0	9.2	11.1	6.2	5.1	Apr-06
MSCI ACWI ex USA			1.3	3.5	28.7	49.4	6.5	9.8	4.9	4.2	Apr-06



TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Real Estate	175,781,798	6.8	2.5	3.3	7.4	8.1	6.9	4.4	3.9	2.4	Mar-08
NCREIF Property Index			0.0	0.0	1.9	0.9	4.3	5.4	8.6	5.7	Mar-08
Prime Property Fund	60,823,122	2.4	1.9	1.9	4.5	2.6	5.1	6.6		7.0	Sep-15
NCREIF ODCE			2.1	2.1	3.9	2.3	4.9	6.2	9.7	6.7	Sep-15
BlackRock Real Estate Securities	53,799,248	2.1	4.6	10.0	25.1	36.5	7.5	3.9		7.2	Sep-12
DJ US Select RESI TR USD			4.6	10.0	25.2	36.7	7.6	3.9	7.8	7.3	Sep-12
PGIM Real Estate US Debt Fund	61,159,428	2.4	1.4	1.4	4.0	4.9		-		5.3	Sep-18
BBgBarc US CMBS Investment Grade			-1.1	-2.1	1.0	4.9	5.3	3.6	4.1	5.7	Sep-18
Value-Add Real Estate	102,286,655	4.0	0.0	0.0	7.0	6.3	9.6	10.3		10.3	Jul-14
NCREIF Property Index +2%			0.2	0.5	3.4	2.9	6.4	7.5	10.8	9.4	Jul-14
American Strategic Value Realty	69,366,282	2.7	0.0	0.0	1.6	1.3	5.9	7.7		9.6	Dec-14
NCREIF Property Index			0.0	0.0	1.9	0.9	4.3	5.4	8.6	6.8	Dec-14
Greenfield Acquisition Partners VII	7,277,510	0.3	0.0	0.0	13.1	7.9	12.2	12.6		11.9	Jul-14
NCREIF-ODCE +1%			2.2	2.3	4.7	3.3	5.9	7.2	10.8	9.3	Jul-14
Greenfield Acquisition Partners VIII	25,642,863	1.0	0.0	0.0	20.8	21.1	21.9			21.9	Apr-18
NCREIF-ODCE +1%			2.2	2.3	4.7	3.3	5.9	7.2	10.8	5.9	Apr-18
Infrastructure	36,462,128	1.4	0.0	0.0	0.2	-1.8	7.4	8.8		6.5	May-15
CPI + 5% (Unadjusted)			1.1	2.9	6.6	7.7	7.1	7.2	6.8	7.0	May-15
MS Infrastructure Partners II	36,462,128	1.4	0.0	0.0	0.2	-1.8	7.4	8.8		6.4	May-15
CPI + 5% (Unadjusted)			1.1	2.9	6.6	7.7	7.1	7.2	6.8	7.0	May-15
Private Equity	172,265,680	6.7	3.3	6.0	32.4	61.3		-			
Russell 3000 + 3%			3.8	7.1	36.1	67.2	20.6	20.1	17.2		
Private Equity	16,917,647	0.7	0.0	0.0	11.8	11.8	-	-		11.8	Apr-20
Russell 3000 + 3%			3.8	7.1	36.1	67.2	20.6	20.1	17.2	67.2	Apr-20
Private Equity Proxy	155,348,032	6.1	3.6	6.4	33.2	62.5	19.2	17.6	14.5	10.5	Nov-03
Russell 3000			3.6	6.3	33.2	62.5	17.1	16.6	13.8	10.3	Nov-03
Private Credit	87,612,931	3.4	0.0	0.0	-4.4	-9.0	-2.8	-0.8		1.6	May-13
S&P/LSTA Leveraged Loan Index +2%			0.2	2.3	11.7	23.1	6.2	7.4	6.3	6.0	<i>May-13</i>



TOTAL FUND NET PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk-Diversifying Sub-Portfolio	652,718,968	25.4	0.0	-1.9	-1.5	0.5	3.5	3.2	3.7	4.7	Nov-03
StanCERA Risk-Diversifying Blended BM			-0.7	-1.6	-1.6	-0.5	3.6	2.1	2.2		Nov-03
Risk Parity	349,815,764	13.6	0.5	-1.6	11.3	19.4	7.6	-		6.6	Nov-17
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			0.8	0.9	17.8	32.7	8.6	9.1	6.6	8.1	Nov-17
AQR Global Risk Premium - EL	172,175,848	6.7	0.5	-0.9	10.5	16.2	6.9			6.9	Apr-18
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			0.8	0.9	17.8	32.7	8.6	9.1	6.6	8.6	Apr-18
PanAgora Risk Parity Multi Asset	177,639,916	6.9	0.6	-2.3	12.2	22.7	8.3			7.3	Nov-17
60% MSCI ACWI (Net)/ 40% BBgBarc Global Agg			0.8	0.9	17.8	32.7	8.6	9.1	6.6	8.1	Nov-17
US Treasury Bonds	114,084,994	4.4	-1.6	-5.6	-6.4	-6.3	4.1	3.7	4.0	4.8	Nov-03
BBgBarc US Treasury 7-10 Yr TR			-2.4	-5.7	-6.7	-5.9	5.0	2.4	4.0		Nov-03
Northern Trust Intermediate Gov't Bond	79,655,409	3.1	-0.5	-1.8	-1.8	-1.4	3.7	-		2.7	Jul-17
BBgBarc US Govt Int TR			-0.7	-1.7	-1.7	-1.2	3.8	2.1	2.3	2.7	Jul-17
Northern Trust Long Term Gov't Bond	34,429,585	1.3	-4.0	-13.7	-16.2	-16.7	5.7			4.7	Jul-17
BBgBarc US Govt Long TR			-5.0	-13.4	-15.8	-15.6	5.8	3.2	6.3	4.8	Jul-17
Short-Term Bonds	188,818,210	7.4	-0.2	-0.3	0.6	3.3	3.4	-		2.5	Jul-17
BBgBarc US Govt/Credit 1-3 Yr. TR			0.0	0.0	0.4	1.6	3.0	2.0	1.6	2.4	Jul-17
DFA	188,818,210	7.4	-0.2	-0.3	0.6	3.3	3.4			2.5	Jul-17
BBgBarc US Govt/Credit 1-3 Yr. TR			0.0	0.0	0.4	1.6	3.0	2.0	1.6	2.4	Jul-17

⁻ PanAgora Risk Parity Multi Asset is preliminary as of 03/31/2021.



NOTES

- All performance is shown net of investment management fees.
- Performance history is provided by Verus through June 2020. As of July 1, 2020 performance is calculated and reported by NEPC. Policy Index History:
- Policy Index makeup history:
 - Inception 6/30/2017: 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4% Russell 2000 Value, 3.7% Russell 2000 Growth, 18% MSCI ACWI ex USA Gross, 29.8% BBgBarc US Aggregate TR, 3.5% DJ US Select RESI TR USD, 7.5% 9% Annual, 3% CPI + 4%
 - **7/1/2017 8/31/2018**: 18.5% Russell 1000, 5.5% Russell 2000, 24% MSCI ACWI ex USA Gross, 19% BBgBarc US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3%BBgBarc US Treasury 7-10 Yr TR, 7.7% NCREIF Property Index, 1.7% NCREIF Property Index +2%, 0.6% CPI + 5%, 5% BBgBarc US High Yield + 2%, 14% 60% MSCI ACWI Net/40% BBgBarc Global Aggregate
 - 9/1/2018 5/30/2019: 10% Russell 1000, 3% Russell 2000, 6% Russell 3000 +3%, 27% MSCI ACWI ex USA Gross, 20% BBgBarc US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% BBgBarc US Treasury 7-10 Yr TR, 5% NCREIF Property Index, 5% NCREIF Property Index +2%, 1% CPI + 5%, 6% S&P/LSTA Leveraged Loan Index+2%, 13% 60% MSCI ACWI Net/40% BBgBarc Global Aggregate
 - 6/1/2019 6/30/2020: 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate
 - **7/1/2020 12/31/2020**: 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% BBgBarc US Treasury 7-10 Yr, 5% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 6% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate, 11% BBgBarc US Intermediate.
 - 1/1/2021 Present: 16% Russell 1000, 3.5% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% BBgBarc US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 5% BBgBarc US Treasury 7-10 Yr, 6% NCREIF Property, 5% NCREIF Property +2%, 2% CPI +5%, 4.5% S&P/LSTA Leveraged Loan Index + 2%, 13% 60% MSCI ACWI / 40%BBgBarc Global Aggregate, 7% BBgBarc US Intermediate.
- Starting July 1, 2020, the small Capital Prospects transition cash balance is moved from the Cash composite to the Capital Prospects account. Historical performance for Capital Prospects, US Small, US Equities, Growth Sub-Portfolio, Cash, and Liquidity Sub-Portfolio prior to July 1, 2020 reflects performance of these composites before this change.
- Private Equity investments are valued one quarter lagged and adjusted for capital calls and distributions between quarter-end months.
- Value-Add Real Estate managers are valued quarterly adjusted for current cashflows.



DISCLAIMERS & DISCLOSURES

- Past performance is no guarantee of future results.
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PERIOD ENDING DECEMBER 31, 2020

Private Equity Review

Stanislaus County Employees' Retirement Association

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Private Credit

					Unfunded	
	Policy Target	Policy Range	Market Value %	Market Value \$(000)	Commitment \$(000)	Market Value + Unfunded \$(000)
StanCERA Plan Assets - Total				\$2,488,818		
Private Credit:	8.0%	0-10%	3.7%	\$91,513	\$13,774	\$105,287
Direct Lending	5.0%	0-6%	100.0%	\$91,513	\$13,774	\$105,287
Special Situations	3.0%	0-4%	0.0%	\$0	\$0	\$0

Portfolio Summary

- As of December 31, 2020, the Private Credit portfolio had a total market value of \$91.5M, with the entirety attributed towards Direct Lending.
 Total exposure of \$105 million is the current reported value of investments, plus the remaining unfunded commitments.
- StanCERA maintains a legacy portfolio of four private credit investments made during 2013-2015, which total \$160 million in commitments and a market value of \$84 million as of 12/31/2020.
- In 2019 StanCERA made a new \$10 million commitment to a direct lending fund which is 74% called with a carrying value of \$7.4 million as of 12/31/2020.

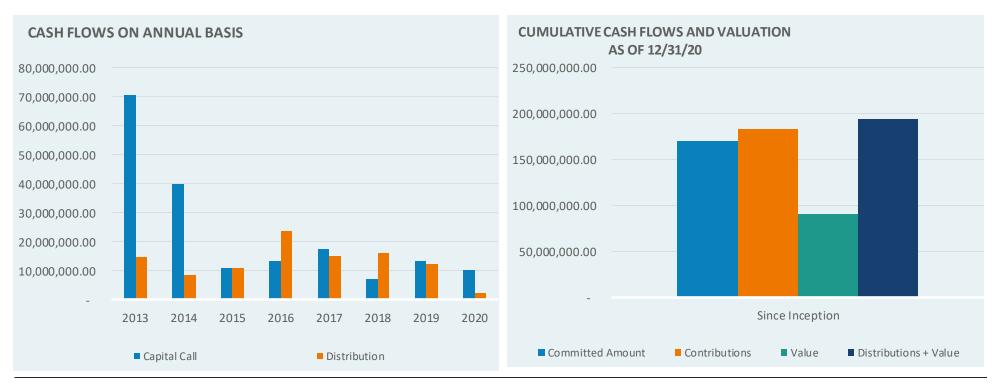
Portfolio Activity

- In 2021, StanCERA has made one commitment:
 - Strategic Value Partners Special Situations Fund V (\$10M)



Performance

- Current Private Credit portfolio is valued at \$91.5M. Capital calls continued Within Private Credit, the current allocation of invested capital is 100% to to outpace distributions by a ratio of 4.18:1.0 in 2020. Portfolio investments have a capital-weighted average life of 5.4 years.
 - Direct Lending.
- Since inception (2013), the portfolio has produced a +2.05% net IRR.
- Together with \$104.3M in realized distributions (0.57x cost), Private Credit's Total Value at \$195.8M is approximately \$24.2M above \$183.3M cost (1.07x cost), net of fees.

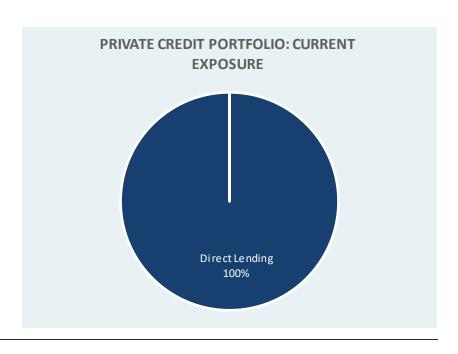




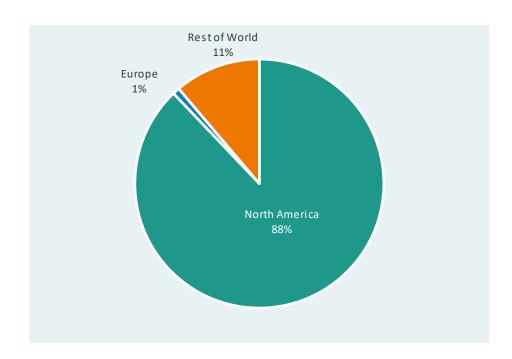
		Current	Current Exposure as
Investment Type	Commitment	Exposure	% of Private Equity
Direct Lending	170,000,000	91,512,736	100.0%
Total Private Credit	170,000,000	91,512,736	100.0%

Current Exposure as

Investment Type	Target Range	Target Exposure	% of Target	Difference
Direct Lending	0%-6%	5.0%	3.7%	-1.3%
Total Private Credit	0%-10%	8.0%	3.7%	-1.3%



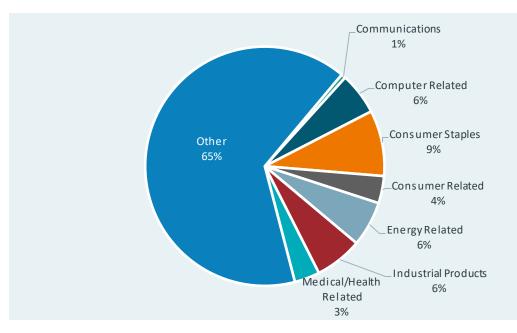
Geography	Current Exposure
North America	74,490,846
Europe	796,764
Asia	0
Rest of World**	9,532,840
Total Private Credit*	84,820,450



Based on the value of private credit portfolio companies as of December 31, 2020, as provided by the partnerships. Differences between reported value and the private credit portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed industry breakdown.

- * Excludes Medly II.
- **Rest of World includes Brazil and Global.

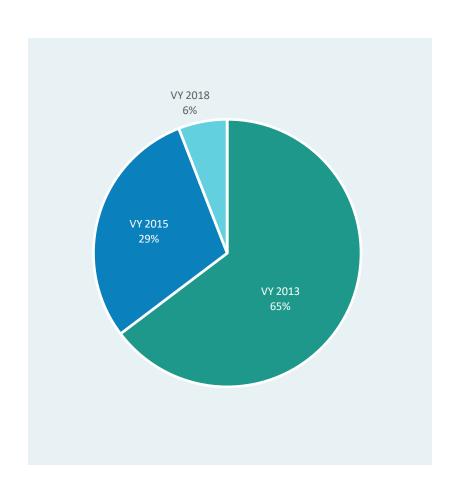
Industry	Current Exposure
Biotechnology	0
Communications	555,445
Computer Related	5,219,310
Consumer Staples	8,135,315
Consumer Related	3,362,938
Energy Related	5,596,078
Industrial Products	5,877,290
Medical/Health Related	3,114,490
Other*	59,651,870
Total Private Credit	91,512,736



Based on the value of private credit portfolio investments as of December 31, 2020, as provided by the partnerships. Differences between reported value and the private credit portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed industry breakdown.

* Other includes Real Estate, Infrastructure, IP, Financials, Transportation, etc.

	Commitment	% of Portfolio	Reported Value
Vintage Year	as of 12/31/20	Commitment	as of 12/31/20
2013	110,000,000	64.7%	36,092,227
2015	50,000,000	29.4%	48,014,572
2018	10,000,000	5.9%	7,405,937
Total Private Credit	170.000.000	100%	91.512.736



Private Equity

					Unfunded	
			Market Value	Market Value	Commitment	Market Value +
	Policy Target	Policy Range	%	\$(000)	\$(000)	Unfunded \$(000)
StanCERA Plan Assets - Total				\$2,488,818		
Private Equity:	5.0%	0-8%	0.4%	\$9,234	\$48,476	\$57,710
Buyouts	3.5%	0-5%	-0.3%	-\$28	\$39,656	\$39,628
Venture Capital / Growth Equity	1.5%	0-3%	100.3%	\$9,262	\$8,820	\$18,082

Portfolio Summary

- As of December 31, 2020, the Private Equity portfolio had a total market value of \$9.2M, with the entirety attributed towards Venture Capital/
 Growth Equity. The total exposure of \$57.7 million is the current reported value of investments plus remaining unfunded commitments.
- StanCERA made its first private equity commitments in 2020, having committed \$55 million across three funds. To date contributed capital equals \$6.5 million to those investments.

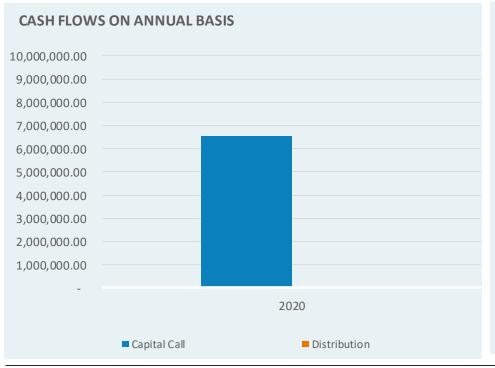
Portfolio Activity

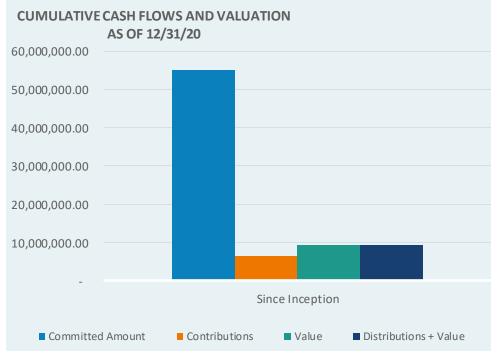
- In 2020, StanCERA made commitments to:
 - Vista Foundation IV (\$20M)
 - CD&R XI (\$20M)
 - Insight Partners Fund XI (\$15M)
- In 2021, StanCERA made commitments to two buyout funds:
 - Gryphon Partners VI (\$20M)
 - Genstar Capital Partners X (\$15M)



Performance

- Current Private Equity portfolio is valued at \$9.2M. Portfolio investments have a capital-weighted average life of 0.4 years.
- Since inception (2020), the portfolio has produced a +142.0% net IRR.
- Together with \$0M in realized distributions (0.00x cost), Private Equity's Total Value at \$9.2M is approximately \$2.7M above \$6.5M cost (1.41x cost), net of fees.
- Within Private Equity, the current allocation of invested capital is 95% to Venture Capital / Growth Equity and 5% to Buyout.





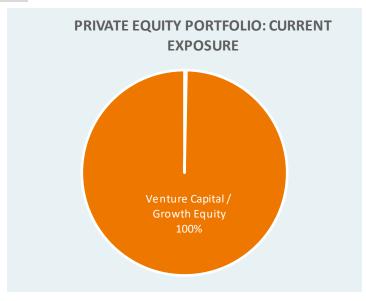


Private Equity Portfolio Diversification

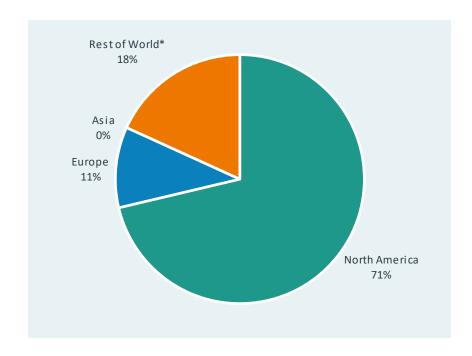
		Current	Current Exposure as
Investment Type	Commitment	Exposure	% of Private Equity
Buyout	40,000,000	(28,108)	-0.3%
Venture Capital / Growth Equity	15,000,000	9,262,121	100.3%
Total Private Equity	55,000,000	9,234,013	100.0%

Current Exposure as

Investment Type	Target Range	Target Exposure	% of Target	Difference
Buyout	0%-5%	3.5%	0.0%	-3.5%
Venture Capital / Growth Equity	0%-3%	1.5%	0.3%	-1.2%
Total Private Equity	0%-8%	5.0%	0.3%	-6.5%



Geography	Current Exposure
North America	6,603,892
Europe	972,523
Asia	0
Rest of World*	1,685,706
Total Private Equity**	9,262,121

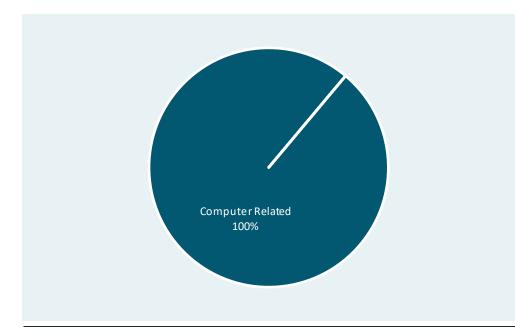


Based on the value of private equity portfolio companies as of December 31, 2020, as provided by the partnerships. Differences between reported value and the private equity portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed industry breakdown.

- * Rest of World includes Australia, Cayman Islands, and Israel.
- **Includes only Insight XI.

Private Equity Portfolio Diversification

Industry	Current Exposure
Biotechnology	0
Communications	0
Computer Related	9,262,121
Consumer Related	0
Energy Related	0
Industrial Products	0
Medical/Health Related	0
Other	0
Other Electronics Related	0
Total Private Equity*	9,262,121

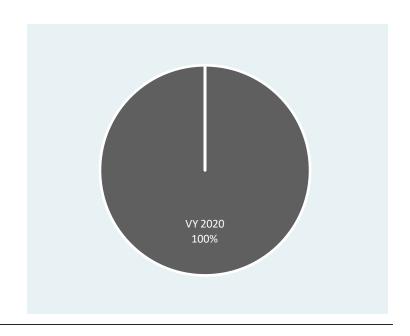


Based on the value of private equity portfolio companies as of December 31, 2020, as provided by the partnerships. Differences between reported value and the private equity portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed industry breakdown.

* Includes only Insight XI.

Private Equity Portfolio Diversification

	Commitment	% of Portfolio	Reported Value
Vintage Year	as of 12/31/20	Commitment	as of 12/31/20
2020	55,000,000	100.0%	9,234,013
Total Private Equity	55,000,000	100%	9,234,013



- In November 2020, the Private Credit target allocation was changed to 8% from 6%, while the Private Equity target allocation was moved down to 5% percent from 6%.
- As of December 31, 2020, the Private Credit Portfolio's market value at 3.7% is below its target allocation of 8.0%.
- As of December 31, 2020, the Private Equity Portfolio's market value at 0.4% is below its target allocation of 5.0%.

Appendix

			Verus Internal	Analysis							
Vintage Year	Manager Name/Fund Name	Market Value as of 12/31/2020	Total Commitment	Capital Called	% Called	Remaining Commitment	Total Distributions	12/31/2020 IRR	9/30/2020 IRR	3/31/2021 Valuation (Adjusted)¹	3/31/2021 IRR (Adjusted) ¹
rivate Cı	redit										
Direct I	_ending – Legacy Investments										
2013	Medley Capital	\$6,692,733	\$30,000,000	\$34,730,130	116%	\$999,547	\$27,227,469	-0.6%	-0.8%	\$5,711,704	-0.6%
2013	Raven Opportunity I	\$4,609,846	\$40,000,000	\$34,505,763	86%	\$5,494,237	\$23,560,780	-6.3%	-6.5%	\$4,609,846	-6.2%
2013	White OakPinnacle	\$24,789,648	\$40,000,000	\$56,714,361	142%	\$4,530,589	\$43,683,947	6.0%	5.6%	\$24,789,648	5.8%
2015	Raven Opportunity III	\$48,014,572	\$50,000,000	\$50,000,000	100%	0	\$9,448,647	5.2%	4.7%	\$48,014,572	4.9%
Direct L	_ending – New Investments										
2018	Owl Rock First Lien Fund	\$7,405,937	\$10,000,000	\$7,391,193	74%	\$2,750,000	\$368,638	6.4%	4.5%	\$7,289,989	5.0%
	Total Private Credit % of Portfolio (Market Value)		\$170,000,000	\$183,341,446	108%	\$13,774,374	\$104,289,481	2.1%	1.6%	\$90,415,759	2.0%
rivate Ec	quity										
Venture	e Capital / Growth Equity	_									
2020	Insight Fund XI	\$9,262,121	\$15,000,000	\$6,190,369	41%	\$8,820,000	\$0	178.3%	95.1%	\$11,062,121	87.5%
Buyout											
2020	Vista Foundation Fund IV	-\$28,108	\$20,000,000	\$343,956	2%	\$19,656,044	\$0	0%	-100.0%	\$1,570,665	-80.2%
2020	CD&R Fund XI	\$0	\$20,000,000	\$0	0%	\$20,000,000	\$0	0%	0%	\$0	09
	Total Private Equity	\$9,234,013	\$55,000,000	\$6,534,3255	12%	\$48,476,044	\$0	142.0%	94.1%	\$12,632,786	61.8%
	% of Portfolio (Market Value)	0.4%									

¹Based on most recent reported valuation, adjusted for Q1 21 cash flows.



	Verus Internal Analysis										
Vintage Year	Manager Name/Fund Name	Market Value as of 12/31/2020	Total Commitment	Capital Called	% Called	Remaining Commitment	Total Distributions	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	IRR Since Inception ³	Latest Valuation
Private C											
Direct L	ending – Legacy Investments										
2013	Medley Capital	\$6,692,733	\$30,000,000	\$34,730,130	116%	\$999,547	\$27,227,469	0.78x	0.98x	-0.6%	12/31/2020
	S&P/LSTA Leveraged Loan Index PME									3.5%	
2013	Raven Opportunity I	\$4,609,846	\$40,000,000	\$34,505,763	86%	\$5,494,237	\$23,560,780	0.68x	0.82x	-6.3%	12/31/2020
	S&P/LSTA Leveraged Loan Index PME									3.7%	
2013	White Oak Pinnacle	\$24,789,648	\$40,000,000	\$56,714,361	142%	\$4,530,589	\$43,683,947	0.77x	1.21x	6.0%	12/31/2020
	S&P/LSTA Leveraged Loan Index PME									3.9%	
2015	Raven Opportunity III	\$48,014,572	\$50,000,000	\$50,000,000	100%	0	\$9,448,647	0.19x	1.15x	5.2%	12/31/2020
	S&P/LSTA Leveraged Loan Index PME									4.5%	
Direct L	ending – Recent Investments										
2018	Owl Rock First Lien Fund	\$7,405,937	\$10,000,000	\$7,391,193	74%	\$2,750,000	\$368,638	0.05x	1.05x	6.4%	12/31/2020
	S&P/LSTA Leveraged Loan Index PME									8.1%	
	Total Private Credit	\$91,512,736	\$170,000,000	\$183,341,446	108%	\$13,774,374	\$104,289,481	0.57x	1.07x	2.1%	
	% of Portfolio (Market Value)	3.7%									
Private E	quity										
Venture	e Capital / Growth Equity										
2020	Insight Fund XI	\$9,262,121	\$15,000,000	\$6,190,369	41%	\$8,820,000	\$0	0.0x	1.50x	178.3%	12/31/2020
	Russell 2000 Total Return Index PME									87.4%	
Buyout											
2020	Vista Foundation Fund IV	-\$28,108	\$20,000,000	\$343,956	2%	\$19,656,044	\$0	0.0x	-0.08x	0%	12/31/2020
	Russell 2000 Total Return Index PME									99.4%	
2020	CD&R Fund XI	\$0	\$20,000,000	\$0	0%	\$20,000,000	\$0	0.0x	0.0x	0%	
	Total Private Equity	\$9,234,013	\$55,000,000	\$6,534,325	12%	\$48,476,044	\$0	0.0x	1.41x	142.0%	
	% of Portfolio (Market Value)	0.4%									
4/D DI) :	al to (socital returned / socital called)										

¹(DPI) is equal to (capital returned / capital called).

Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each funds' IRR figure is provided by its respective manager. Benchmark IRRs are calculated using Long-Nickels ICM Methodology.



²(TVPI) is equal to (market value + capital returned) / capital called.







APRIL 2021

Private Credit and Private Equity Strategic Investment Plan: 2021-2023

Stanislaus County Employees' Retirement Plan

Private Credit



Strategy and Vintage Year Exposure

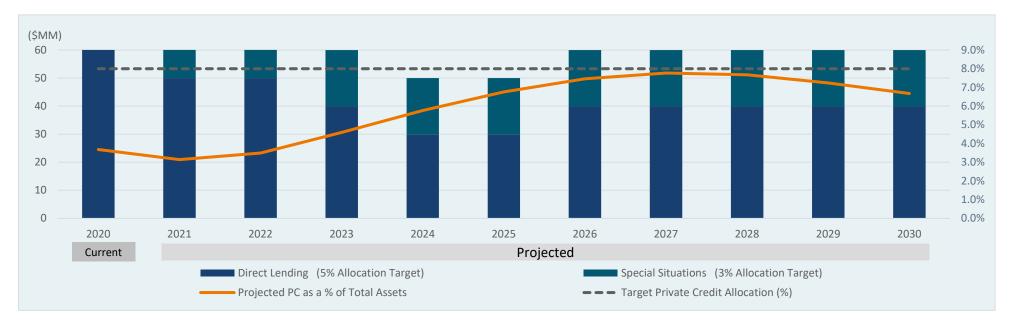
		Current	Unfunded	Current Exposure as
Investment Strategy	Commitment	(NAV)	Capital	% of Private Credit
Direct Lending	170	92	14	100%
Special Situations	0	0	0	0%
Total Private Credit	\$170	\$92	\$14	100%



								Distributions	Total Value
Vintage			Unfunded	Distributed	Net Asset	Total	Percentage	to Paid In	to Paid In
Year	Commitment	Paid In Capital	Capital	Capital	Value	Value	Called	(DPI)	(TVPI)
2013	110	126	11	94	36	131	115%	0.75x	1.04x
2015	50	50	0	9	48	57	100%	0.19x	1.15x
2018	10	7	3	0	7	8	74%	0.05x	1.05x
Total Private Credit	\$170	\$183	\$14	\$104	\$92	\$196	108%	0.57x	1.07x



Projections of Future Commitments

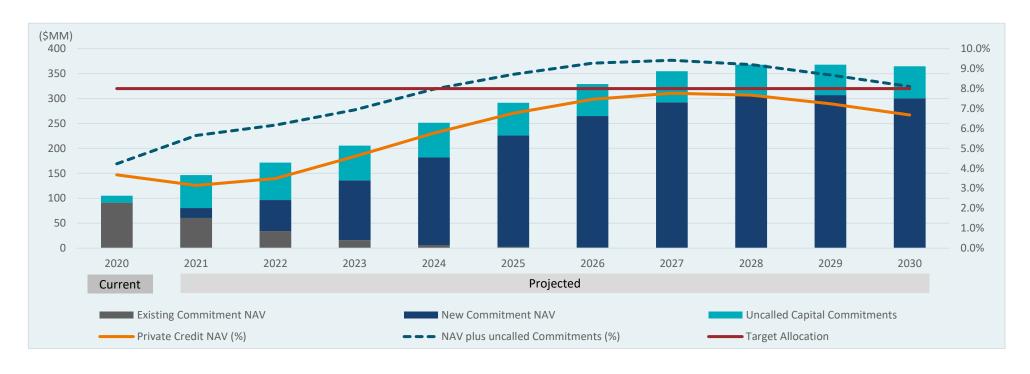


PRIVATE CREDIT PROJECTIONS BY VINTAGE YEAR

(in \$ millions)	Actual	Near	Term Proje	ection			Long-Term Projections					
Annual Commitments	2020*	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Direct Lending (5% Allocation Target)	170	50	50	40	30	30	40	40	40	40	40	
Special Situations (3% Allocation Target)	0	25	25	20	20	20	20	20	20	20	20	
Total	\$170	\$75	\$75	\$60	\$50	\$50	\$60	\$60	\$60	\$60	\$60	
Number of Commitments	5	2	2	2	1-2	1.2	2	2	2	2	2	
Direct Lending Special Situations	0	2	2	2 1-2	1-2	1-2 1-2	2 1-2	2 1-2	2 1-2	1-2	2 1-2	
Total Prvate Equity	5	4	4	3-4	2-4	2-4	2-4	2-4	2-4	2-4	2-4	
Projected PC as a % of Total Assets	3.7%	3.1%	3.5%	4.6%	5.8%	6.8%	7.5%	7.8%	7.7%	7.2%	6.7%	
Target Private Credit Allocation (%)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
* Total commitments to private credit strategies thro	ough December 3	1, 2020.										



Private Credit Exposure



PRIVATE CREDIT EXPOSURE BY YEAR

(in \$ millions)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Private Credit NAV	92	80	97	136	182	226	265	293	307	307	300
Uncalled Capital Commtitments	14	66	75	69	69	65	64	62	61	61	64
PC NAV + Uncalled Commitments	\$105	\$147	\$171	\$206	\$251	\$292	\$329	\$355	\$368	\$368	\$365
Percent of the Total Plan Assets											
Private Credit NAV (%)	3.7%	3.1%	3.5%	4.6%	5.8%	6.8%	7.5%	7.8%	7.7%	7.2%	6.7%
Private Credit Uncalled Capital Commitments (%)	0.6%	2.5%	2.7%	2.3%	2.2%	2.0%	1.8%	1.7%	1.5%	1.4%	1.4%
PC NAV + Uncalled Commitments (%)	4.2%	5.6%	6.2%	6.9%	8.0%	8.7%	9.3%	9.4%	9.2%	8.7%	8.1%
Target Private Credit Allocation	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%



Private Equity



Strategy and Vintage Year Exposure

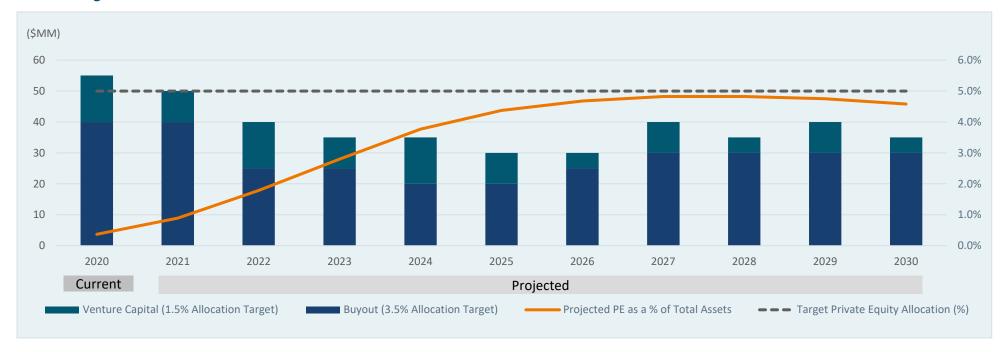
Current **Exposure** Unfunded **Current Exposure as** (NAV) **Capital** Commitment % of Private Equity **Investment Strategy** Buyout 40 0 40 0% Venture Capital 100% 15 9 **Total Private Equity** \$55 \$9 \$48 100%



								Distributions	iotai vaide
Vintage			Unfunded	Distributed	Net Asset	Total	Percentage	to Paid In	to Paid In
Year	Commitment	Paid In Capital	Capital	Capital	Value	Value	Called	(DPI)	(TVPI)
2020	55	7	48	0	9	9	12%	-	1.42x
Total Private Equity	\$55	\$7	\$48	\$0	\$9	\$9	12%	-	1.42x



Projections of Future Commitments



PRIVATE EQUITY PROJECTIONS BY VINTAGE YEAR

(in \$ millions)	Actual	Near-	Term Proje	ctions	Long-Term Projections							
Annual Commitments	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Buyout (3.5% Allocation Target)	40	40	25	25	20	20	25	30	30	30	30	
Venture Capital (1.5% Allocation Target)	15	10	15	10	15	10	5	10	5	10	5	
Total Private Equity	\$55	\$50	\$40	\$35	\$35	\$30	\$30	\$40	\$35	\$40	\$35	
Number of Commitments												
Buyout	2	2	1-2	1-2	1-2	1-2	1-2	1-3	1-3	1-3	1-3	
Venture Capital	1	1-2	1-2	1-2	1-2	1-2	1	1-2	1	1-2	1	
Total Private Equity	3	2-4	2-4	2-4	2-4	2-4	2-3	2-5	2-4	2-5	2-4	
Projected PE as a % of Total Assets	0.4%	0.9%	1.8%	2.8%	3.8%	4.4%	4.7%	4.8%	4.8%	4.8%	4.6%	
Target Private Equity Allocation (%)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	



Private Equity Exposure



PRIVATE EQUITY EXPOSURE BY YEAR

(in \$ millions)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Private Equiy NAV	9	44	112	203	294	370	430	474	499	508	507
Uncalled Capital Commtitments	48	84	97	99	95	91	89	96	98	94	90
PE NAV + Uncalled Commitments	\$58	\$128	\$210	\$302	\$390	\$461	\$519	\$571	\$598	\$602	\$596
Percent of the Total Plan Assets											
Private Equity NAV (%)	0.4%	0.9%	1.8%	2.8%	3.8%	4.4%	4.7%	4.8%	4.8%	4.8%	4.6%
Private Equity Uncalled Capital Commitments (%)	1.9%	3.2%	3.5%	3.3%	3.1%	2.9%	2.6%	2.4%	2.4%	2.3%	2.1%
PE NAV + Uncalled Commitments (%)	2.3%	4.1%	5.3%	6.1%	6.9%	7.2%	7.2%	7.2%	7.2%	7.1%	6.7%



Private Credit & Private Equity Investment Plan: 2021-2023

New Commitments Required to Achieve Target Allocations / Diversification*

Private Credit

Direct Lending: 6 new funds \$140 million

Special Situations: 5-6 new funds \$70 million

Private Equity

Buyout: 4-6 new funds \$90 million

Venture Capital: 3-6 new funds \$35 million

*All projected commitments (number and size) subject to bottom-up evaluation of GPs and market opportunities.

Appendix

Model Assumptions

Portfolio and Fund Data as of 12/31/2020

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(\$ Millions)		Assumptions	
Total Portfolio Assets	\$2,489		
Total Private Credit NAV	92	Private Credit NAV as a percentage of Total Portfolio	3.7
Unfunded Capital	14	Total Private Credit Exposure to the Total Portfolio	4.2
Total Private Credit Exposure (NAV + Unfunded commitments)	\$105	Current Private Credit Target	8.0
Total Private Equity NAV	9	Private Equity NAV as a percentage of Total Portfolio	0.4
Unfunded Capital	48	Total Private Equity Exposure to the Total Portfolio	2.3
Total Private EquityExposure (NAV + Unfunded commitments)	\$58	Current Private Equity Target	5.0
Total Portfolio Return Assumptions*	6.1%		

^{*}Portfolio return assumptions provided by the general consultant

(\$ Millions)) Projections										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Total Portfolio Net Growth Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	
Total Portfolio Beginning NAV	2,489	2,641	2,802	2,973	3,154	3,346	3,550	3,767	3,997	4,241	
Yearly Net Growth	152	161	171	181	192	204	217	230	244	259	
Total Portfolio NAV	\$2,641	\$2,802	\$2,973	\$3,154	\$3,346	\$3,550	\$3,767	\$3,997	\$4,241	\$4,499	
Target Private Credit Allocation	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
Target Private Credit NAV	\$199	\$211	\$224	\$238	\$252	\$268	\$284	\$301	\$320	\$339	
Target Private Equity Allocation	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Target Private Equity NAV	\$132	\$140	\$149	\$158	\$167	\$178	\$188	\$200	\$212	\$225	





April 27, 2021

Retirement Board Agenda Item

TO: StanCERA Retirement Board

FROM: Fred Silva, StanCERA General Counsel

Rick Santos, Executive Director

I. SUBJECT: Stanislaus Regional Transit Authority Resolution to Join the Stanislaus County Employees' Retirement Association

II. ITEM NUMBER: 9.a.

III. ITEM TYPE: Discussion and Action

- IV. STAFF RECOMMENDATION: Accept the Resolution of the Stanislaus Regional Transit Authority ("StanRTA") (Attachment 1) requesting inclusion of StanRTA in the Stanislaus County Employees' Retirement Association Pursuant to Government Code Section 31557(b). and adopt StanCERA's resolution (Attachment 2).
- V. ANALYSIS: In late 2020, discussions between StanRTA and StanCERA began regarding StanRTA's inclusion into StanCERA for retirement benefit administration for its employees. After several meetings and discussion with the Authority's executive staff and some employees, the decision was eventually made by StanRTA to join StanCERA. StanRTA is authorized to participate as an employer in StanCERA under Government Code Section 31468(e) and StanRTA's employees may be included as members of StanCERA upon adoption of a resolution by StanRTA's governing body by a two-thirds vote and by subsequent approval and granting of admission by a majority vote of the Board of Retirement pursuant to Government Code Section 31557(b).

The Board of Directors of StanRTA has adopted a Resolution (Attachment 1) with the appropriate number of Directors voting in favor of the Resolution to join StanCERA.

Upon acceptance by the Board of Retirement of the attached StanRTA resolution and StanCERA's adoption (Attachment 2) of its own resolution, StanRTA's admission will become effective on July 1st, 2021 and StanRTA's employees will begin accruing retirement benefits in the StanCERA System on that date. The initial StanRTA employees are an aggregation of employees from both Stanislaus County (StanCERA) and the City of Modesto (CalPERS). StanRTA employees will be accruing benefits prospectively only (no past service is being transferred into StanCERA from CalPERS).

In another related agenda item presented today, the Board will be making a final decision on the inclusion of StanRTA into the retirement Pool containing the City of Ceres and 5 other Special Districts and on the phasing in of StanRTA's employer rate related to the Pool's unfunded liability.

VI. RISK: NONE

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

RESOLUTION NO. 2021-007

RESOLUTION OF THE STANISLAUS REGIONAL TRANSIT AUTHORITY BOARD OF DIRECTORS PROVIDING FOR THE INCLUSION OF THE AUTHORITY AS AN EMPLOYER IN THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT SYSTEM PURSUANT TO GOVERNMENT CODE SECTION 31557 (b)

WHEREAS, the Stanislaus Regional Transit Authority ("StanRTA" or the "Authority") seeks to participate in the Stanislaus County Employees' Retirement System ("StanCERA") as a public employer so that it may enroll employees in a StanCERA pension plan; and

WHEREAS, StanRTA is a "District" authorized to participate as an employer of StanCERA as defined by Government Code Section 31468(e); and

WHEREAS, District employees may be included as members of StanCERA upon adoption of a resolution by the District's governing body by a two thirds vote and by subsequent approval by the Board of Retirement pursuant to Government Code Section 31557(b).

NOW, THEREFORE, BE IT RESOLVED that:

Pursuant to Government Code Section 31557(b), the Stanislaus Regional Transit Authority Board of Directors ("Board") hereby resolves and requests admission of StanRTA as a District employer of StanCERA and the enrollment of its eligible employees as members of StanCERA effective on the first day of the calendar month after consent to this resolution by the StanCERA Board of Retirement, which effective date the parties agree shall be July 1, 2021.

In making the election to participate as an employer in StanCERA, the Board further resolves and agrees that, upon consent of the StanCERA Board of Retirement to its participation as an StanCERA employer, it is bound by all applicable provisions of the County Employees Retirement Law of 1937, Gov. Code § 31450 et seq. (the "CERL") applicable to District employers, including but not limited to provisions pertaining to the funding of required employer contributions as determined by the Board of Retirement contained in Gov. Code § 31585, 31585.2 and 31586, as well as all applicable StanCERA policies and procedures pertaining to District employers.

	The for	egoing l	Resolution	n wa	s adopted by	the Sta	nislaus	Region	nal Transi	t Autho	ority Board
of	Directors	upon	motion	of	Director			,	Seconde	d by	Director
		, a	t a regula	r me	eting of this	Board	held on	April	22, 2021,	by the	following
vote	e:										
AY	ES:										
NO	ES:										
AB	SENT:										

STANISLAUS REGIONAL TRANSIT AUTHORITY

Jenny Kenoyer,	•
Chair of the StanRTA Board of Directors	Clerk/Secretary of the StanRTA Board of Directors
APPROVED AS TO FORM:	APPROVED AS TO CONTENT:
StanRTA Board Counsel	StanRTA Chief Executive Officer

RESOLUTION NO. 2021-01

RESOLUTION BY THE RETIREMENT BOARD OF THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION APPROVING ADMISSION OF STANISLAUS REGIONAL TRANSIT AUTHORITY AS A STANCERA EMPLOYER

WHEREAS, the County Employees' Retirement Law of 1937 governs operations of the Stanislaus County Employees' Retirement System; and

WHEREAS, the Board of Retirement of the Stanislaus County Employees' Retirement System ("StanCERA") is the Governing Board of StanCERA; and

WHEREAS, the Stanislaus Regional Transit Authority ("SRTA") seeks to participate in StanCERA as an employer, and meets the definition of a "district" authorized to participate in StanCERA pursuant to Government Code Section 31468(e); and

WHEREAS, the SRTA Board of Directors has duly adopted a resolution by a two thirds vote seeking admission as a StanCERA employer pursuant to Government Code Section 31557(b); and

WHEREAS, by a vote of the majority of the Trustees StanCERA's Board of Retirement may confirm SRTA's admission as a StanCERA employer pursuant to Government Code Section 31557(b).

NOW, THEREFORE, BE IT RESOLVED that:

Pursuant to Government Code Section 31557(b), the Board of Retirement hereby approves admission of the SRTA as a district employer of StanCERA and the enrollment of its eligible employees as members of StanCERA effective July 1, 2021.

The foreg	oing Resolution was adopted by the Bo	oard of Retirement upon motion of Trustee
	, Seconded by Trustee	, at a regular meeting of this
Board held on	, 2021 by the fo	llowing vote:
Ayes:		
Noes:		
Absent:		

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Jeff Grover, Chair of the Board of Retirement	Kellie Gomes, Clerk of the Board of Retirement
APPROVED AS TO FORM:	APPROVED AS TO CONTENT:
Fred A. Silva, General Counsel	Rick Santos, Executive Director





April 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

I. SUBJECT: Actuarial Assumptions, Funding Policy and New StanCERA Employer

II. ITEM NUMBER: 9.b

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

- 1. Adopt price inflation, total payroll growth and expected return assumptions of 2.50%, 2.75% and 6.75%, respectively
- 2. Adopt a layered amortization base approach for unfunded liability changes, assumption changes and methodology changes. Set the amortization period for each of these at 20 years. Adopt a layered amortization base approach for benefit changes and set the amortization years at the lesser of 15 years or the average future working lifetime for active member benefit changes and the lesser of 10 years or the average remaining life expectancy for retired member benefit changes
- 3. Place the new StanCERA employer (Stanislaus Regional Transit Authority) into the same Pool containing the City of Ceres and 5 other plan sponsors. Phase in the new employer's unfunded liability rate into the full Pool rate over a period of 15 years.
- V. EXECUTIVE SUMMARY: The year 2021 marks the point in time where the triennial Actuarial Experience Study will be conducted by StanCERA's consulting actuarial firm, Cheiron. The goal of the study is to set the actuarial assumptions that will be used in the annual actuarial valuation over the next 3 years and will ultimately affect employer contribution rates and funded status. Specifically, the Board will be asked to decide on the following assumptions:
 - Price inflation this assumption affects many aspects of the valuation. Price inflation is an input to the expected rate of return (discount rate), wage growth and cost of living assumptions. The price inflation assumption affects contribution rates and funded status in imprecise ways and will be discussed in more detail at today's meeting. Currently, StanCERA's assumption is 2.75%.
 - ➤ Total payroll growth this assumption affects the dollar amount StanCERA's plan sponsors pay each year into the System. Since annual employer contributions are calculated with the intent of keeping them level as a percentage of total payroll, the higher the payroll growth assumption, the greater increase each year in the dollar amount employers are expected to contribute to the System. Note that while this assumption does affect employer contribution rates, it does not affect pension liabilities. Currently, StanCERA's assumption is 3.0%.

➤ Expected return (discount rate) – the discount rate is comprised of two pieces; the price inflation assumption and the real return investors can expect to receive by investing in certain asset classes. This assumption will be derived from the capital market assumptions being developed by NEPC. Since the Board will be setting the price inflation assumption, they will have a direct hand in setting the discount rate assumption. In general, a lower discount rate leads to higher pension liabilities, higher unfunded liability (lower funded status) and higher employer contributions. Currently, StanCERA's assumption is 7.0% (this implies a 4.25% real return).

Funding Policy

In 2011, the Board of Retirement adopted a 25-year amortization policy of its unfunded liability. At the time, the intent was to drop this number by 1 each year such that in 25 years, the unfunded liability would theoretically be paid off. While this policy has served the System well over the past 10 years, unfortunately it is not sustainable. As the amortization period continues to get smaller, new gains and losses each year would necessarily be amortized over smaller and smaller periods, eventually producing wild swings in employer contribution rates (imagine if ultimately the amortization period were 1 year and the System experienced a 10% investment loss. This would require the employer to pay off the entire recognized loss in 1 year).

As a result, a new amortization policy is needed. Staff's recommendation will be to create new "Amortization Bases" each year for gains and losses, assumption changes and methodology changes. Each base will have its own amortization period and be tracked and paid for over that period. For example, each year the System will obviously incur a gain or loss based on actual experience deviating from expected. Each year the gain/loss for the past year will be tracked and amortized over a specified period (say 20 years). A desirable side effect of this policy is that in future years, one will always be able to track the history of this gain/loss (say from 2014) and know exactly how much is left to pay off and how long it will take. Additionally, in most cases, it produces stable contribution rates. On the flip side, it is more complicated to track and there could come a time when there are many bases to report and keep track of.

New StanCERA Employer

Beginning July 1st, 2021 StanCERA will be accommodating a new Plan Sponsor. This new employer will be bringing employees into the System on a prospective basis only and it is recommended that StanCERA place this employer into the same Pool that the City of Ceres and 5 other plan sponsors reside.

Since the employer is coming into the System on a prospective basis only, these employees will be accruing benefits with the new employer beginning on July 1st and will have no prior service to account for. Consequently, this means the new Plan Sponsor will have no initial unfunded liability and should not be made to pay off any of the unfunded liability that exists within the Pool on July 1st.

As a result, staff is also recommending phasing the new employer's unfunded liability rate into the full Pooled rate over 15 years. That is, beginning in fiscal year 2022, the employer would pay 1/15th of the Pool's unfunded liability rate, 2/15th of the Pool's unfunded liability rate in fiscal year 2023 and so on.

Retirement Board - April 27, 2021 Preliminary Rebalance Plan Page 3

VI. ANALYSIS:

VII. RISK: None

VIII. STRATEGIC PLAN: N/A

IX. ADMINISTRATIVE BUDGET IMPACT: NONE

Stanislaus County Employees' Retirement Association



Item 9.b

June 30, 2021 Economic Assumptions and Funding Policy

April 27, 2020

Graham Schmidt, ASA, FCA, MAAA, EA Jonathan Chipko, FSA, MAAA, EA

Topics for Discussion



- Economic Assumptions
 - Review of Current Assumptions
 - Preliminary Outlook/Recommendations
 - Preliminary Sensitivity Analysis
- Funding Policy
- New Employer
- Next Steps



Economic Assumptions



- Background
- Assumptions
 - Price Inflation
 - Wage Inflation
 - Payroll and Amortization growth
 - Expected Return on Assets



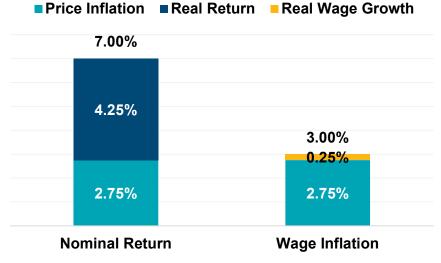


Background



- Building block approach
 - Price Inflation is the foundation for all economic assumptions
 - Expected Return (Nominal) = Price Inflation + Real Return
 - Base Wage Inflation = Price Inflation + Real Wage Growth
 - Assumptions must be reasonable, both individually AND in aggregate

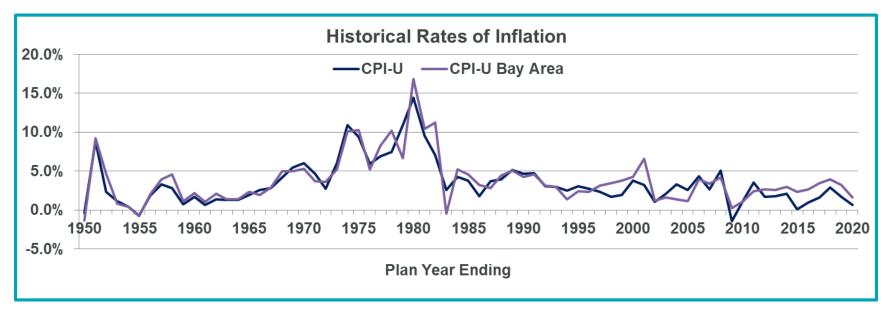
Current Assumptions		
Nominal Return	7.00%	
Price Inflation	2.75%	
Real Return	4.25%	
Wage Inflation	3.00%	
Payroll/Amort Growth	3.00%	
COLA Growth	2.60%	







- Current Assumption: 2.75%
- NEPC 30-Year Assumption: 2.50%
- Historical through June 30, 2020 (annual rates shown below)
 - Average annual price inflation of 3.9% since 1970, 2.0% since 2000,
 1.7% since 2010

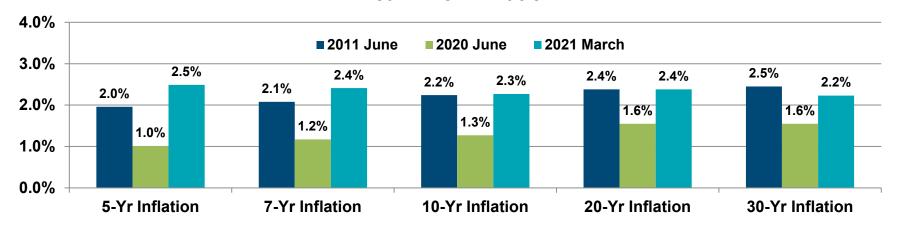






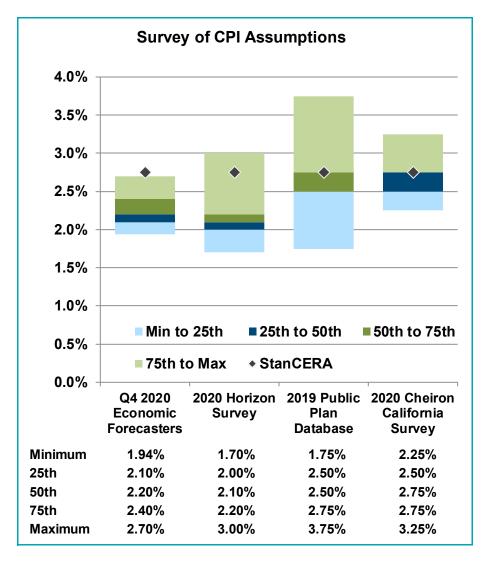
- Markets provide data on inflation assumptions by investors
 - Difference between yields on inflation-protected government securities (TIPS) versus regular government bonds
 - Ex: yields on 30-year bonds implied 2.5% "break-even" inflation rate in 2011, versus 1.6% in 2020 and 2.2% in 2021

Break-Even Inflation









- Survey of Professional Forecasters published by Philadelphia Federal Reserve (10 years: 2021-2030)
- Horizon survey of Investment Consultants (2020 report)
- US Public Plan Database (2019 valuations)
- Cheiron survey of CALAPRS assumptions (2020 valuations)





- Markets predicting lower inflation (2.50% or less) over short and long term
- Current assumption (2.75%) reasonable from historical perspective, but higher than current market and average forecaster expectations
- Trend for public plans has been to gradually reduce inflation expectations, most plans now lower than 3.0%
 - California median = 2.75%
 - National median = 2.50%
- Recommendation: reduce price inflation assumption from 2.75% to 2.50%
 - Reasonable range of 2.25% 2.75%





- Pay for members expected to grow by
 - Base wage inflation (economic assumption)
 - Plus, individual amount based on longevity (demographic assumption)
- Base wage inflation
 - Price inflation, plus possible real-wage factor
 - Current assumption: 3.00% equal to 2.75%
 price inflation plus 0.25% real wage growth





- Arguments for low real wage growth assumption
 - Budgetary environment (short, medium, long-term)
 - Crowding out of wages from other areas of compensation (healthcare and pension costs)
 - Little to no local real wage growth above inflation for the past 10 years
 - Increase in average weekly wages for local government employees in Stanislaus County of 2.36% from 2010-2020 (BLS Quarterly Census of Employment and Wages), versus CPI increase of 2.78% for Bay Area (closest local CPI) or 1.69% for US overall
 - Although evidence shows presence of national historical real wage growth, increase in *mean* real wages higher than *median*





- Arguments for a positive real-wage growth assumption
 - Relaxing of some pressures
 - Improved budgetary environment (prior to COVID)
 - Slowing of other compensation cost increases (i.e., lower medical trend rates)
 - Productivity increases
 - Many experts predict return of some level of real wage growth (Social Security projections based on 0.6% – 1.8% assumed real wage growth)
 - Wages related to local inflation, which has been higher than US average





- Recommendation: Maintain current real wage growth assumption of 0.25%
 - e.g., use 2.75% wage inflation assumption if price inflation reduced to 2.50%
 - Reasonable range of 0.25% 0.50%
 - Higher real wage growth assumption also consistent with forecasters expectations
 - Reducing the wage inflation assumption from 3.00% will reduce liabilities (because of lower future salary expectations), but will have offsetting impact on current contributions if payroll/amortization growth rates also reduced



Payroll / Amortization Growth



- StanCERA amortization policy based on "level percentage of pay" method
 - Dollar amount of UAL payments increases at rate of assumed wage growth
 - If actual payroll growth is higher, UAL payments decline as a percentage of pay
 - If actual payroll growth is lower, UAL payments increase as a percentage of pay



Payroll / Amortization Growth



- Amortization growth rate can be set lower than wage inflation assumption
- Possible reasons
 - Some pay amounts are non-pensionable for new hires (including impact of wage cap) versus the members they are replacing
 - Budgetary stresses could cause payroll to increase by less than expected
 - Increases likelihood that UAL payments as a percentage of pay decline rather than grow



Payroll / Amortization Growth



- Recommendation: Continue to use payroll/amortization growth assumption equal to wage inflation assumption
 - e.g., if adopt 2.75% wage inflation assumption, use 2.75% for projections of future pensionable pension growth and scheduled amortization payment increases
 - Also, reasonable to adopt a payroll/amortization growth assumption 0.25% below the wage inflation assumption
 - Reducing this assumption won't affect liability estimates, but will increase current contributions



COLA Growth



- Operation of COLA
 - Benefits grow by Bay Area CPI (rounded to 0.5%), subject to 3% caps
 - Bank accumulated if CPI growth exceeds cap
- If inflation equals the assumption every year, average COLA growth should equal minimum of cap, inflation
 - Example: 3.0% inflation each year, cap of 3.0%, average COLA growth = 3.0%



COLA Growth



- If inflation NOT the same every year, average COLA growth should be less than the cap (though possibly only slightly)
 - Assumed 2.0% inflation for first 10 years of retirement, 4.0% next 10 years
 - Average inflation over time period equals 3.0% but with a 3.0% cap, average COLA growth equals 2.5%
 - Inflation auto-correlated (influenced by prior year's rate), so impact will be greater in low inflation environment



COLA Growth



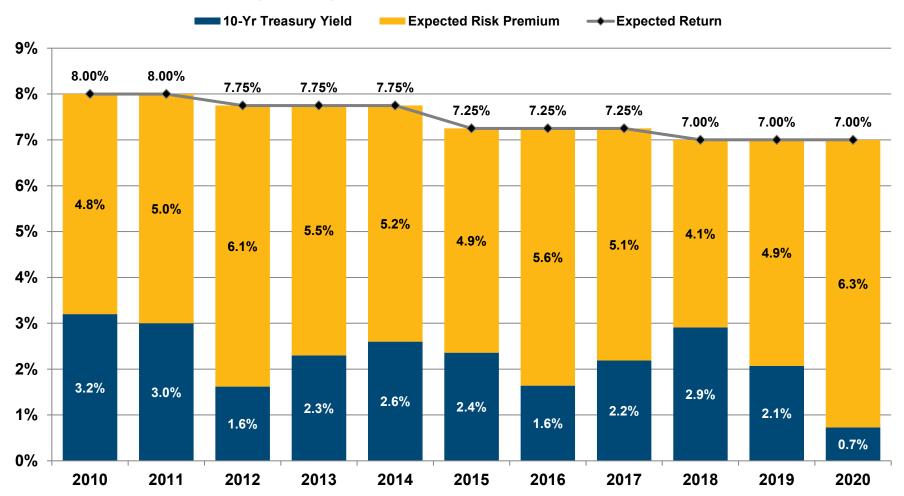
- Cheiron has performed stochastic testing of COLA growth
 - 1000 trials, using average ultimate inflation level of 2.75%, 2.50% and 2.25%
 - Recommendation:
 - 2.60% COLA growth (same as current assumption) if retain 2.75% inflation assumption
 - 2.40% COLA growth if 2.50% inflation
 - 2.20% COLA growth if 2.25% inflation



Expected Risk Premium



Stanislaus County Employees' Retirement Association Expected Risk Premium







- Steps for calculation of expected returns
 - Collect assumptions of returns, risks, and correlations from investment consultant(s)
 - Model target portfolio using inputs
- Current assumption
 - Nominal return: 7.00%
 - Price Inflation: 2.75%
 - Real Return = 7.00% 2.75% = <math>4.25%
 - Net of investment, not administrative expenses
 - Administrative expenses addressed as separate assumption





- Modeling Results
 - Reviewed return assumption for target portfolio under NEPC capital market assumptions (CMAs)
 - Based on target portfolio approved by Board in late 2020
 - Updated in March 2021
 - Developed expected return using CMAs from broader survey (Horizon Actuarial Services), under 10- and 20-year expectations
 - Based on 2020 CMAs from almost 40 firms
 - 2021 CMAs expected to be lower





- Modeling Results
 - Simulated returns should be adjusted for investment expenses of consultant, custodian, and fees for passively-managed portfolios
 - Should be minimal (e.g., used five basis points)
 - Assumed returns already net of active management expenses for all asset classes, including private / non-traditional classes





Modeling Results

- Calculation average geometric returns and standard deviations
- NEPC reported 30-year expected return for portfolio (6.9%)
 slightly higher than our model based on their June 2020 CMAs

StanCERA Portfolio Return Expectations (reflects 5bp adjustment for investment expenses)								
Consultant	Nominal	Inflation	Real	Standard Deviation				
NEPC (10-year)	5.66%	2.30%	3.36%	12.07%				
NEPC (30-year)	6.77%	2.50%	4.27%	12.07%				
Horizon (Survey, 10-year)	6.49%	1.98%	4.51%	11.46%				
Horizon (Survey, 20-year)	<u>7.32%</u>	2.17%	<u>5.15%</u>	<u>11.46%</u>				
Average	6.56%	2.24%	4.32%	11.77%				
Current Assumption	7.00%	2.75%	4.25%					





Modeling Results

 Likelihood of achieving various returns over various periods using average of consultants' expectations

		ihood of Ach				
		Nominal			Real	
	6.50%	6.75%	7.00%	4.00%	4.25%	4.50%
NEPC (10-yr)	41%	39%	36%	43%	41%	38%
NEPC (30-yr)	55%	50%	46%	55%	50%	46%
Horizon (10-yr)	50%	47%	44%	56%	53%	50%
Horizon (20-yr)	63%	59%	55%	68%	64%	60%
Average	52%	49%	45%	55%	52%	49%

^{*} For purposes of this analysis, inflation assumption held constant using applicable rate from CMAs





Modeling Results

Return distributions using average of consultants' expectations

Expected Distribution of Average Nominal Annual Investment Returns (reflects 5bp adjustment for investment expenses)

Percentile	NEPC (10-Year)	NEPC (30-Year)	Horizon (10-Year)	Horizon (20-Year)	Average
95th 75th 60th 50th 40th 25th 5th	12.1% 8.2% 6.6% 5.7% 4.7% 3.1% -0.4%	10.4% 8.3% 7.3% 6.8% 6.2% 5.3% 3.2%	12.6% 8.9% 7.4% 6.5% 5.6% 4.1% 0.7%	11.6% 9.0% 8.0% 7.3% 6.7% 5.6% 3.2%	11.7% 8.6% 7.3% 6.6% 5.8% 4.5% 1.7%





- Current real return assumption (4.25%) is reasonable, consistent with average outlook
 - Less conservative than NEPC short-term outlook, more conservative than Horizon survey's short-term and longer-term outlooks, in line with NEPC long-term outlook
- On nominal basis, less than 50-50 average chance of achieving 7.00%
 - 49% for 6.75%, vs. 45% for 7.00%
 - However, average inflation assumption is 2.24%, which if realized may result in liability gains (via salaries and COLAs)



Summary



- Recommendation
 - Recommend lowering the price inflation assumption by 0.25% (to 2.50%)
 - No change in inflation (2.75%) also reasonable, but less consistent with current market expectations
 - Recommend maintaining real return assumption of 4.25%
 - Recommend reducing nominal return assumption to 6.75%
 - Recommend maintaining real wage growth margin of 0.25% (i.e., 2.75% wage inflation assumption with 2.50% inflation)
 - Retain amortization payment growth rate equal to wage inflation assumption (2.75%)



Summary



- Other combinations of economic assumptions are reasonable
 - Real return: 4.00% 4.25%
 - Price Inflation: 2.25% 2.75%
 - Wage inflation: 2.75% 3.00%
 - Payroll growth: 2.50% 3.00% (but not higher than wage inflation)
- Chart and projections demonstrate preliminary total cost (i.e., employer + employee) and funded ratio impact of recommended set of assumptions
 - Based on results of June 30, 2020 actuarial valuation
 - Cheiron can provide results under other scenarios as requested by Board



Summary



Assumption	Current	Recommended
Nominal Return	7.00%	6.75%
Price Inflation	2.75%	2.50%
Real Return	4.25%	4.25%
Wage Inflation	3.00%	2.75%
Payroll Growth	3.00%	2.75%
COLA Growth	2.60%	2.40%



Preliminary Sensitivity Analysis



Funded Status Impact of Economic Assumption Changes as of June 30, 2020 (\$ in millions)

		Baseline	Re	commended		Difference	Percent Difference
Discount Data		7.000/		0.750/		0.050/	
Discount Rate		7.00%		6.75%		-0.25%	
Price Inflation		2.75%	2.50%		-0.25%		
Real Return		4.25%	4.25%		0.00%		
Wage Growth/ Payroll Growth	3.00%		2.75%		-0.25%		
COLA Growth	2.60% 2.40%			-0.20%			
Actuarial Liability	\$	3,028.6	\$	3,042.9	\$	14.3	0.47%
Actuarial Value of Assets		2,290.3		2,290.3		0.0	0.00%
Unfunded Actuarial Liability (AVA Basis)	\$	738.4	\$	752.6	\$	14.3	1.93%
Funded Ratio (AVA Basis)		75.62%		75.27%		-0.35%	

Preliminary analysis is based on the same data, methods, and assumptions used in Cheiron's June 30, 2020 Actuarial Valuation Report, except where noted.



Preliminary Sensitivity Analysis



Contribution Impact of Economic Assumption Changes as of June 30, 2020

Baseline	Recommended	Difference
7.00%	6.75%	-0.25%
2.75%	2.50%	-0.25%
4.25%	4.25%	0.00%
3.00%	2.75%	-0.25%
2.60%	2.40%	-0.20%
21.12%	21.27%	0.15%
21.82%	22.28%	0.46%
0.99%	0.99%	0.00%
43.93%	44.54%	0.61%
	7.00% 2.75% 4.25% 3.00% 2.60% 21.12% 21.82% 0.99%	7.00% 6.75% 2.75% 2.50% 4.25% 4.25% 3.00% 2.75% 2.60% 2.40% 21.12% 21.27% 21.82% 22.28% 0.99% 0.99%

Analysis uses the 15-year amortization period scheduled to be in effect for the June 30, 2021 valuation. The amortization period in effect for the June 30, 2020 valuation was 16 years.

Preliminary analysis is based on the same data, methods, and assumptions used in Cheiron's June 30, 2019 Actuarial Valuation Report, except where noted.

The impact of any assumption changes on employee contributions will be determined when the final assumptions are adopted. The increase in the contribution rate will not fall solely on the employers or the employees but will be split between them.



Funding Policy



Objectives

Amortization Policy







- Actuarial Funding Policy
 - Once benefits are projected and assets measured, determine how benefits not covered by current assets will be financed
- Funding policy is used to meet and balance different objectives
 - Secure the benefit promise
 - Provide predictable and stable contributions
 - Promote intergenerational equity (cost of services paid for by those receiving them)
- Investment policy, benefit design, and system maturity will also affect ability to meet and balance objectives





Benefit Security

- Generally, the more assets in the trust, the more secure the benefits
- Constitutional protections provide a significant amount of benefit security
- However, the security of benefits is related to the solvency of the sponsor
- The objective of benefit security generally leads to more conservative assumptions, shorter amortization periods, and higher contributions
- The plan sponsor has to be able to afford the contributions required to fund the plan under all reasonable future scenarios





- Predictable and Stable Contributions
 - Significant and unexpected changes in contribution amounts can cause budgeting problems
 - The objective of predictable and stable contributions generally leads to longer amortization periods, longer asset smoothing periods, and slower reactions to changes
 - The need for predictable contributions may also affect investment policy, leading toward lower risk/lower return investments





- Generational Equity
 - Concept is for each generation of taxpayers to pay the cost of benefits for the employees who provide services to those taxpayers
 - Pressures on generational equity arise when:
 - Significant investment gains or losses occur
 - Gains and losses are experienced on retirees
 - Assumption changes are made
 - Past service benefits are modified



Amortization Policy – Background



- Amortization policy: Specification of financing plan to get assets back to target level (Accrued Liability)
- The amortization of the Unfunded Accrued Liability (UAL) is a significant part of the contribution for many plans
- Key parameters
 - Length of period
 - Payment pattern: Level dollar, level percent of pay, or another appropriate schedule
 - Rolling/open vs. closed
 - Single layer vs. multiple layers



Amortization Policy – Current



- Current StanCERA amortization policy
 - Began from 25-year closed period in 2011
 - Currently 15-year closed period (as of 7/1/2021) for entire UAL
 - Level percentage of payroll amortization, with payments expected to increase each year by wage inflation assumption



Amortization Policy – Current



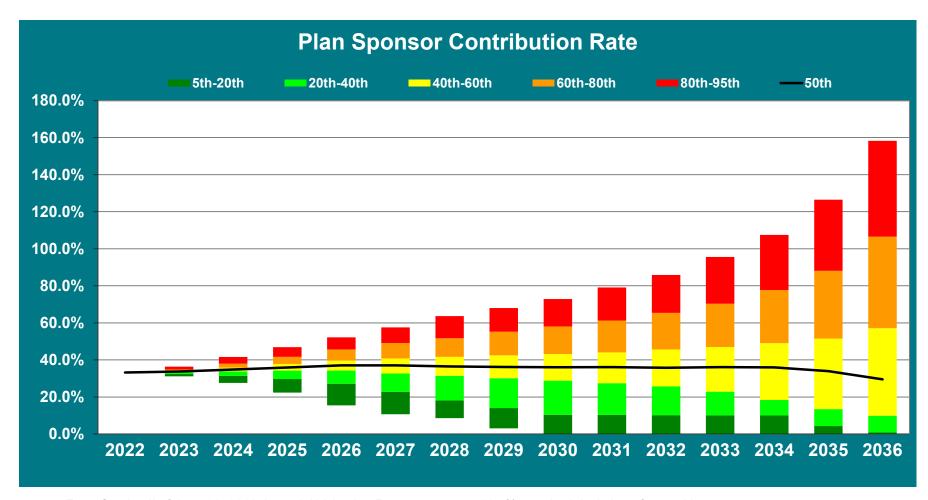
- Current amortization policy is reasonable for current UAL however,
 - At some point, will need to specify policy for future UAL changes
 - Impractical to combine all future UAL changes into a single closed amortization period; contribution too unstable in future years when amortization period is short





Amortization Policy - Current





From Section II of June 30, 2020 Actuarial Valuation Report, assumes 11.7% standard deviation of annual investment returns as indicated in NEPC's September 30, 2020 capital market assumptions



Amortization Policy – Layering



We recommend amortizing future changes in the UAL using separate layers (bases)

If adopted, policy will need to specify:

- Whether to create separate bases for gains/losses, assumption changes, and benefit changes
- Length of each amortization period
- Level dollar, level percentage, or another pattern of amortization





Amortization Policy – Layering



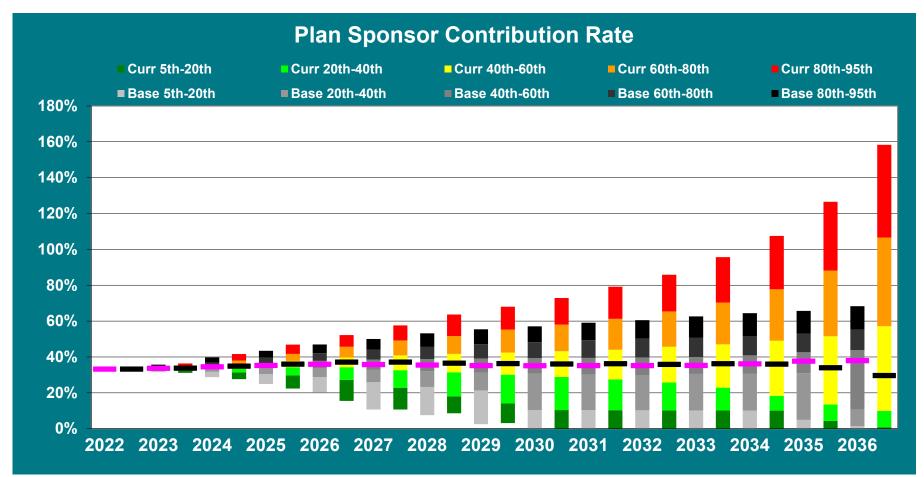
Example of Layered Amortization

Type of Base	Date <u>Established</u>	Initial <u>Amount</u>	Initial Amortization <u>Years</u>	1/1/2020 Outstanding <u>Balance</u>	Remaining Amortization <u>Years</u>	l	Amortization <u>Amount</u>
2008 Extraordinary Actuarial Loss	1/1/2009	\$ 78,762,712	30	\$ 83,676,028	19	\$	6,072,272
Remaining UAL as of 2016	1/1/2016	212,567,221	12	171,728,360	8		24,434,948
2016 Experience Loss	1/1/2017	29,089	20	28,456	17		2,231
2017 Experience Gain	1/1/2018	(558,939)	20	(552,128)	18		(41,587)
Assumption changes	1/1/2018	10,040,964	20	9,918,610	18		747,090
2018 Experience Loss	1/1/2019	24,473,917	20	24,351,318	19		1,767,147
Assumption changes	1/1/2019	(5,244,129)	20	(5,217,859)	19		(378,654)
2019 Experience Loss	1/1/2020	13,329,161	20	13,329,161	20		934,404
Total Unfunded Actuarial Liabil	ity (UAL)			\$ 297,261,946		\$	33,537,851



Amortization Policy – Current vs. Layers





From Section II of June 30, 2020 Actuarial Valuation Report, assumes 11.7% standard deviation of annual investment returns as indicated in NEPC's September 30, 2020 capital market assumptions. Colored bars represent the projected costs under the current 16-year amortization policy. The black/gray bars represent a layered amortization policy, where each future year's gain or loss is amortized over a closed 20-year period.



Amortization Policy – Guidance

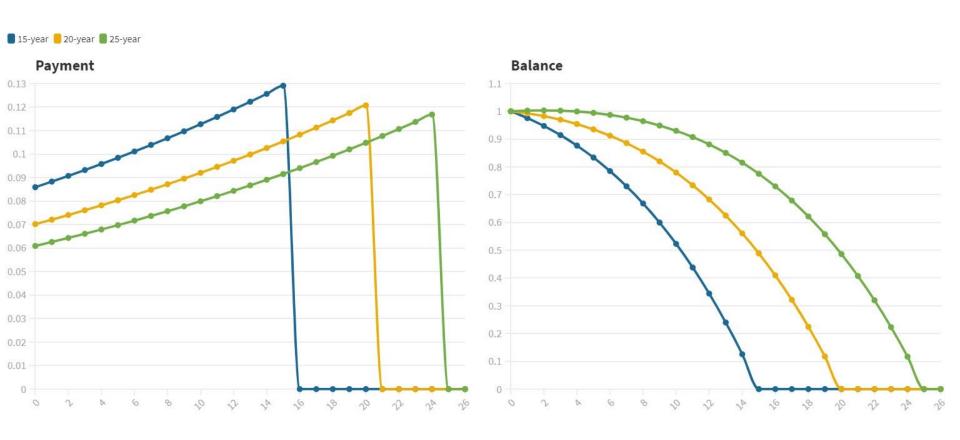


- Conference of Consulting Actuaries (CCA) and California Actuarial Advisory Panel (CAAP) both encourage use of layered, level-percentage of pay amortization
 - For gains/losses and assumption/method changes, recommendation is 15-25 years
 - "Model" is 15-20 for gains/losses, 15-25 for assumption/method changes
 - For benefit changes, recommendation is tied to working lifetime (max 15 years)
- Under proposed economic assumptions, interest on unfunded liability will exceed payment if period exceeds 24 years



Amortization Policy - Modeling







Amortization Policy – Considerations



- Level dollar vs. level percentage of payroll amortization
 - Level % of pay consistent with CCA/CAAP guidance for ongoing plans with pay-related benefits
 - Level % of pay used by most ongoing CA public systems
 - CalPERS recently adopted Level \$ for future changes
 - Consider level dollar amortization (or something between level dollar and level % of pay) if revenue not expected to increase commensurate with pay over the long term



Amortization Policy – Recommendations



- Layered, level percentage of payroll amortization for changes in UAL after 6/30/2021
- Adopt separate levels for gains/losses, assumption/actuarial method changes, and benefit changes
- Recommendation of 20-year layers for amortizing gains/losses and assumption/method changes
- Recommendation of shorter layers for benefit changes
 - Shorter of 15 years or expected future working lifetime of affected members for active changes
 - Shorter of 10 years or average expected remaining lifetime of affected members for retiree changes



Summary of Recommendations



- Consider adopting lower economic assumptions
 - ▶ 6.75% discount rate2.75% wage growth2.50% inflation
- Adopt layered amortization for UAL changes after 6/30/2021
 - ➤ 20-year layers for gains/losses and assumption changes, shorter for benefit changes





New Employer



- New employer to join StanCERA effective July 1, 2021
 - No past service (i.e. no liability) as of that date
 - Include in City of Ceres subgroup





- How to determine employer contribution?
 - Normal cost (cost of benefit accruals during the year) and administrative expense portions determined in same manner as City of Ceres
 - UAL portion
 - Contributions to bring assets back to target level (Accrued Liability)
 - Significant portion of total employer contribution
 - New employer starts with no liability and, therefore, a "full" UAL contribution would be inequitable
 - With no past service, new employer would have relatively small impact on future changes in UAL due to deviations from expectations (no assets at risk)







- UAL Contribution Recommendation
 - None for FYE 2023 based on June 30, 2021 valuation
 - Only Employer Normal Cost and Admin Expense
 - For FYE 2024 and beyond
 - If Board approves layered amortization, total UAL contribution will consist of remaining Initial July 1, 2021 UAL amount plus new layers
 - The Initial July 1, 2021 UAL amount will be roughly inline with current UAL contribution while each new layer will be an amortization of one year's experience (i.e. relatively small)
 - For new employer, we recommend a UAL contribution that is a phase-in of the new layers only
 - If assumptions exactly realized, UAL contribution will be \$0





- Phase-In Recommendation
 - Phase-in over 15 years
 - 15 years is the remaining amortization period for the Initial July 1, 2021 UAL base
 - FYE 2023, 1/15th of the new post-2021 layers
 - FYE 2024, 2/15th of the new post-2021 layers
 - FYE 2025, 3/15th of the new post-2021 layers
 - Etc.







- Phase-In Recommendation (cont.)
 - The new layers will be fully phased-in in 15 years at the same time the Initial July 1, 2021
 UAL base is expected to be fully paid
 - From then on, new employer will make full UAL contribution



Next Steps



- Continue with Experience Study
 - Receive feedback from Board on economic assumption and funding policy recommendations
 - Proceed with demographic assumption analysis, including member data through 6/30/2021
- Present Actuarial Valuation results, including demographic assumptions and Experience Study
- Adopt June 30, 2021 Actuarial Valuation and FYE 2023 Contribution Rates



Required Disclosures



The purpose of this presentation is to provide information and recommendations on the economic assumptions, the UAL amortization policy and the new employer for the Stanislaus County Employees' Retirement Association (StanCERA). This presentation is for the use of StanCERA in accordance with applicable law.

In preparing our presentation, we relied on information (some oral and some written) supplied by StanCERA. This information includes, but is not limited to, the asset allocation and financial information. Unless otherwise described, the actuarial assumptions, data, and methods are those that will be used in the preparation of the actuarial valuation report as of June 30, 2020.

Future results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

We hereby certify that, to the best of our knowledge, this presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech), to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal, have a basic understanding of it, and have used it in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this report. The projections shown in this report were developed using R-scan, our proprietary stochastic projection tool for assessing probabilities of different outcomes. We have relied on Cheiron colleagues who developed the tool, and we have used the tool in accordance with its purpose.

This presentation was prepared exclusively for the StanCERA Retirement Board for the purpose described herein. This presentation is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Graham Schmidt, ASA, FCA, MAAA, EA Consulting Actuary

Jonathan Chipko, FSA, MAAA, EA Consulting Actuary





April 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Kellie Gomes, Executive Board Assistant

I. SUBJECT: SACRS Voting Proxy and Directive

II. ITEM NUMBER: 9.c.

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

- 1. Choose a two voting proxy delegates to vote virtually on behalf of the Board of Retirement for the Virtual SACRS Business Meeting May 14, 2021
- 2. Direct voting proxy for the following action Items at SACRS Business Meeting May 14, 2021 Please refer to the attached business packet for details.
 - * Item 2. Secretary's Report, November 2020 SACRS Business Meeting Minutes
 - Receive and File Pg 006 of business packet
 - * Item 3. Treasurer's Report, July 2020 January 2021 Financials
 - Receive and File Pg 012 of business packet
 - * Item 5. SACRS Legislative Committee is requesting Board of Directors approval for SACRS to formally sponsor SB 634 Action Pg 018 of business packet
 - * Item 6. SACRS Nomination Committee 2021-2022 SACRS Election Notice Action Pg 036 of business packet
 - * Item 7. SACRS Audit Report, SACRS 2019-2020 Annual Audit Action Pg 066 of business packet
- V. ANALYSIS: Each year in May and November, the SACRS (State Association of County Retirement Systems) holds a conference with a business meeting on the last day of the conference. 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".

SACRS 2021-Spring Conference is going to take place virtually May 14, 2021, in light of COVID-19 and social distancing requirements in place.

StanCERA will need two voting delegates identified who will be voting on behalf of the full Board at the Fall Business Conference

Attachment 1 - Voting Delegate Proxy Form

Attachment 2 - SACRS Business Packet

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Attachment 1

SACRS VOTING PROXY FORM

The following are authorized by the	County Retirement nent System at the upcoming SACRS
(if you have more than one alternate, please a	attach the list of alternates in priority order):
	Voting Delegate
	Alternate Voting Delegate
These delegates were approved by the Retire	ment Board on//
The person authorized to fill out this form and Retirement Board:	submit electronically on behalf of the
Signature:	
Print Name:	
Position:	
Date:	

Please send your system's voting proxy to Sulema H. Peterson, SACRS Executive Director at Sulema@sacrs.org.



Attachment 2

SACRS Business Meeting Packet

Friday, May 14, 2021

10:00 AM - Upon Adjournment

SACRS Event Tech Platform

(Link will be sent via email to all registered Attendees. Access is email specific to attendee)



SACRS Business Meeting Agenda Friday, May 14, 2021 10:00 AM - Upon Adjournment Online Via SACRS Conference Platform

SACRS Parliamentarian – TBD 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 2020 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

5. SACRS Legislative Committee Update - Action

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

- A. 2021 Legislative Report No Action
- B. SACRS Board of Directors Legislative Proposal Action

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice - Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report

10. SACRS Affiliate Committee Report - No Action

Scott Draper, Algert Global LLC, 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 Spring 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 12, 2021 at the Hollywood Loews Hotel unless Covid-19 restrictions are in place.



1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



SACRS Business Meeting Roll Call of the System Membership

System	Delegate	Alternate	Present	Absent
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 2020 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, November 13, 2020
9:00 AM - Upon Adjournment
Online Via SACRS Conference Platform

Meeting Called to Order at 9:04 am

SACRS Board of Directors in Attendance: Vivian Gray, President; Roger Hilton, Vice President; Harry Hagen, Treasurer; Kathryn Cavness, Secretary; David McDonald, Board Member; John Kelly, Board Member; and Teri Noble, Affiliate Chair

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

19 SACRS Member Systems Present

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 and Ventura

Arrived at 9:25 am: Imperial

Absent: Merced

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2019 SACRS Business Meeting Minutes

Motion: Los Angeles CERA made motion to approve the minutes as presented.

2nd: San Diego CERA

Yes: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara,

Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced, Imperial **Motion Passes** 18-0-2

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – August 2020 Financials



B. 2020 – 2021 Annual Budget

Motion: Fresno made a motion to approve the Treasurers report as presented.

2nd: Orange

Yes: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara,

Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced, Imperial Motion Passes 18-0-2

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion: No action, verbal report given by Vivian Gray, SACRS President

5. SACRS Legislative Committee Update – No Action

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

- A. 2020 Legislative Report No Action
- B. Los Angeles CERA Proposal No Action

Discussion: Eric Stern and Dave Nelsen gave a verbal report on the SACRS Legislative status, review of written report submitted and discussed the LACERA proposal.

Vivian Gray requested that the System members have an opportunity to submit their positions on the LACERA proposal.

Harry Hatch asked that the request be an informal review and that the voting delegates have an opportunity to go back to their Systems to discuss.

Eric Stern offered to send the Systems a letter of explanation and language detailing the proposal so that the System could report back.

Roger Hilton asked for a turnaround time on the survey, the delegation agreed on a response of December 8.

Vivian Gray offered additional information on the proposal via Barry Lew who would also be available to answer questions System might have.

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice - No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair



A. SACRS Election Notice 2021-2022

Discussion: Dan McAllister gave a verbal and written update on the elections held in August 2020. No action taken, information only.

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2018-2019 Annual Audit

Carry over item from Spring 2020 Conference that was cancelled due to

COVID-19

Motion: Orange made a motion to approve and file the Audit report as presented.

2nd: Kern

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

8. SACRS Education Committee Report - No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Fall 2020 Conference Evaluations/Feedback **Discussion:** No report

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Fall Conference Report 2020

Discussion: Verbal report provided by Roger Hilton, feedback on conference was very positive. No action taken, Vivian Gray and Roger Hilton both thanked the Program Committee and Education Committee for their time and dedication to the conference. Suggestions for future conferences can be submitted online at the SACRS website.

10. SACRS Affiliate Committee Report – No Action

Teri Noble, Pathway, SACRS Affiliate Committee Chair



A. Affiliate Committee Update

Discussion: Verbal report on upcoming elections for Affiliate Committee, Fall sessions and volunteers wanted for future committee members.

11. SACRS Bylaws Committee Report – Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Use of SACRS' Intellectual Property

Motion: A motion to approve the Bylaws with the inclusion of Intellectual property was made by Sonoma.

2nd: Marin

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

B. Termination of Membership

Motion: A motion to approve the Bylaws to include new language on Termination of Membership was made by Sonoma.

2nd: San Bernardino

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

C. Electronic Meetings

Motion: A motion to approve the Bylaws addition of Electronic Meeting of the Membership was made by San Diego.

2nd: Contra Costa

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura



No: 0

Absent: Merced
Motion Passes 19-0-1

12. SACRS Fall Conference Breakout Reports – No Action

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

- A. Administrators Eric Stern gave a verbal update on the Administrators breakout. Leanne Malison has volunteered to moderate the Spring session.
- B. Counsel David Lantzer gave a verbal update on the Attorney's session. No volunteer for the Spring session, please contact SACRS if you'd like to volunteer.
- C. Disability/ Operations & Benefits Combo No Report
- D. Internal Auditors No Report
- E. Investment Officers No Report
- F. Safety Trustees Roger Hilton gave a verbal update on the Safety meeting. Brian Williams has volunteered to moderate the Spring session.
- G. General Trustees Kathryn Cavness gave a verbal update on the Trustees breakout. Mrs. Cavness has also volunteered to serve as moderator in the Spring.

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 14, 2021 at the Long Beach Renaissance or via virtual platform due to Covid-19.

Motion: A motion to adjourn the SACRS Fall 2020 Business meeting at 10:25 am was made by San Diego.

2nd: Orange

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

Minutes submitted by;

<u>Kathryn Cavness, SACRS Secretary</u> <u>Sulema Peterson, SACRS Executive Director</u>



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

12:27 AM 03/01/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Balance Sheet

As of January 31, 2021

	Jan 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Foundation Bank-Checking	119,684.24
1001 - BofA Interest Checking 4389	267,053.26
1002 · First Foundation Bank ICS Acct	57,541.01
Total Checking/Savings	444,278.51
Other Current Assets	
1100 · CalTrust - Medium Term	979,692.99
1107 · CalTrust Liquidity Fund	8,223.85
1110 · CAMP-SACRS Liquidity Fund	790,897.39
1201 · Deposits in Transit	-5,337.26
Total Other Current Assets	1,773,476.97
Total Current Assets	2,217,755.48
TOTAL ASSETS	2,217,755.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2200 · First Foundation Credit Card	1,854.14
Total Credit Cards	1,854.14
Total Current Liabilities	1,854.14
Total Liabilities	1,854.14
Equity	
32000 · Retained Earnings	1,981,948.99
Net Income	233,952.35
Total Equity	2,215,901.34
TOTAL LIABILITIES & EQUITY	2,217,755.48

12:40 AM 03/01/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss

July 2020 through January 2021

Jui	y 2020 through January 2021
	Jul '20 - Jan 21
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	236,250.00
4102 · Non Profit - Organizati	ions 3,000.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Ot	ther 3,750.00
Total 4100 · Membership Dues	343,000.00
4200 · Webinar Symposium Regis	stration 350.00
4270 · UC Berkeley Program	
4271 · Registrations	12,000.00
4272 · Sponsorships	23,500.00
4270 · UC Berkeley Program	- Other 2,000.00
Total 4270 · UC Berkeley Program	
4300 · Fall Conference Registration	,
4301 · Affiliates - Early	23,700.00
4302 · Affiliates - Regular	24,150.00
4303 · Affiliates - Late/Onsite	·
4304 · Non Profit	720.00
4305 ⋅ Systems	16,200.00
4306 · Non-Members	16,670.00
4307 · Fun Run	355.00
4308 · Yoga	105.00
4300 · Fall Conference Regis	
Total 4300 · Fall Conference Regis	
4900 · Interest Earned	
	5,562.42
Total Income	489,112.42
Gross Profit	489,112.42
Expense	
5000 · Administrative Fee	105,000.00
5001 · Administrative Services	0.00
5003 · Bank Charges/Credit Card	Fees 7,219.12
5010 · Berkeley & Symposium	
5015 · Materials/Printing/Des	
5017 · UC Berkeley	-20,301.00
Total 5010 · Berkeley & Symposiu	-20,192.25
5020 · Webinar Symposium	
5022 · Webinar Technology	28,700.00
Total 5020 · Webinar Symposium	28,700.00
5040 · Commissions & Fees	150.00
5041 · Consulting	16,162.00
5042 · Dues & Subscriptions	3,885.00
5050 · Fall Conference	

12:40 AM 03/01/21 **Cash Basis**

Net Income

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS **Profit & Loss**

July 2020 through January 2021

	Jul '20 - Jan 21
5051 · Audio/Visual	24,521.25
5054 · Hotel	0.00
5055 · Program Material	3,049.07
5056 ⋅ Speakers	38,125.00
5050 · Fall Conference - Other	2,012.81
Total 5050 · Fall Conference	67,708.13
5070 · Insurance	4,229.00
5071 · Legal & Professional Fees	22,680.00
5072 · Legislative Advocacy	35,007.00
5080 · Magazine	
5082 · Design/Printing/Etc.	800.00
5083 · Magazine - Other	5,550.00
5080 · Magazine - Other	3,774.58
Total 5080 · Magazine	10,124.58
6010 · Office Expenses / Supplies	-55.47
6011 · Postage & Delivery	4,234.84
6020 · Spring Conference	
6022 · Delivery & Shipping	122.41
6024 · Hotel	
6024.2 · Conference	194.86
6024 · Hotel - Other	-60,000.00
Total 6024 · Hotel	-59,805.14
6026 · Speakers	-210.36
Total 6020 · Spring Conference	-59,893.09
6051 · Taxes & Licenses	10.00
6053 · Technology/AMS/Website	29,960.02
6054 · Travel	231.19
Total Expense	255,160.07
Net Ordinary Income	233,952.35
t Income	233,952.35

10:43 PM 03/24/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss Budget vs. Actual

July 2020 through February 2021

4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other	237,500.00 3,250.00 6,000.00 52,000.00 42,000.00	268,750.00 3,000.00 6,000.00	-31,250.00 250.00	88.37%
4100 · Membership Dues 4101 · Affiliates 4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,250.00 6,000.00 52,000.00 42,000.00	3,000.00	•	88.37%
4101 · Affiliates 4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,250.00 6,000.00 52,000.00 42,000.00	3,000.00	•	88.37%
4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,250.00 6,000.00 52,000.00 42,000.00	3,000.00	•	
4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	6,000.00 52,000.00 42,000.00	·		108.33%
4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	52,000.00 42,000.00	0,000.00	0.00	100.0%
4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	42,000.00	52,000.00	0.00	100.0%
4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	•	·	0.00	100.0%
Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,750.00	42,000.00	0.00	100.0%
4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite		274 750 00	07.050.00	00.070/
4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	344,500.00	371,750.00	-27,250.00	92.67%
4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	350.00			
Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	0.00	0.000.00	0.000.00	0.00/
4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	0.00	2,000.00	-2,000.00	0.0%
4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	0.00	2,000.00	-2,000.00	0.0%
4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite				
4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	13,000.00	100,000.00	-87,000.00	13.0%
Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	23,500.00	55,000.00	-31,500.00	42.73%
4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	2,000.00			
4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	38,500.00	155,000.00	-116,500.00	24.84%
4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite				
4303 · Affiliates - Late/Onsite	24,000.00	30,000.00	-6,000.00	80.0%
	24,150.00	26,250.00	-2,100.00	92.0%
4304 - Non Profit	13,600.00	10,000.00	3,600.00	136.0%
1301 - 11011 1 10111	720.00	1,000.00	-280.00	72.0%
4305 ⋅ Systems	16,200.00	12,000.00	4,200.00	135.0%
4306 · Non-Members	16,670.00	25,000.00	-8,330.00	66.68%
4307 · Fun Run	355.00	1,000.00	-645.00	35.5%
4308 ⋅ Yoga	105.00	100.00	5.00	105.0%
4300 · Fall Conference Registration - Other	7,200.00			
Total 4300 · Fall Conference Registration	03,000.00	105,350.00	-2,350.00	97.77%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	0.00	80,000.00	-80,000.00	0.0%
4352 · Affiliates - Regular	0.00	50,000.00	-50,000.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	17,500.00	-17,500.00	0.0%
4354 · Non Profit	0.00	500.00	-500.00	0.0%
4355 ⋅ Systems	0.00	11,250.00	-11,250.00	0.0%
4356 · Non-Members	0.00	127,500.00	-127,500.00	0.0%
4357 ⋅ Fun Run	0.00	700.00	-700.00	0.0%
4358 ⋅ Yoga	0.00	350.00	-350.00	0.0%
Total 4350 · Spring Conference Registration	0.00	287,800.00	-287,800.00	0.0%
4900 · Interest Earned				
Total Income	4,167.79			
	4,167.79	921,900.00	-431,382.21	53.21%

10:43 PM 03/24/21 **Cash Basis**

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss Budget vs. Actual July 2020 through February 2021

	Jul '20 - Feb 21	Budget	\$ Over Budget	% of Budget
5000 · Administrative Fee	120,000.00	180,000.00	-60,000.00	66.67%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	7,254.72	36,000.00	-28,745.28	20.15%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5013 · Hotel	0.00	12,000.00 13,000.00	-12,000.00	0.0% 0.0% 3.75%
5014 · Food & Beverage	0.00		-13,000.00	
5015 · Materials/Printing/Design	108.75	2,900.00	-2,791.25	
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	-20,301.00	206,000.00	-226,301.00	-9.86%
Total 5010 · Berkeley & Symposium	-20,192.25	238,600.00	-258,792.25	-8.46%
5020 · Webinar Symposium				
5022 · Webinar Technology	28,700.00			
Total 5020 · Webinar Symposium	28,700.00			
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	831.00	20,000.00	-19,169.00	4.16%
5041 · Consulting	16,162.00	19,992.00	-3,830.00	80.84%
5042 · Dues & Subscriptions	3,885.00	3,700.00	185.00	105.0%
5050 · Fall Conference				
5051 · Audio/Visual	24,521.25	50,000.00	-25,478.75	49.04%
5053 · Entertainment	0.00	4,000.00	-4,000.00	0.0%
5054 · Hotel	0.00			
5055 · Program Material	3,049.07	10,000.00	-6,950.93	30.49%
5056 · Speakers	38,125.00	50,000.00	-11,875.00	76.25%
5057 · Supplies	0.00	1,000.00	-1,000.00	0.0%
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
5050 · Fall Conference - Other	2,012.81			
Total 5050 · Fall Conference	67,708.13	130,000.00	-62,291.87	52.08%
5070 · Insurance	4,229.00	5,000.00	-771.00	84.58%
5071 · Legal & Professional Fees	22,680.00	35,000.00	-12,320.00	64.8%
5072 · Legislative Advocacy	35,007.00	60,012.00	-25,005.00	58.33%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	800.00	20,000.00	-19,200.00	4.0%
5083 · Magazine - Other	5,550.00	5,200.00	350.00	106.73%
5080 · Magazine - Other	3,774.58	2,200.00	223.30	. 33 370
Total 5080 · Magazine	10,124.58	25,800.00	-15,675.42	39.24%
6000 · Board & Committees	10,124.30	20,000.00	10,010.42	JJ.24 /0
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	5,950.00	-5,950.00	0.0%
ooo i.i . Food & beverage	0.00	5,350.00	-0,900.00	0.0%

10:43 PM 03/24/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss Budget vs. Actual

July 2020 through February 2021

	Jul '20 - Feb 21	Budget	\$ Over Budget	% of Budget
6001.2 · Printing/Supplies	0.00	2,800.00	-2,800.00	0.0%
6001.3 · Travel - BOD Meetings	0.00	7,700.00	-7,700.00	0.0%
6001.4 · Travel - Miscellaneous BOD	0.00	840.00	-840.00	0.0%
6001.5 · Board Of Directors - Other	0.00	3,000.00	-3,000.00	0.0%
Total 6001 · Board of Directors	0.00	20,290.00	-20,290.00	0.0%
6002 · Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Board & Committees	0.00	23,040.00	-23,040.00	0.0%
6010 · Office Expenses / Supplies	-55.47	2,500.00	-2,555.47	-2.22%
6011 · Postage & Delivery	4,497.69	3,000.00	1,497.69	149.92%
6020 · Spring Conference				
6021 · Audio/Visual	22,600.00	50,000.00	-27,400.00	45.2%
6022 · Delivery & Shipping	122.41	3,000.00	-2,877.59	4.08%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	52,500.00	-52,500.00	0.0%
6024.2 · Conference	194.86			
6024.4 · Hotel - Other	0.00	192,500.00	-192,500.00	0.0%
6024 · Hotel - Other	-60,000.00			
Total 6024 · Hotel	-59,805.14	245,000.00	-304,805.14	-24.41%
6025 · Program Material	0.00	24,500.00	-24,500.00	0.0%
6026 · Speakers	-210.36	50,000.00	-50,210.36	-0.42%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 6020 · Spring Conference	-37,293.09	395,000.00	-432,293.09	-9.44%
6050 · Strategic Facilitator	0.00	10,000.00	-10,000.00	0.0%
6051 · Taxes & Licenses	10.00	50.00	-40.00	20.0%
6053 · Technology/AMS/Website	36,490.97	35,000.00	1,490.97	104.26%
6054 · Travel	231.19	7,500.00	-7,268.81	3.08%
Total Expense	300,270.47	1,248,994.00	-948,723.53	24.04%
	190,247.32	-327,094.00	517,341.32	-58.16%
	190,247.32	-327,094.00	517,341.32	-58.16%



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed material for this item



5. SACRS Legislative Committee Update – Action

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

- A. 2021 Legislative Report No Action
- B. SACRS Board of Directors Legislative Proposal Action

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associated

April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – April 2021

Last year, Governor Newsom solemnly pronounced that after expecting record breaking surpluses in 2020, the state was facing a \$54 billion deficit. That number was daunting, and comparable to the budget shortfalls experienced at the onset of the Great Recession. That massive deficit never materialized. The Governor and his Department of Finance (DOF) didn't lie or mislead. The nonpartisan and respected Legislative Analyst's Office (LAO) also projected large and growing deficits as a result of the pandemic.

The projections were wrong for two reasons. First, with tax filing deadlines extended, both DOF and the LAO were flying blind without a reliable estimate of how much revenue the state would take in. Last year's budget was adopted before the Governor and the Legislature had the benefit of those estimates.

Secondly, the economic downturn was lopsided, disproportionately impacting low-income Californians forced to leave work during the pandemic. Wealthy Californians largely continued to prosper while stock markets rebounded despite rapid and precipitous falls at the outset of the pandemic. California's tax code leans heavily on high-income residents. While that reliance devastated state revenues during the Great Recession, it has helped spare the state during the pandemic.

Since the projections were off, the 2020 Budget was more conservative than it needed to be. Consequently, Governor Newsom's 2021 Budget was built on a \$15.5 billion windfall surplus, and the good news keeps rolling in.

Last week, the Department of Finance reported that the state will receive another \$14.3 billion in unexpected surplus revenue. On top of that, \$150 billion is coming to California from the \$1.9 Trillion American Rescue Plan recently signed by President Biden. While most of this money will go directly to residents and local governments, \$26 billion will drop into California's budget. The money must be spent addressing public health issues or the economic fallout from the pandemic, pay for essential workers, backfilling lost tax revenue, or making investments in water, sewer, or broadband infrastructure.

We have a few observations.

That's not a lot of Strings

The \$14.3 billion surplus is General Fund revenue which can be spent as the Legislature and Governor see fit. While the \$26 billion in federal aid comes with the restrictions mentioned above, they are not very limiting. The Governor and Legislature could argue that any number of spending proposals would mitigate the economic impact of the pandemic, for example. The state has until 2024 to spend the money, and lots of things to spend it on.

Lots of Money, Lots of People Want it

\$40 billion in unexpected revenue is a lot. It's easy for lobbyists and their clients to start imagining how to spend it, which is exactly why it's not as much money as it seems. Even before it was clear exactly how much money California would receive from the Federal Government or how much surplus revenue it had to spend, billions of dollars of new spending proposals were floating around the Legislature.

There's a lot of need right now, and no shortage of stakeholders looking to use state revenue to meet it. The Legislature and the Governor will have to figure out which of these requests aligns with their own priorities.

It's Enough Money for the Legislature and Governor to Fight Over

The Governor essentially ruled California via Executive Order and unilateral spending authority granted by the Legislature from March through June last year. While they allowed the situation to persist, it seems to have rubbed many legislators the wrong way. As we've reported previously, frustrated legislators largely won the debate over how to structure the 2020 budget. While they have questioned Governor Newsom on his handling of the pandemic, his handling of unemployment fraud, and his plans for school reopening, they have not truly challenged him since budget negotiations concluded in 2020.

The Legislature could choose to leverage the Governor on how to spend new revenue, but there's reason to think the Legislature will be even more accommodating than they were last year. While it's still not official, Governor Newsom will be facing a recall later this year. Despite their grievances, Democrats in the Legislature will want to defend the Democratic Governor from the Republican-backed recall effort. While there will be give and take over how to use the new money as always, it seems likely the Legislature will help the Governor with his major spending initiatives.

New Attorney General

In December, we reported that the election of Vice President Kamala Harris created a game of political musical chairs when she vacated her US Senate seat. The issue of appointing her successor quickly became fraught with risk for Governor Newsom who was urged by advocates and legislators representing the state's African American, Latino, API, and LGBTQ Californians to appoint a Senator who can represent their communities.

The Governor handled the challenge. The appointment of former Secretary of State Alex Padilla as the first Latino Senator representing California created another vacancy. The Governor appointed Shirley Weber to replace them and serve as California's first African American Secretary of State. Last week, the Governor appointed Assemblymember Rob Bonta to replace Xavier Becerra as Attorney General. Mr. Bonta will be the first Filipino American to hold the position.

March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

RE: Sponsorship of SB 634 (Committee on Labor, Public Employment and Retirement)

Similar to last year with AB 2101 (Committee on Public Employment and Retirement), the Legislative Committee is pursuing another omnibus bill to provide technical and clarifying changes to the CERL. You may recall that SACRS' cleanup changes were initially placed into SB 783, then ultimately amended into AB 2101, a bill sponsored by SACRS, CalPERS, and CalSTRS that provided noncontroversial changes to each entity's respective code sections.

This year, the Senate Committee on Labor, Public Employment and Retirement is authoring another omnibus bill for SACRS, CalPERS, and CalSTRS technical cleanup.

After fielding proposals from member systems and deliberating among the legislative committee, several minor cleanup proposals were selected to be amended into SB 634 at the start of the new legislative session.

These changes include clarifying that a Board of Retirement may contract with a private physician to provide medical advice as part of the board's duties related to processing disability claims, deleting an obsolete reference to procedures for purchasing additional service, changing incorrect code references, and fixing typos. Along with these changes, the Legislative Committee will continue to review noncontroversial proposals to be added into this vehicle in the coming months.

On a separate track, the Legislative Committee continues to review more substantive CERL amendments for consideration by the Board of Directors for the 2022 legislative session.

The SACRS Legislative Committee is requesting Board of Directors approval for SACRS to formally sponsor SB 634. Thank you for your consideration.

The bill language for SB 634 and a summary matrix of CERL provisions in SB 634 are attached.

SB 634 As Introduced, 2/19/2021

2021 CERL Amendments

Sec	Gov Code	Topic	Issue/Justification
			Updates statutes to conform to existing practices in which many retirement systems
			currrently use outside, independent medical advisors to evaluate disability claims.
			Amendments clarify that the county health officer, either directly or through a duly
			authorized representative, shall advise the board on medical matters. Also clarifies that
			the board may contract with a physician in private practice under its existing authority
9	31530		to secure the necessary medical service and advice in carrying out its adjudication of
14	31732	County Health Officer as Medical Advisor	disability retirement applications.
10	31565.5	County Office of Education	Fixes incorrect cross references when the Education Code was restructured years ago.
			Deletes obsolete section. The payment terms related to
			pre-tax and after-tax contributions in conformity with federal tax law are generally
			specified in the contracts that members sign when they elect to make additional
11	31641.8	Service Purchase-Installment Payments	contributions.
			Fixes typo/missing words. Section 31680.2 provides that retired members may be
			reemployed without reinstatement to membership in a position requiring special skills
			or knowledge for a period of time not to exceed 90 working days or 720 hours in one
			fiscal year of any other 12-month period. Section 31680.3 provides that the period of
			time not exceed 120 working days or 960 hours. The current statutes are missing the
12	31680.2		phrase "a period of time," similiar to sentence structure in Section 31680.6.
13		Post-Retirement Employment	
15		Survivor benefits	Fixes typo. The word "the" is missing before "guardian."

Page 1 of 1 023

Introduced by Committee on Labor, Public Employment and Retirement (Senators Cortese (Chair), Durazo, Laird, Newman, and Ochoa Bogh)

February 19, 2021

An act to amend Sections 22011, 22802, 24204, and 26804 of the Education Code, and to amend Sections 20320, 20322, 20324, 31530, 31565.5, 31680.2, 31680.3, 31732, and 31781.2 of, to add Section 21499.1 to, and to repeal Section 31641.8 of, the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as introduced, Committee on Labor, Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. STRS is administrated by the Teachers' Retirement Board. Existing law requires STRS to pay premiums associated with Medicare Part A for certain retired or disabled members, as specified. Existing law creates the Cash Balance Benefit Program, which is administered by the board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time.

Existing law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system.

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This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that STRS pay certain Medicare Part A premiums.

Existing law authorizes a member of STRS who is not retired and who was previously excluded from membership in the Defined Benefit Program request to purchase service credit in the program for certain types of other service. The bill would delete and obsolete cross-reference.

This bill would prohibit a member from purchasing service credit for any school year if the purchase would result in more than one year of service for that school year.

Existing law authorizes a member of STRS who files an application for service retirement to change or cancel their retirement application if specified requirements are met. In this regard, existing law requires a member to return the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment, as specified.

This bill would extend the requirement to return total gross distribution amount, as described above, to apply to any canceled benefit.

(2) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which is administered by the Board of Administration of the Public Employees' Retirement System. PERL excludes specified appointees, elective officers, and legislative employees from membership in the system unless the person to whom these provisions apply elects to file with the board an election in writing to become a member.

This bill would prescribe the circumstances pursuant to which the start date would be determined for an appointee, elective officer, or legislative employee who elects to become a member of PERS. If the written election is received by the system within 90 days of the applicable appointment, current term, or start date for the position, the bill would require that the effective date be the start date of the appointment, the start date of the term, or the start date of the position. If the election is not received by the system within 90 days, as specified, the effective date would be the first day of the month in which the election is received by the system.

PERL prescribes the circumstances pursuant to which specified payments and benefits may be paid by PERS in connection with the death of a member, among others.

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This bill would require that overpayments, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, as specified, be deducted from any subsequent payment or benefit that is payable by PERS as a result of the death.

(3) The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL vests management of the retirement systems created pursuant to its provisions in a board of retirement. CERL requires the county health officer to advise the board on medical matters and, if requested, attend its meetings.

This bill would authorize a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.

CERL authorizes a member of a system established under its provision who ceases to be an employee of the county under certain provisions of the Education Code to elect to remain a member of the CERL system.

This bill would correct an obsolete cross-reference in this regard.

CERL provides benefits based upon service credit, defines service for this purpose, and authorizes a member to elect to receive service credit for other forms of public service, as defined, by making contributions. CERL authorizes a member who has elected to make contributions to receive service credit to complete payment, at any time prior to the effective date of the member's retirement, by a lump sum.

This bill would repeal the above-described authority of a member to complete a payment by lump sum.

CERL requires a board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement.

This bill would authorize the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.

This bill would make various technical and stylistic changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 22011 of the Education Code is amended 1 2 to read:

22011. For an application or document requiring a signature, that signature shall be in a form prescribed by the system, including, but not limited to, on paper or made by electronic means. Notwithstanding any other law, an application or document made under this part, Part 13.5 (commencing with Section 25900), or Part 14 (commencing with Section 26000) that is signed and submitted by the person authorized to do so using technology and security measures prescribed by the system shall be deemed to be a signed and valid original document.

SEC. 2. Section 22802 of the Education Code is amended to read:

- 22802. (a) A member, other than a retired member, who was previously excluded from membership in the Defined Benefit Program may request to purchase service credit for:
 - (1) Service as a substitute excluded under Section 22602.
- (2) Creditable service subject to coverage under the Cash Balance Benefit Program, excluding service credited pursuant to Section 26402, Program if the member is currently contributing to the Defined Benefit Program and has terminated all service subject to coverage under the Cash Balance Benefit Program. Upon requesting to purchase service credit under this paragraph, the member shall cease to be eligible for a benefit for the same service or time previously credited under the Cash Balance Benefit Program pursuant to Part 14 (commencing with Section 26000).
- (3) Service performed on a part-time basis excluded under Section 22601.5 or Section 22604, other than service credited under paragraph (2).
- (4) Adult education service excluded under Section 22603, as it read on December 31, 1995.
- (5) Service as a school nurse excluded under Section 22606, as it read on December 31, 1995.
- (6) Service performed in a position prior to the date the position was made subject to coverage under the Defined Benefit Program.
- 36 (7) Service subject to coverage under the Defined Benefit Program performed while a member of another California public retirement system, provided the member has ceased to be a member 38

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of, and has ceased to be entitled to benefits from, the other retirement system. The member shall not receive credit for the service if the member may redeposit withdrawn contributions and subsequently be eligible for any benefits based upon the same service or based upon other full-time service performed during the same period, from another California public retirement system.

- (b) A member who requests to purchase service credit under this part for service performed while excluded from membership under the Defined Benefit Program shall pay all of the required contributions for all or the portion of that service for which the member requests to purchase service credit.
- (c) A member—may shall not request to purchase service credit for service or time described in paragraphs (1) and (3) to (7), inclusive, of subdivision (a) if, after the request, the member would continue to receive credit for the same service or time in the Cash Balance Benefit Program under Part 14 (commencing with Section 26000) or another public retirement system.
- (d) A member shall not purchase service credit for any school year if the purchase would result in more than one year of service for that school year.
- SEC. 3. Section 24204 of the Education Code is amended to read:
- 24204. (a) A service retirement allowance under this part shall become effective upon any date designated by the member, provided all of the following conditions are met:
- (1) An application for service retirement allowance is filed on a form provided by the system, which is executed no earlier than six months before the effective date of retirement allowance.
- (2) The effective date is later than the last day the member earned creditable compensation pursuant to Section 22119.2 or 22119.3.
- (3) The effective date is no earlier than one day after the date on which the retirement allowance was terminated under Section 24208.
- (4) The effective date is no earlier than one year following the date on which the retirement allowance was terminated under subdivision (a) of Section 24117.
- (5) The effective date is no earlier than the date upon and continuously after which the member is determined to the satisfaction of the board to have been mentally incompetent.

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(6) The effective date is no earlier than one day after the date upon which the member completes payment of a service credit purchase pursuant to Section 22801, 22820, or 22826, or payment of a redeposit of contributions pursuant to Section 23200, except as provided in Section 22801 or 22829.

- (b) A member who files an application for service retirement may change or cancel their retirement application if all of the following are met:
- (1) The form provided by the system is received in the system's headquarters office no later than 30 days from the date the member's initial benefit payment for the member's most recent retirement under the Defined Benefit Program is paid by the system.
- (2) The member returns the total gross distribution amount of all payments for any canceled—retirement benefit, including a lump-sum payment being changed to an annuity, to the system's headquarters office no later than 45 days from the date of the member's initial benefit payment. The member shall be liable for any adverse tax consequences that may result from these actions.
- (c) The retirement date of a member who files an application for retirement pursuant to Section 24201 on or after January 1, 2012, shall be no earlier than January 1, 2012.
- (d) Nothing in this section shall be construed to allow a member to receive more than one type of retirement or disability allowance for the same period of time by virtue of the member's own membership.
- SEC. 4. Section 26804 of the Education Code is amended to read:
- 26804. Application for a retirement benefit under this part shall be made on a form prescribed by the system. A participant who files an application for a retirement benefit may change or cancel the retirement application if all of the following are met:
- (a) The form provided by the system is received in the system's headquarters office no later than 30 days from the date of the member's participant's initial benefit payment.
- (b) The participant returns the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment being changed to an annuity, to the system's headquarters office no later than 45 days from the date of the participants's participant's initial benefit payment. The participant

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shall be liable for any adverse tax consequences that may result from these actions.

- SEC. 5. Section 20320 of the Government Code is amended to read:
- 20320. (a) A person directly appointed by the Governor, without the nomination of any officer or board, or directly appointed by the Attorney General, Lieutenant Governor, Controller, Secretary of State, Treasurer, or Superintendent of Public Instruction exempt from civil service under Article VII of the California Constitution, except those appointed pursuant to subdivision (i) of Section 4 thereof, is excluded from membership in this system unless he or she the person files with the board an election in writing to become a member. The election effective date shall be the start date of the current appointment, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system.
 - (b) Upon electing to become a member, the person may further elect at any time prior to retirement to receive service credit for his or her their prior, excluded state service by making the contributions as specified in Sections 21050 and 21051.
 - SEC. 6. Section 20322 of the Government Code is amended to read:
 - 20322. (a) An elective officer is excluded from membership in this system unless the officer files with the board an election in writing to become a member. The election effective date shall be the start date of the current term, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system. Upon electing to become a member, the officer may further elect at any time prior to retirement to receive service credit for his or her their prior, excluded service by making the contributions as specified in Sections 21050 and 21051.
 - (b) As used in this part, "elective officer" includes any officer of the Senate or Assembly who is elected by vote of the members of either or both of the houses of the Legislature, and any

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appointive officer of a city or county occupying a fixed term of office, as well as officers of the state or contracting agencies elected by the people, and persons elected to a city council or a county board of supervisors.

- (c) Notwithstanding any other provision of subdivision (a) or (b), elected or appointed officers of a county superintendent of schools, school district, or community college district, or of a contracting agency, who serve on public commissions, boards, councils, or similar legislative or administrative bodies are excluded from membership in this system. This exclusion shall only apply to those elected or appointed officers, other than city or county officers, who are first elected or appointed to an office on or after July 1, 1994, or who are elected or appointed to a term of office not consecutive with the term of office held on June 30, 1994. For city or county elected or appointed officers, this exclusion shall only apply to those officers who are first elected or appointed to an office on or after January 1, 1997, or who are elected or appointed to a term of office not consecutive with the term of office held on December 31, 1996. This exclusion shall not apply to persons elected to a city council or county board of supervisors.
- (d) Any person holding the office of city attorney or the office of assistant city attorney, whether employed, appointed, or elected, is excluded from the definition of "elective officer" as defined in subdivision (b). This subdivision shall apply only to persons first employed, elected, or appointed on or after July 1, 1994, or following any break in state service while serving in the office if the office was held on June 30, 1994.
- (e) In accordance with Section 20125, the board shall be the sole judge of which elected or appointed positions qualify the incumbent as an "elective officer" in this system under this section.
- (f) Notwithstanding any other provision of law, with respect to elective officers of contracting agencies, payment by a contracting agency of employer contributions and any other amounts for employer paid benefits under this system shall not be construed as receipt of salary or compensation by the elective officer for purposes of any statutory salary or compensation limitation.
- 38 SEC. 7. Section 20324 of the Government Code is amended to read:

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20324. (a) An employee of the Senate or the Assembly, or the respective committees thereof, whose salaries or wages are paid from the Senate Operating Fund or the Assembly Operating Fund or the Operating Funds of the Assembly and Senate, shall be deemed a "legislative employee." A legislative employee is excluded from membership in this system unless he or she the person files with the board an election in writing to become a member. The election effective date shall be the start date of the current position, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system. The election shall not be required of a legislative employee who was a member of this system on October 1, 1963.

(b) Upon electing to become a member, a legislative employee may further elect at any time prior to retirement to receive service credit for his or her their prior, excluded legislative service and he or she the legislative employee shall have the option as to how much of that prior legislative service is to be credited. The legislative employee shall make contributions to this system as specified in Sections 21050 and 21051 for the previous service as a legislative employee for which he or she desires they desire to receive service credit.

SEC. 8. Section 21499.1 is added to the Government Code, to read:

21499.1. Any overpayment, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, including, but not limited to, contributions, interest, retirement allowance, payments of any kind, or federal or state tax, shall be deducted from any subsequent payment or benefit that is payable by this system as a result of the death.

SEC. 9. Section 31530 of the Government Code is amended to read:

31530. The county health-officer officer, either directly or through a duly authorized representative, shall advise the board on medical matters and, if requested by the board, shall attend its meetings.

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SEC. 10. Section 31565.5 of the Government Code is amended to read:

31565.5. Any member of a system established under this chapter who ceases to be an employee of the county under the provisions of Education Code Section 873 Section 1312 of the Education Code may elect as authorized in Education Code Section 873.1 Section 1313 of the Education Code to remain a member of such system.

SEC. 11. Section 31641.8 of the Government Code is repealed. 31641.8. Any member who has elected to make contributions pursuant to this chapter by installment payments may, at any time prior to the effective date of his retirement, complete payment thereof by lump sum.

SEC. 12. Section 31680.2 of the Government Code is amended to read:

31680.2. (a) Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, for them, for a period of time not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend-his or her their retirement allowance, and no deductions shall be made from his or her their salary as contributions to this system.

- (b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.
- (2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.
- (3) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail, except that

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the limit on postretirement employment provided in subdivision (a) to the greater of 90 working days or 720 hours shall remain effective.

- SEC. 13. Section 31680.3 of the Government Code is amended to read:
- 31680.3. (a) Notwithstanding Section 31680.2, any member who has been covered under the provisions of Section 31751 and has retired may be reemployed in a position requiring special skills or knowledge, as determined by the county or district employing the member, for *a period of time* not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend the person's retirement allowance, and no deductions shall be made from the person's salary as contributions to this system.
- (b) (1) This section shall not apply to any retired member who is otherwise eligible for reemployment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.
- (2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.
- (c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.
- SEC. 14. Section 31732 of the Government Code is amended to read:
- 31732. The board shall secure such medical, investigatory and other service and advice as is necessary to carry out the purpose of this article. Notwithstanding Section 31529, the board may contract with an attorney in private practice for the legal services and advice necessary to carry out the purpose of this article. Notwithstanding Section 31530, the board may contract with a physician in private practice for the medical advice necessary to

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carry out the purpose of this article. It shall pay for such services 2 and advice such compensation as it deems reasonable.

SEC. 15. Section 31781.2 of the Government Code is amended to read:

31781.2. In lieu of accepting in cash the death benefit payable under Section 31781 or 31781.01, the surviving spouse of a member who dies prior to reaching the minimum retirement age and who at the date of the member's death has 10 or more years of service to the member's credit, shall have the option to leave the amount of the death benefit on deposit in the retirement system until the earliest date when the deceased member could have retired had the member lived, and at that time receive the retirement allowance provided for in Section 31765, 31765.1, or 31765.11, whichever is applicable.

If, at the death of the spouse, the spouse is survived by one or more unmarried children of the member, under the age of 18 years, the retirement allowance shall continue to the child or children, collectively, until every child dies, marries, or attains the age of 18 years. If the spouse dies, either before or after the death of the member, without either making the election or receiving any portion of the death benefit, and no part of the death benefit had been paid to any person, prior to the payment of any benefits, the legally appointed guardian of the children shall make the election herein provided for on behalf of the surviving children as, in *the* guardian's judgment, may appear to be in their interest and advantage, and the election so made shall be binding and conclusive upon all parties in interest.

Notwithstanding any other provisions of this section, the benefits otherwise payable to the children of the member shall be paid to those children up to the 22nd birthdays of the children if the children remain unmarried and are regularly enrolled as full-time students in an accredited school as determined by the board.



6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice - Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022



March 25, 2021

To: SACRS Trustees & SACRS Administrators/CEO's

From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair

SACRS Nominating Committee

Re: SACRS Board of Director Elections 2021-2022 Elections – Final Ballot

SACRS BOD 2021-2022 election process began January 2021. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2021	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, 2021	The Nominating Committee will report a final ballot to each
	regular member County Retirement System prior to March 25
May 14, 2021	Nomination Committee to conduct elections during the SACRS
	Business Meeting at the Spring Conference, May 11-14, 2021
May 14, 2021	Board of Directors take office for 1 year (until Spring 2022
	Elections)

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 on Friday, May 14, 2021 during the scheduled business meeting. Access to the business meeting is available on the conference platform, all voting delegates and alternate delegates must be registered for the conference to access link.

SACRS Nominating Committee Final Ballot:

•	Vivian Gray, Los Angeles CERA	President
•	Kathryn Cavness, Mendocino CERA	Vice President
•	Harry Hagen, Santa Barbara, CERS	Treasurer
•	Thomas Garcia, Imperial CERS	Secretary
•	David MacDonald, MD, Contra Costa CERA	Regular Member
•	Vere Williams, San Bernardino CERA	Regular Member

Additional Candidates Submitted:

•	John Kelly, Sacramento CERS	Regular Member
•	Chris Prevatt, Orange CERS	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 Dan McAllister, <u>Dan.McAllister@sdcounty.ca.gov</u> or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee SACRS Nominating Committee Chair

CC: SACRS Board of Directors

SACRS Nominating Committee Members Sulema H. Peterson, SACRS Executive Director

Attached: Candidate submissions

Submissions for President



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H Grav
Traine or Garrana	Name: Vivian H. Gray
Candidate Contact	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101
Information	
(Please include – Phone	Email Address: viviangray@aol.com, vgray@lacera.com
Number, Email Address	213.440.0142
and Mailing Address)	Phone:
Name of Retirement	System Name: Los Angeles County Employees Retirement Assoc.
System Candidate	(LACERA)
Currently Serves On	
List Your Current	o Chair
Position on Retirement	o Alternate
Board (Chair, Alternate,	General Elected
Retiree, General Elected,	o Retiree
Etc)	o Other <u>Vice-Chair</u>
Applying for SACRS	∛ President
Board of Directors	○ Vice President
Position (select only one)	o Treasurer
,	o Secretary
	o Regular Member
Dui (Di c	
Brief Bio	2020 President, SACRS
	2018 Chair, LACERA Board of Retirement 2017 Chair, SACRS Bylaws Committee
	2019 Vice Chair, SACRS President
	Elected general member trustee since 2012
	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
	- 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 Master's Program
	- NCPERS Public Pension Funding Forum
	- National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN H. GRAY

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

February 23, 2021 VIA EMAIL

SACRS Nominating Committee Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

I would like to express my desire to be considered for SACRS' President for 2021/2022.

For the past year, I have been humbly honored to serve as SACRS President. 2020 was a very difficult time for everyone. SACRS was no exception. During this time, my thoughts focused on two concepts: Relevance and Sustainability.

Within these two concepts, SACRS was able to remain 'relevant' to the pension community by moving forward in its approach to education and 'sustainable' by building on technological advances in order to continue to provide quality education through different mediums.

Most notably SACRS accomplishments for 2020 include, but are not limited to the following:

- Continued communications with 37 Act systems and administrators through SACRS' website and SACRS Magazine
- > Relevant and up to the minute webinars on pensions and investments as impacted by the pandemic
- Presentation of SACRS Spring and Fall conferences in a virtual format without sacrificing quality speakers, presentations or interactions among trustees, affiliates and staff
- > Presenting the SACRS Berkeley Education Program in a virtual format with ondemand replays of the classes presented
- Maintaining an active role in the legislative process as it affected county retirement systems

In spite of the pandemic, I am very proud of the work the SACRS Board has accomplished under my leadership. We have been and continue to be productive while remaining relevant and sustainable for the SACRS membership.

I would be honored to serve a second term as President of SACRS. I thank you in advance for your consideration of my candidacy for re-election.

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS

Submissions for Vice President



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
	Kathryn Cavness
Candidate Contact	Molling Address:
Information	Mailing Address:
	6500 Ridgewood Road, Willits, CA 95490 Email Address:
(Please include – Phone	
Number, Email Address	k24u2figure@gmail.com Phone:
and Mailing Address)	Home (707) 459-2215; Cell (707) 354-8105; Work (707) 463-4194
Name of Retirement	System Name:
System Candidate	Mendocino County Employee Retirement Association (MCERA)
Currently Serves On	
List Your Current	Chair
Position on Retirement	Alternate
Board (Chair, Alternate,	✓ General Elected
Retiree, General Elected,	Retiree
Etc.)	Other
,	
Applying for SACRS	President
Board of Directors	√ Vice President
Position (select only one)	Treasurer
	Secretary
	Regular Member
Brief Bio	My education and professional experience provides qualifications ideally
	suited for taking on the responsibilities of Vice President of the SACRS
	Board of Directors:
	•
	Four years as Secretary for SACRS Board of Directors
	Past Chair on the MCERA Board &
	Current 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

Kathryn Cavness 6500 Ridgewood Road Willits, CA 95490

February 4, 2021

Dan McAllister, SACRS Nominating Committee Chair SACRS Nominating Committee

Dear Dan and Nominating Committee Members,

Please accept my letter of intent to run as Vice President in the State Association of County Retirement Systems (SACRS) Board of Directors (BOD) officers' election for the 2021-22. I have had the honor of serving on the SACRS BOD as Secretary since May 2017, which has enhanced my understanding of the value of this organization for all parties involved. Additionally, I have served as Chair of the Mendocino County Employees Retirement Association (MCERA) for the last two years.

My interest in seeking the position of Vice President is to continue working with the highly effective SACRS Board in achieving common goals. My focus will be on adding value for Trustees by expanding growth and positive outcomes, increasing diversity, and providing educational opportunities through boosting attendance at the UC Berkeley Educational Program, and SACRS conferences. I will also continue working to expand participation and membership opportunities in SACRS Committees.

As a General Elected Trustee of the Mendocino County Employee Retirement Association, which is the smallest and most northern rural county system in California, I welcome the opportunity to continue representing the smaller systems as well as all SACRS members.

My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors:

- SARCS Board of Directors Secretary for four years from FY 2017/2018 FY 2020/2021
- Chair of the MCERA Board for two years through December 2020
- Trustee on the MCERA Auditing Committee
- Public Pension Investment Management Program/
 - o Modern Investment Theory & Practice for Retirement Systems
 - UC Berkeley Hass School of Business
- Advanced Principles of Pension Management for Trustees
 - UCLA Anderson School of Management
- Principles of Pension Management for Trustees
 - Pepperdine University, Graziadio Business School
- County of Mendocino District Attorney's Office Administrative Services Manager
- Master's Degree in Business Administration with Emphasis on Finance & Accounting

Sincerely,

Kathryn Cavness, SACRS BOD Secretary, Mendocino CERA Trustee

altruy Carness

044

Submissions for Treasurer



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021. Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

	Γ
Name of Candidate	Name:
	Harry E. Hagen
Candidate Contact	Mailing Address: P.O. Box 579
Information	Santa Barbara, CA 93102
(Please include – Phone	
Number, Email Address	Email Address: hhagen@co.santa-barbara.ca.us
and Mailing Address)	
	Phone: 805-568-2490
Name of Retirement	System Name: SBCERS (Santa Barbara)
System Candidate	
Currently Serves On	
List Your Current	o Chair
Position on Retirement	o Alternate
Board (Chair, Alternate,	General Elected
Retiree, General Elected,	o Retiree
Etc)	Other: Ex-Officio Member, Vice-Chair
2:0)	Salor. Ex Silolo Wolfiber, vise Silair
Applying for SACRS	o President
Board of Directors	 Vice President
Position (select only one)	Treasurer
	○ Secretary
	o Regular Member
Brief Bio	See Attachment
	·
*	
	j.

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 \$2 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 29-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.

February 22, 2021

To Dan McAllister, 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 25-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 10 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

Submissions for Secretary



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Thomas Garcia
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address) Name of Retirement System Candidate Currently Serves On	Mailing Address: 107 South B Street, Imperial, CA 92251 Email Address: tgarcia@icso.org Phone: 442-265-2222 System Name: Imperial County Employees Retirement System (ICERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	 Chair Alternate General Elected (Safety) Retiree Other
Applying for SACRS Board of Directors Position (select only one)	 President Vice President Treasurer Secretary Regular Member
Brief Bio	ICERS Board Trustee, elected safety member (2015-Present) Vice Chair ICERS Board (Current) Chair ICERS Board (2016) 25 Years Public Service in Law Enforcement with the Imperial County Sheriff's Office: Chief Deputy Sheriff Supervising Deputy Coroner Education & Training: Bachelor of Science, Public Administration (Northern Arizona University) Public Pension Investment Management Program, UC Berkeley Hass School of Business Principles of Pension Management, Pepperdine University FBI National Academy (Quantico, VA.) Sherman Block Supervisory Leadership Institute (Cal POST)

Thomas Garcia 107 South B Street Imperial, CA 92251

February 5th, 2021

SACRS Nominating Committee
SACRS Nominating Committee Chair
Vivian Gray, SACRS President

Nomination Committee,

Please accept this as my letter of intent to run as Secretary in the State Association of County Retirement System (SACRS) Board of Directors (BOD) officers' 2021-22 election. I have served as an elected Board Trustee to the Imperial County Employees Retirement System (ICERS) since 2015. As an ICERS trustee I have fulfilled the duties of Board Chair and current Vice Chair. In addition, as a member of SACRS I have had the honor and privilege to serve as committee member of both the SACRS Legislation and Nomination Committees (2017—present).

In seeking this position, I hope to further my service to SACRS and all members SACRS represents. My motivation will be concentrated on assisting the distinguished SACRS Board in maintaining the legacy of SACRS work and increasing participation of all SACRS members from systems small and large.

I believe my experience with ICERS and SACRS, in conjunction with 25 years of public service as a law enforcement officer, provide me a unique skillset beneficial to SACRS:

- ICERS Board Trustee (past Chair, current Vice Chair)
- Chief Deputy Sheriff, Imperial County Sheriff's Office
- Bachelor of Science in Public Administration (Northern Arizona University)
- Public Pension Investment Management Program/Modern Investment Theory & Practice for Retirement Systems (UC Berkeley Hass School of Business)
- Principles of Pension Management for Trustees (Pepperdine University, Graziadio Executive Center)
- FBI National Academy (Quantico, VA.)
- Sherman Block Supervisory Leadership Institute (Californian Commission on POST)

Sincerely,

Thomas Garcia, Board Trustee (Safety)

Imperial County Employees Retirement System

Submissions for General Member



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David I MacDanald MD	
Name of Candidate	Name: David J. MacDonald, MD	
Candidate Cantast	Mailing Address: 255 Demograte Way, Vallaia, CA, 04504	
Candidate Contact	Mailing Address: 255 Ramsgate Way, Vallejo, CA 94591	
Information		
(Please include – Phone	Email Address: <u>dmacdcccera@gmail.com</u>	
Number, Email Address		
and Mailing Address)	Phone: 510-409-4458	
Name of Retirement	System Name: CCCERA	
System Candidate		
Currently Serves On		
List Your Current	o Chair	
Position on Retirement	o Alternate	
Board (Chair, Alternate,	○ General Elected X	
Retiree, General Elected,	○ Retiree	
Etc)	o Other	
Applying for SACRS	o President	
Board of Directors	 Vice President 	
Position (select only one)	 Treasurer 	
	 Secretary 	
	o Regular Member X	
	* 0.4.0 P.O. P	
Brief Bio	* SACRS Board of Directors, Member – 2020-2021	
	* Secretary, CCCERA Board of Retirement	
	* Elected general member trustee of CCCERA since 2016	
	* President, Physicians' and Dentists' of Contra Costa (PDOCC), since	
	2010 (Union for health care providers working at Contra Costa County).	
	* 16 years serving on the PDOCC Executive Board (including several	
	years as Vice President) prior to being elected President.	
	* 30 years of service to Contra Costa County as a physician working in	
	the Department of Health Services.	
	* Education/Pension Trustee Certificates:	
	- Bachelors of Science, Biology – UC Irvine	
	- Doctor of Medicine – UC Irvine	
	- UC Berkeley (SACRS) – Modern Investment Theory & Practice for	
	Retirement Systems	
	- Wharton Business School – Portfolio Concepts & Management	
	- IFEBP – CAPPP program	
	- CALAPRS Trustee Education – Principles of Pension Governance	

David J MacDonald, MD

255 Ramsgate Way Vallejo, CA 94591 dmacdcccera@gmail.com 510-409-4458 (mobile)

January 26, 2021

SACRS Nominating Committee Mr. Dan McAllister, Chair

Dear Mr. McAllister,

I would like to express my interest in continuing on as a Regular Member of the SACRS' Board of Directors for the 2021/2022 year.

I was elected to the SACRS board in 2020. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as CCCERA Board Secretary. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members and I carry this spirit into my role as an elected trustee. My work with SACRS has meant for further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. Doing so allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide.

Thank you for your time and consideration.

Sincerely and Respectfully,

David J Mac Donald, MD

David J MacDonald, MD

Name of Candidate	
_	Name:
Candidate Contact Information	JOHN B. KHLY
Information (Please in	Mailing Address:
(Please include - Phone	1724 CLENBROOK LANE; AN COLN, CA 95. Email Address:
Number, Email Address and Mailing Address)	- we are trucket com
Name of Retirement C	Phone: INVESTORSCHODIE COMAIL, COM
Candidate Currently Serves	System Name:
	SCERS
List Your Current Position	o Chair
on Retirement Board (Chair, Alternate, Retiree, General	o Alternate
Elected, Etc)	o General Elected
	o Retiree
	Other
Applying for SACRS Board	o President
of Directors Position (select	o Vice President
only one)	
	o Secretary
	Regular Member
rief Bio	FISCAL LUIST MINT
	FISCAL INVESTMENT ADVISOR 72 YEARS SCERS TRUSTEE MASTERS OF PUBLIC ADMINISTRATION
L'	DE MARC CALLE
	TI YEARS SEENS
	TRUSTEE
	MASTERS OF PUBLIC
	DOMINIC PATION
	Tolling State of the
*	PORMER EXECUTIVE
	PORMER EXECUTIVE BOAKO MEMBER

From: John Kelly
To: Sulema Peterson

Subject: Letter of Intent for SACRS Board Position

Date: Friday, January 15, 2021 11:07:42 AM

John B. Kelly, CFP, MPA serving on SCERS; Sacramento County Employee's Retirement System as an Appointed Trustee; Vice President.

Applying as regular member for SACRS.

My interest is to provide enhancements and history for educating and providing networking opportunities for system participants.

Bio:

- -24+years on SCERS Board; VP,
- -42+years as Independent Registered Investment Advisor,
- -12 years as Ca. State employee under the Reagan and Brown administrations,
- -3 years on the SACRS Board previously,
- -22 years First Tee of Greater Sacramento Board; President 2006-2009,
- -2016 induction into the Sacramento Region Golf Hall of Fame,
- -produced three publications regarding investment management and retirement planning as 'The Investor's Caddie'.

Thank you for the opportunity and your consideration.

John B. Kelly, CFP, MPA 'Values Based Financial Advisor' The Investors Caddie, Inc. investorscaddie@gmail.com 916-342-9279



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vere Williams	
Candidate Contact	Mailing Address: 8379 Icicle Drive, Pinon Hills, CA 92372	
Information		
(Please include – Phone	Email Address: verevlw@aol.com	
Number, Email Address	DI 700 400 0044	
and Mailing Address)	Phone: 760.486.6311	
Name of Retirement	System Name:	
System Candidate	San Bernardino County Employees' Retirement Association	
Currently Serves On List Your Current		
Position on Retirement		
Board (Chair, Alternate,	General Elected	
Retiree, General Elected,	Ocheral Elected	
Etc)		
Applying for SACRS		
Board of Directors		
Position (select only one)	o <u>Regular Member</u>	
Brief Bio	I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification on Retirement System Management courses at UCLA, Pepperdine and Wharton. I have been an enrolled Agent for over 20 years along with over 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit Committee.	
	A guiding quote — "I always wondered why somebody didn't do something about that, then I realized I was somebody." — Lily Tomlin	

March 1, 2021 VIA Email

Dan McAllister,

SACRS Immediate Past President/ Nominating Committee Chair

SACRS Nominating Committee

Dear Mr. Immediate Past President/Nominating Committee Chair McAllister,

Please accept this letter as my letter of intent to be a candidate for the position of Regular Member in SACRS Board of Directors Elections 2021-2022.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). Seated on the SBcera's Board in January 2015, I attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts and/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 the 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 the 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 (both as formal seminars and networking opportunities.) Additionally, I would seek to encourage even greater participation from the trustees and staff of the 37 Act Systems. I strongly believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending only a few sessions. Over the years, I have served on the governing Boards of the Teamsters Local 1932, the Working Assembly of Governmental Employees and other organizations. Currently, I am a member of the SACRS Audit committee.

I would like very much to contribute, based on my education and experience, to SACRS - a superlative organization: "Providing insight. Fostering oversight."

I thank you in advance for your kind consideration and support. It would be a high honor for me to be elected to serve as a Regular Member on the SACRS Board for the 2021-2022 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams, MBA

Overe Williams

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021. Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Chris Prevatt						
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address) Name of Retirement System Candidate Currently Serves On	Mailing Address: 1625 E. Appleton St. #3H, Long Beach, CA 90802 Email Address: Prevatt.c@gmail.com cprevatt@ocers.org Phone: 714-290-44428 System Name: Orange County Employees Retirement System						
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	 Chair Alternate General Elected Retiree Other 						
Applying for SACRS Board of Directors Position (select only one)	 President Vice President Treasurer Secretary Regular Member 						
Brief Bio	Chris is an Elected General Member of OCERS. His full-time position is with the Orange County Health Care Agency since 1997. He also serves as Second Vice President of the Orange County Employees Association which represents approximately 18,000 public employees in Orange County, CA. Chris has served on the OCEA Board since 2006. In addition to his service with OCERS and OCEA, Chris has more than 20 years' experience serving on multiple non-profit boards of directors at the state and local level. Chris has participated in SACRS Conferences since 2013 and served/participated on the Bylaws and Legislative Committees.						

SACRS

Attn: Dan McAlister Nominations Committee

February 22, 2021

Dear Dan,

I am writing to declare my intent to run for election as a Regular Member of the SACRS Board of Directors for the 2021-2022 term. I have included with this letter the required application form.

Regards,

Chris Prevatt

Elected General Member Trustee

Orange County Employees Retirement System



Serving the Active and **Retired Members of:**

February 23, 2021

CITY OF SAN JUAN CAPISTRANO

By email to Dan.McAllister@sdcounty.ca.gov and Regular Mail

COUNTY OF ORANGE

Mr. Dan McAllister

ORANGE COLINTY

SACRS Nominating Committee Chair

CEMETERY DISTRICT

SACRS

ORANGE COUNTY CHILDREN & **FAMILIES COMMISSION**

1225 8th Street, Suite 550 Sacramento, CA 95814

ORANGE COUNTY **DEPARTMENT OF EDUCATION** (CLOSED TO NEW MEMBERS)

ORANGE COUNTY **EMPLOYEES RETIREMENT** Dear Mr. McAllister:

ORANGE COUNTY FIRE AUTHORITY

SYSTEM

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2021-2022

ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

On February 16, 2021, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Christopher Prevatt, for one of the two Regular Member Director positions on the SACRS Board of Directors, and directed me to submit this nomination to the SACRS Nominating Committee.

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

> Accordingly, please accept this letter as OCERS' nomination of OCERS Trustee, Christopher Prevatt, for election to the position of Regular Member Director at the 2021-2022 SACRS Board of Directors Election to take place on May 14, 2021.

ORANGE COUNTY PUBLIC LAW LIBRARY

> Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information.

ORANGE COUNTY SANITATION DISTRICT

Thank you.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Best regards,

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

TRANSPORTATION CORRIDOR AGENCIES

Steve Delaney

UCI MEDICAL CENTER AND CAMPUS (CLOSED TO NEW MEMBERS)

Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator (by email to sulema@sacrs.org)

02-26-21

Dear Nomination Committee,

Chris Prevatt is running for the Regular Board Member on the SACRS Board. Chris has held many positions at OCERS including Chair and is a Board member at the Orange County Employees Association (OCEA). Working in these roles he has gained a wealth of knowledge and would be a good hard working board member for SACRS. Please accept this letter as my recommendation for Chris Prevatt as Regular Board Member.

Thank you,

Roger Hilton

SACRS and OCERS Board Member



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit



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, 2020 AND 2019

701 HOWE AVENUE, E3 SACRAMENTO, CA 95825

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

JUNE 30, 2020

BOARD OF DIRECTORS

Vivian Gray

President

Roger Hilton

Vice President

Harry Hagen

Treasurer

Kathryn Cavness

Secretary

Dan McAllister

Immediate Past President

Teri Noble

Affiliate Chair

John Kelly

Board Member

David MacDonald

Board Member

* * * *

Sulema Peterson

Association Management

JUNE 30, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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

James Marta & Company LLP Certified Public Accountants

Sacramento, California October 23, 2020 FINANCIAL SECTION

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	2019-20	2018-19
Cash Receipts	A	ф с-с
Dues	\$ 364,000	\$ 372,250
Conference	600.000	61.6.610
Fall	628,070	616,640
Spring	2,670	590,110
Seminars	35,000	118,500
Other Admin Receipts	2,190	2,980
Other Conference Receipts	2,450	-
Interest	61,108	63,668
Total Cash Receipts	1,095,488	1,764,148
<u>Cash Disbursements</u>		
Conference		
Fall - 2018 and 2017		
Hotel and meals	270,132	307,724
Audio and visual	56,477	52,180
Program materials	83,553	102,702
Spring - 2019 and 2018		
Hotel and meals	257,419	81,224
Audio and visual	12,121	48,498
Program materials	14,449	80,389
Seminars	231,947	243,450
Conference Administration	50,808	27,228
Prior Year and Other Expenses	-	162,462
Total conference disbursements	976,906	1,105,857
Administration	365,517	375,233
Administration Legislative representation	303,317	237
	60,012	
Lobbying Newsletters	15,893	71,627
Committee meetings		27.215
e e e e e e e e e e e e e e e e e e e	49,944	27,315
Special projects Total administration disbursements	17,690 509,056	17,458 491,870
Total Cash Disbursements	1,485,962	1,597,727
Excess (Deficit) of Cash Receipts over Cash Disbursements	(390,474)	166,421
Cash and Investments, Beginning	2,372,422	2,206,001
Cash and Investments, Ending	\$ 1,981,948	\$ 2,372,422
Cash and Investments, Ending Supplementary Information	\$ 1,981,948	\$ 2,372,42
Cash and Investments at June 30,	2020	2019
Cash and cash equivalents	\$ 1,006,628	\$ 1,195,688
Non current portion of investments	975,320	1,176,734
Total Cash and Investments	\$ 1,981,948	\$ 2,372,422

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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 Sulema Peterson & Associates, 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.

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

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.

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:

	2020	 2019
Bank accounts	\$ 208,515	\$ 409,088
Money market accounts	798,113	786,600
Total cash and cash equivalents	\$ 1,006,628	\$ 1,195,688

Cash in bank accounts at June 30, 2020 consisted of the following:

	First	First Foundation		of America	Total	
Per bank	\$	319,175	\$	8,493	\$	327,668
Checks outstanding		(126,442)		-		(126,442)
Deposits in transit		7,289		-		7,289
Total bank accounts	\$	200,022		8,493	\$	208,515

Cash in bank accounts at June 30, 2019 consisted of the following:

	Bank of	Comr	nunity First	
	 America		Bank	Total
Per bank	\$ 297,541	\$	89,588	\$ 387,129
Deposits in transit	 -		21,959	21,959
Total bank accounts	\$ 297,541		111,547	\$ 409,088

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There was \$69,175 and \$47,541 in excess of FDIC coverage as of June 30, 2020 and 2019, respectively.

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing \$1,104,130. The fair value balance as of June 30, 2020 and 2019 presented in the financial statement is \$975,320 and \$1,176,734; respectively. This balance includes reinvested interest income totaling \$48,586 and \$62,336, 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, 2020 and 2019 was \$0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2020 and 2019 was 1.94% and 2.43%, 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:

		Food and	Guest Room		
		Beverage	Nights	Guest Room	
Conference	Cancellation Fees	Minimums	Reserved	Nights Minimum	Rooms Attrition
Fall 2020*	\$49,194-\$408,276*	\$80,000	890	700	\$226 plus tax
Spring 2021	\$174,603-\$279,364	\$150,000	1145	916	\$239 plus tax
Fall 2021	\$184,462-\$332,031	\$165,000	1145	916	\$239 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2022	\$136,762-\$288,524	\$150,000	1145	916	\$249 plus tax
Spring 2023	\$224,848-\$404,726	\$170,000	1145	916	\$247 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

^{*}Conference cancelled and cancellation fees waived due to COVID-19 Pandemic

SACRS received a refund of the Spring 2020 conference deposit in July 2020 in the amount of \$60,000.

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 October 23, 2010, 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

COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

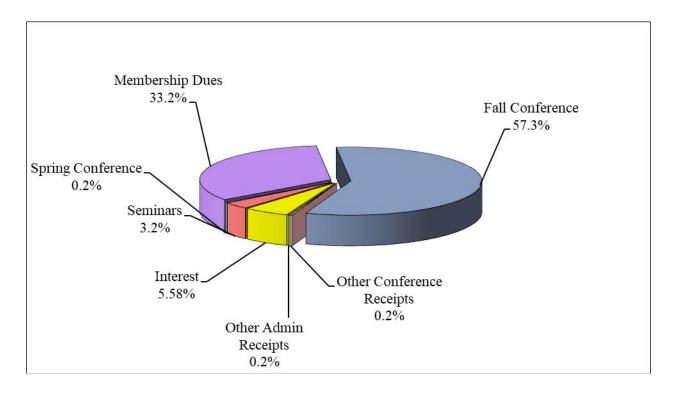
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Conference	Administration	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 364,000	\$ 364,000
Conference			
Fall	628,070	-	628,070
Spring	2,520	-	2,520
Seminars	35,000		35,000
Other Admin Receipts	-	2,340	2,340
Other Conference Receipts	2,450	-	2,450
Interest	61,108	-	61,108
Total Cash Receipts	729,148	366,340	1,095,488
<u>Cash Disbursements</u>			
Conference			
Fall - 2018			
Hotel and meals	270,132	-	270,132
Audio and visual	56,477	-	56,477
Program materials	83,553	-	83,553
Spring - 2019			
Hotel and meals	257,419	-	257,419
Audio and visual	12,121	-	12,121
Program materials	14,449	-	14,449
Seminars	231,947	_	231,947
Conference Administration	50,808	_	50,808
Total conference disbursements	976,906	-	976,906
Administration	-	365,517	365,517
Lobbying	-	60,012	60,012
Newsletters	-	15,893	15,893
Committee meetings	-	49,944	49,944
Special projects	_	17,690	17,690
Total administration disbursements		509,056	509,056
Total Cash Disbursements	976,906	509,056	1,485,962
Excess (Deficit) of Cash Receipts			
over Cash Disbursements	(247,758)	(142,716)	(390,474)
Cash and Investments, Beginning	3,320,984	(948,562)	2,372,422
Cash and Investments, Ending	\$ 3,073,226	\$ (1,091,278)	\$ 1,981,948

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

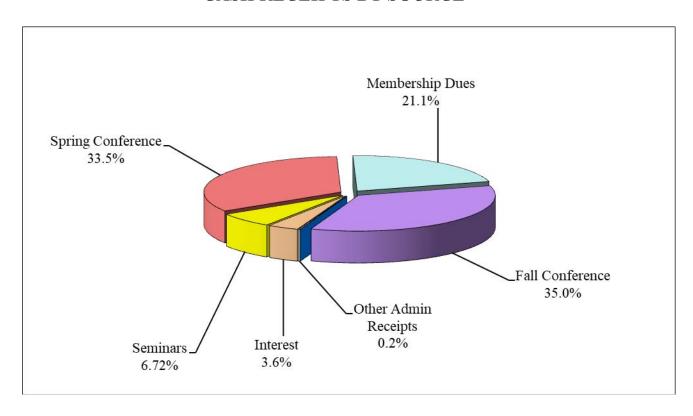
CASH RECEIPTS BY SOURCE



GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

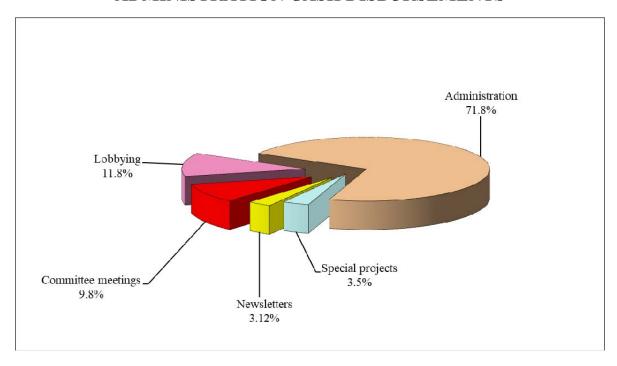
CASH RECEIPTS BY SOURCE



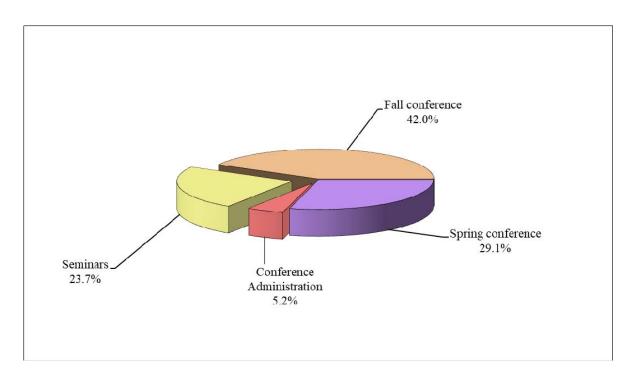
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS



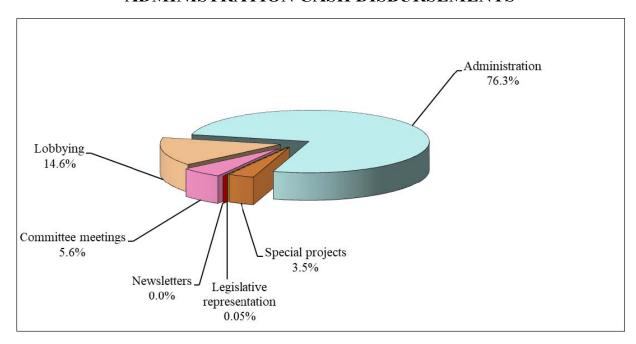
CONFERENCE CASH DISBURSEMENTS



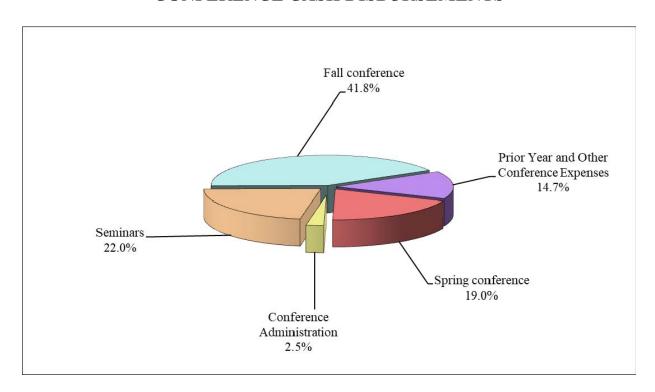
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



CONFERENCE SUMMARY REPORT

	Spring 2020 Online	Fall 2019 Indian Wells	Spring 2019 Lake Tahoe	Fall 2018 Indian Wells	Spring 2018 Anaheim	Fall 2017 San Francisco
Cash receipts						
Conference	\$ -	\$ 639,270	\$ 592,590	\$ 591,530	\$ 546,750	\$ 581,490
Total cash receipts		639,270	592,590	591,530	546,750	581,490
Cash disbursements						
Hotel and meals	-	296,927	195,278	312,670	152,017	304,155
Audio and visual	6,155	52,180	57,731	52,180	40,300	43,826
Program materials	-	39,552	42,342	32,086	20,909	26,722
Program Speakers	-	74,458	3,974	74,457	35,159	50,363
Conference Administration		17,818	14,094	9,634	7,183	11,333
Total cash disbursements	6,155	480,935	313,419	481,027	255,568	436,400
Net cash provided by conference	\$ (6,155)	\$ 158,335	\$ 279,171	\$ 110,503	\$ 291,182	\$ 145,090
Total attendees	-	742	590	588	599	603



James Marta & Company LLP Certified Public Accountants

Accounting Auditing Tax and Consulting

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2020 and 2019, and have issued our report thereon dated October 23, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated October 23, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of out audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment I for adjustments provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 23, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2020 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

James Marta & Company LLP Certified Public Accountants

This report is intended solely for the information and use of the Board of Directors, and management 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

James Marta & Company LLP

Certified Public Accountants Sacramento, California

October 23, 2020

Adjusting Journal Entries:

Account	Description	Debit	Credit
Adjusting Journa To back out unrea	al Entry JE # 1 lized gain/loss recognized in prior years		
2100 3200 Total	Unrealized Gain (Loss) Retained Earnings	74,256.00 74,256.00	74,256.00 74,256.00
Adjusting Journal PBC AJE to remo	·		
2150 1000 Total	Refund Liability First Foundation Bank-Checking	2,500.00 2,500.00	2,500.00 2,500.00
Reclassifying	g Journal Entries:		
	urnal Entry JE # 2 d cash transfer in the correct period		
1000 1100 Total	First Foundation Bank-Checking CalTrust - Medium Term	250,000.00 250,000.00	250,000.00 250,000.00



MANAGEMENT REPRESENTATION LETTER

October 23, 2020

James Marta & Company LLP Certified Public Accountants Sacramento, California

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2020 and 2019, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 23, 2020:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 4, 2019, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.



- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:



- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.



- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:
 - We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
 - We are responsible for establishing and maintaining effective internal control over compliance.
 - We have performed an evaluation of the Association's compliance with tax filing requirements and we are not aware of any instances of noncompliance.
 - We have reviewed and approved the tax returns prepared by your office.
 - We have made available to you all documentation related to compliance with specified requirements.
 - We assume all management responsibilities in regards to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
 - We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
 - We accept responsibility for the results of the services.

Sulema H. Peterson

Sulema Peterson, SACRS Executive Director

MANAGEMENT LETTER

Accounting, Auditing, Consulting, and Tax

To the Management State Association of County Retirement Systems Sacramento, CA, 95814

We have recently completed the audit of the financial statement of State Association of County Retirement Systems (SACRS) and have issued our report thereon dated October 23, 2020. In planning and performing our audit of your financial statement for year ending June 30, 2020, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters that we are submitting for your consideration for the improvement of SACRS' accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated October 23, 2020 on the financial statement of the State Association of County Retirement Systems.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489 e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Current Year Recommendations

2020-1 Unrealized Gain/Loss

Observation:

Management has been recording unrealized gains and losses on investments in a liability account on the financial statements for the past few years. As a result, we had an audit adjustment of \$74,256 to agree beginning equity to the prior year audit. In addition, the current year unrealized gain of \$60,099 had to be moved from the liability account to the income statement.

Recommendation:

We recommend that the prior year's cumulative unrealized gain/loss be recorded to equity and all future unrealized gain/loss be recognized on the income statement.

Management Response:

Management will implement the recommendation upon approval of the Treasurer and Board of Directors. Management will consider recognizing interest earned on the income statement in "Interest revenue" rather than the "Unrealized gain/loss". Upon approval of the Board of Directors, management will work with the auditors in applying the corresponding adjustments/journal entries.

The current financial statement account structure was developed and approved in prior fiscal years and the recommendation is a change from that financial accounting structure in an effort to be more consistent with the cash basis of accounting. No recommendations were made in the prior years.

Prior Year Recommendations

None

We believe that the implementation of these recommendations will provide State Association of County Retirement Systems with a stronger system of internal accounting control while also making its operations more efficient.

Management's responses to our recommendations are described above. We did not audit the Management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, and others within the association and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

James Marta & Company LLP Certified Public Accountants

James Marta + Company LLP

Sacramento, California October 23, 2020



James Marta & Company LLP Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2020 and 2019 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated October 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

nes Marta + Company LLP

James Marta & Company LLP Certified Public Accountants

October 23, 2020



8. SACRS Education Committee Report - No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback



No printed material for this item



9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report



No printed material for this item



10. SACRS Affiliate Committee Report – No ActionScott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No printed material 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 material for this item



12. SACRS Spring 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 material for this item



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 12, 2021 at the Hollywood Loews Hotel unless Covid-19 restrictions are in place.



No printed material for this item



April 27, 2021

Retirement Board Agenda Item

TO: Retirement Board

FROM: Kellie Gomes, Executive Board Assistant

I. SUBJECT: SACRS Voting Proxy and Directive

II. ITEM NUMBER: 9.c.

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

- 1. Choose a two voting proxy delegates to vote virtually on behalf of the Board of Retirement for the Virtual SACRS Business Meeting May 14, 2021
- 2. Direct voting proxy for the following action Items at SACRS Business Meeting May 14, 2021 Please refer to the attached business packet for details.
 - * Item 2. Secretary's Report, November 2020 SACRS Business Meeting Minutes
 - Receive and File Pg 006 of business packet
 - * Item 3. Treasurer's Report, July 2020 January 2021 Financials
 - Receive and File Pg 012 of business packet
 - * Item 5. SACRS Legislative Committee is requesting Board of Directors approval for SACRS to formally sponsor SB 634 Action Pg 018 of business packet
 - * Item 6. SACRS Nomination Committee 2021-2022 SACRS Election Notice Action Pg 036 of business packet
 - * Item 7. SACRS Audit Report, SACRS 2019-2020 Annual Audit Action Pg 066 of business packet
- V. ANALYSIS: Each year in May and November, the SACRS (State Association of County Retirement Systems) holds a conference with a business meeting on the last day of the conference. 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".

SACRS 2021-Spring Conference is going to take place virtually May 14, 2021, in light of COVID-19 and social distancing requirements in place.

StanCERA will need two voting delegates identified who will be voting on behalf of the full Board at the Fall Business Conference

Attachment 1 - Voting Delegate Proxy Form

Attachment 2 - SACRS Business Packet

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE



Attachment 1

SACRS VOTING PROXY FORM

The following are authorized by the	County Retirement nent System at the upcoming SACRS
(if you have more than one alternate, please a	attach the list of alternates in priority order):
	Voting Delegate
	Alternate Voting Delegate
These delegates were approved by the Retire	ment Board on//
The person authorized to fill out this form and Retirement Board:	submit electronically on behalf of the
Signature:	
Print Name:	
Position:	
Date:	

Please send your system's voting proxy to Sulema H. Peterson, SACRS Executive Director at Sulema@sacrs.org.



Attachment 2

SACRS Business Meeting Packet

Friday, May 14, 2021

10:00 AM - Upon Adjournment

SACRS Event Tech Platform

(Link will be sent via email to all registered Attendees. Access is email specific to attendee)



SACRS Business Meeting Agenda Friday, May 14, 2021 10:00 AM - Upon Adjournment Online Via SACRS Conference Platform

SACRS Parliamentarian – TBD 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 2020 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

5. SACRS Legislative Committee Update - Action

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

- A. 2021 Legislative Report No Action
- B. SACRS Board of Directors Legislative Proposal Action

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice - Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report

10. SACRS Affiliate Committee Report - No Action

Scott Draper, Algert Global LLC, 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 Spring 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 12, 2021 at the Hollywood Loews Hotel unless Covid-19 restrictions are in place.



1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



SACRS Business Meeting Roll Call of the System Membership

System	Delegate	Alternate	Present	Absent
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 2020 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, November 13, 2020
9:00 AM - Upon Adjournment
Online Via SACRS Conference Platform

Meeting Called to Order at 9:04 am

SACRS Board of Directors in Attendance: Vivian Gray, President; Roger Hilton, Vice President; Harry Hagen, Treasurer; Kathryn Cavness, Secretary; David McDonald, Board Member; John Kelly, Board Member; and Teri Noble, Affiliate Chair

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

19 SACRS Member Systems Present

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 and Ventura

Arrived at 9:25 am: Imperial

Absent: Merced

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2019 SACRS Business Meeting Minutes

Motion: Los Angeles CERA made motion to approve the minutes as presented.

2nd: San Diego CERA

Yes: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara,

Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced, Imperial **Motion Passes** 18-0-2

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – August 2020 Financials



B. 2020 – 2021 Annual Budget

Motion: Fresno made a motion to approve the Treasurers report as presented.

2nd: Orange

Yes: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara,

Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced, Imperial Motion Passes 18-0-2

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion: No action, verbal report given by Vivian Gray, SACRS President

5. SACRS Legislative Committee Update – No Action

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

- A. 2020 Legislative Report No Action
- B. Los Angeles CERA Proposal No Action

Discussion: Eric Stern and Dave Nelsen gave a verbal report on the SACRS Legislative status, review of written report submitted and discussed the LACERA proposal.

Vivian Gray requested that the System members have an opportunity to submit their positions on the LACERA proposal.

Harry Hatch asked that the request be an informal review and that the voting delegates have an opportunity to go back to their Systems to discuss.

Eric Stern offered to send the Systems a letter of explanation and language detailing the proposal so that the System could report back.

Roger Hilton asked for a turnaround time on the survey, the delegation agreed on a response of December 8.

Vivian Gray offered additional information on the proposal via Barry Lew who would also be available to answer questions System might have.

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice - No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair



A. SACRS Election Notice 2021-2022

Discussion: Dan McAllister gave a verbal and written update on the elections held in August 2020. No action taken, information only.

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2018-2019 Annual Audit

Carry over item from Spring 2020 Conference that was cancelled due to

COVID-19

Motion: Orange made a motion to approve and file the Audit report as presented.

2nd: Kern

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

8. SACRS Education Committee Report - No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Fall 2020 Conference Evaluations/Feedback **Discussion:** No report

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Fall Conference Report 2020

Discussion: Verbal report provided by Roger Hilton, feedback on conference was very positive. No action taken, Vivian Gray and Roger Hilton both thanked the Program Committee and Education Committee for their time and dedication to the conference. Suggestions for future conferences can be submitted online at the SACRS website.

10. SACRS Affiliate Committee Report – No Action

Teri Noble, Pathway, SACRS Affiliate Committee Chair



A. Affiliate Committee Update

Discussion: Verbal report on upcoming elections for Affiliate Committee, Fall sessions and volunteers wanted for future committee members.

11. SACRS Bylaws Committee Report – Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Use of SACRS' Intellectual Property

Motion: A motion to approve the Bylaws with the inclusion of Intellectual property was made by Sonoma.

2nd: Marin

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

B. Termination of Membership

Motion: A motion to approve the Bylaws to include new language on Termination of Membership was made by Sonoma.

2nd: San Bernardino

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

C. Electronic Meetings

Motion: A motion to approve the Bylaws addition of Electronic Meeting of the Membership was made by San Diego.

2nd: Contra Costa

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura



No: 0

Absent: Merced
Motion Passes 19-0-1

12. SACRS Fall Conference Breakout Reports – No Action

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

- A. Administrators Eric Stern gave a verbal update on the Administrators breakout. Leanne Malison has volunteered to moderate the Spring session.
- B. Counsel David Lantzer gave a verbal update on the Attorney's session. No volunteer for the Spring session, please contact SACRS if you'd like to volunteer.
- C. Disability/ Operations & Benefits Combo No Report
- D. Internal Auditors No Report
- E. Investment Officers No Report
- F. Safety Trustees Roger Hilton gave a verbal update on the Safety meeting. Brian Williams has volunteered to moderate the Spring session.
- G. General Trustees Kathryn Cavness gave a verbal update on the Trustees breakout. Mrs. Cavness has also volunteered to serve as moderator in the Spring.

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 14, 2021 at the Long Beach Renaissance or via virtual platform due to Covid-19.

Motion: A motion to adjourn the SACRS Fall 2020 Business meeting at 10:25 am was made by San Diego.

2nd: Orange

Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Merced

Motion Passes 19-0-1

Minutes submitted by;

<u>Kathryn Cavness, SACRS Secretary</u> <u>Sulema Peterson, SACRS Executive Director</u>



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

12:27 AM 03/01/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Balance Sheet

As of January 31, 2021

	Jan 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Foundation Bank-Checking	119,684.24
1001 - BofA Interest Checking 4389	267,053.26
1002 · First Foundation Bank ICS Acct	57,541.01
Total Checking/Savings	444,278.51
Other Current Assets	
1100 · CalTrust - Medium Term	979,692.99
1107 · CalTrust Liquidity Fund	8,223.85
1110 · CAMP-SACRS Liquidity Fund	790,897.39
1201 · Deposits in Transit	-5,337.26
Total Other Current Assets	1,773,476.97
Total Current Assets	2,217,755.48
TOTAL ASSETS	2,217,755.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2200 · First Foundation Credit Card	1,854.14
Total Credit Cards	1,854.14
Total Current Liabilities	1,854.14
Total Liabilities	1,854.14
Equity	
32000 · Retained Earnings	1,981,948.99
Net Income	233,952.35
Total Equity	2,215,901.34
TOTAL LIABILITIES & EQUITY	2,217,755.48

12:40 AM 03/01/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss

July 2020 through January 2021

Jui	y 2020 through January 2021
	Jul '20 - Jan 21
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	236,250.00
4102 · Non Profit - Organizati	ions 3,000.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Ot	ther 3,750.00
Total 4100 · Membership Dues	343,000.00
4200 · Webinar Symposium Regis	stration 350.00
4270 · UC Berkeley Program	
4271 · Registrations	12,000.00
4272 · Sponsorships	23,500.00
4270 · UC Berkeley Program	- Other 2,000.00
Total 4270 · UC Berkeley Program	
4300 · Fall Conference Registration	,
4301 · Affiliates - Early	23,700.00
4302 · Affiliates - Regular	24,150.00
4303 · Affiliates - Late/Onsite	·
4304 · Non Profit	720.00
4305 ⋅ Systems	16,200.00
4306 · Non-Members	16,670.00
4307 · Fun Run	355.00
4308 · Yoga	105.00
4300 · Fall Conference Regis	
Total 4300 · Fall Conference Regis	
4900 · Interest Earned	
	5,562.42
Total Income	489,112.42
Gross Profit	489,112.42
Expense	
5000 · Administrative Fee	105,000.00
5001 · Administrative Services	0.00
5003 · Bank Charges/Credit Card	Fees 7,219.12
5010 · Berkeley & Symposium	
5015 · Materials/Printing/Des	
5017 · UC Berkeley	-20,301.00
Total 5010 · Berkeley & Symposiu	-20,192.25
5020 · Webinar Symposium	
5022 · Webinar Technology	28,700.00
Total 5020 · Webinar Symposium	28,700.00
5040 · Commissions & Fees	150.00
5041 · Consulting	16,162.00
5042 · Dues & Subscriptions	3,885.00
5050 · Fall Conference	

12:40 AM 03/01/21 **Cash Basis**

Net Income

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS **Profit & Loss**

July 2020 through January 2021

	Jul '20 - Jan 21
5051 · Audio/Visual	24,521.25
5054 · Hotel	0.00
5055 · Program Material	3,049.07
5056 ⋅ Speakers	38,125.00
5050 · Fall Conference - Other	2,012.81
Total 5050 · Fall Conference	67,708.13
5070 · Insurance	4,229.00
5071 · Legal & Professional Fees	22,680.00
5072 · Legislative Advocacy	35,007.00
5080 · Magazine	
5082 · Design/Printing/Etc.	800.00
5083 · Magazine - Other	5,550.00
5080 · Magazine - Other	3,774.58
Total 5080 · Magazine	10,124.58
6010 · Office Expenses / Supplies	-55.47
6011 · Postage & Delivery	4,234.84
6020 · Spring Conference	
6022 · Delivery & Shipping	122.41
6024 · Hotel	
6024.2 · Conference	194.86
6024 · Hotel - Other	-60,000.00
Total 6024 · Hotel	-59,805.14
6026 · Speakers	-210.36
Total 6020 · Spring Conference	-59,893.09
6051 · Taxes & Licenses	10.00
6053 · Technology/AMS/Website	29,960.02
6054 · Travel	231.19
Total Expense	255,160.07
Net Ordinary Income	233,952.35
t Income	233,952.35

10:43 PM 03/24/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss Budget vs. Actual

July 2020 through February 2021

4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other	237,500.00 3,250.00 6,000.00 52,000.00 42,000.00	268,750.00 3,000.00 6,000.00	-31,250.00 250.00	88.37%
4100 · Membership Dues 4101 · Affiliates 4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,250.00 6,000.00 52,000.00 42,000.00	3,000.00	•	88.37%
4101 · Affiliates 4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,250.00 6,000.00 52,000.00 42,000.00	3,000.00	•	88.37%
4102 · Non Profit - Organizations 4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,250.00 6,000.00 52,000.00 42,000.00	3,000.00	•	
4103 · Non Profit - Systems 4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	6,000.00 52,000.00 42,000.00	·		108.33%
4104 · Systems - Medium 4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	52,000.00 42,000.00	0,000.00	0.00	100.0%
4105 · Systems - Large 4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	42,000.00	52,000.00	0.00	100.0%
4100 · Membership Dues - Other Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	•	·	0.00	100.0%
Total 4100 · Membership Dues 4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	3,750.00	42,000.00	0.00	100.0%
4200 · Webinar Symposium Registration 4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite		274 750 00	07.050.00	00.070/
4250 · Product Income 4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	344,500.00	371,750.00	-27,250.00	92.67%
4255 · Magazine Advertising Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	350.00			
Total 4250 · Product Income 4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	0.00	0.000.00	0.000.00	0.00/
4270 · UC Berkeley Program 4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	0.00	2,000.00	-2,000.00	0.0%
4271 · Registrations 4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	0.00	2,000.00	-2,000.00	0.0%
4272 · Sponsorships 4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite				
4270 · UC Berkeley Program - Other Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	13,000.00	100,000.00	-87,000.00	13.0%
Total 4270 · UC Berkeley Program 4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	23,500.00	55,000.00	-31,500.00	42.73%
4300 · Fall Conference Registration 4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	2,000.00			
4301 · Affiliates - Early 4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite	38,500.00	155,000.00	-116,500.00	24.84%
4302 · Affiliates - Regular 4303 · Affiliates - Late/Onsite				
4303 · Affiliates - Late/Onsite	24,000.00	30,000.00	-6,000.00	80.0%
	24,150.00	26,250.00	-2,100.00	92.0%
4304 - Non Profit	13,600.00	10,000.00	3,600.00	136.0%
1301 - 11011 1 10111	720.00	1,000.00	-280.00	72.0%
4305 ⋅ Systems	16,200.00	12,000.00	4,200.00	135.0%
4306 · Non-Members	16,670.00	25,000.00	-8,330.00	66.68%
4307 · Fun Run	355.00	1,000.00	-645.00	35.5%
4308 ⋅ Yoga	105.00	100.00	5.00	105.0%
4300 · Fall Conference Registration - Other	7,200.00			
Total 4300 · Fall Conference Registration	03,000.00	105,350.00	-2,350.00	97.77%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	0.00	80,000.00	-80,000.00	0.0%
4352 · Affiliates - Regular	0.00	50,000.00	-50,000.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	17,500.00	-17,500.00	0.0%
4354 · Non Profit	0.00	500.00	-500.00	0.0%
4355 ⋅ Systems	0.00	11,250.00	-11,250.00	0.0%
4356 · Non-Members	0.00	127,500.00	-127,500.00	0.0%
4357 ⋅ Fun Run	0.00	700.00	-700.00	0.0%
4358 ⋅ Yoga	0.00	350.00	-350.00	0.0%
Total 4350 · Spring Conference Registration	0.00	287,800.00	-287,800.00	0.0%
4900 · Interest Earned				
Total Income	4,167.79			
	4,167.79	921,900.00	-431,382.21	53.21%

10:43 PM 03/24/21 **Cash Basis**

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss Budget vs. Actual July 2020 through February 2021

	Jul '20 - Feb 21	Budget	\$ Over Budget	% of Budget
5000 · Administrative Fee	120,000.00	180,000.00	-60,000.00	66.67%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	7,254.72	36,000.00	-28,745.28	20.15%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5013 · Hotel	0.00	12,000.00	-12,000.00	0.0%
5014 · Food & Beverage	0.00	13,000.00	-13,000.00	0.0%
5015 · Materials/Printing/Design	108.75	2,900.00	-2,791.25	3.75%
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	-20,301.00	206,000.00	-226,301.00	-9.86%
Total 5010 · Berkeley & Symposium	-20,192.25	238,600.00	-258,792.25	-8.46%
5020 · Webinar Symposium				
5022 · Webinar Technology	28,700.00			
Total 5020 · Webinar Symposium	28,700.00			
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	831.00	20,000.00	-19,169.00	4.16%
5041 · Consulting	16,162.00	19,992.00	-3,830.00	80.84%
5042 · Dues & Subscriptions	3,885.00	3,700.00	185.00	105.0%
5050 · Fall Conference				
5051 · Audio/Visual	24,521.25	50,000.00	-25,478.75	49.04%
5053 · Entertainment	0.00	4,000.00	-4,000.00	0.0%
5054 · Hotel	0.00			
5055 · Program Material	3,049.07	10,000.00	-6,950.93	30.49%
5056 · Speakers	38,125.00	50,000.00	-11,875.00	76.25%
5057 · Supplies	0.00	1,000.00	-1,000.00	0.0%
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
5050 · Fall Conference - Other	2,012.81			
Total 5050 · Fall Conference	67,708.13	130,000.00	-62,291.87	52.08%
5070 · Insurance	4,229.00	5,000.00	-771.00	84.58%
5071 · Legal & Professional Fees	22,680.00	35,000.00	-12,320.00	64.8%
5072 · Legislative Advocacy	35,007.00	60,012.00	-25,005.00	58.33%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	800.00	20,000.00	-19,200.00	4.0%
5083 · Magazine - Other	5,550.00	5,200.00	350.00	106.73%
5080 · Magazine - Other	3,774.58	2,200.00	223.30	. 33 370
Total 5080 · Magazine	10,124.58	25,800.00	-15,675.42	39.24%
6000 · Board & Committees	10,124.30	20,000.00	10,010.42	JJ.2470
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	5,950.00	-5,950.00	0.0%
ooo i.i . Food & beverage	0.00	5,350.00	-0,900.00	0.0%

10:43 PM 03/24/21 Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS Profit & Loss Budget vs. Actual

July 2020 through February 2021

	Jul '20 - Feb 21	Budget	\$ Over Budget	% of Budget
6001.2 · Printing/Supplies	0.00	2,800.00	-2,800.00	0.0%
6001.3 · Travel - BOD Meetings	0.00	7,700.00	-7,700.00	0.0%
6001.4 · Travel - Miscellaneous BOD	0.00	840.00	-840.00	0.0%
6001.5 · Board Of Directors - Other	0.00	3,000.00	-3,000.00	0.0%
Total 6001 · Board of Directors	0.00	20,290.00	-20,290.00	0.0%
6002 · Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Board & Committees	0.00	23,040.00	-23,040.00	0.0%
6010 · Office Expenses / Supplies	-55.47	2,500.00	-2,555.47	-2.22%
6011 · Postage & Delivery	4,497.69	3,000.00	1,497.69	149.92%
6020 · Spring Conference				
6021 · Audio/Visual	22,600.00	50,000.00	-27,400.00	45.2%
6022 · Delivery & Shipping	122.41	3,000.00	-2,877.59	4.08%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	52,500.00	-52,500.00	0.0%
6024.2 · Conference	194.86			
6024.4 · Hotel - Other	0.00	192,500.00	-192,500.00	0.0%
6024 · Hotel - Other	-60,000.00			
Total 6024 · Hotel	-59,805.14	245,000.00	-304,805.14	-24.41%
6025 · Program Material	0.00	24,500.00	-24,500.00	0.0%
6026 · Speakers	-210.36	50,000.00	-50,210.36	-0.42%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 6020 · Spring Conference	-37,293.09	395,000.00	-432,293.09	-9.44%
6050 · Strategic Facilitator	0.00	10,000.00	-10,000.00	0.0%
6051 · Taxes & Licenses	10.00	50.00	-40.00	20.0%
6053 · Technology/AMS/Website	36,490.97	35,000.00	1,490.97	104.26%
6054 · Travel	231.19	7,500.00	-7,268.81	3.08%
Total Expense	300,270.47	1,248,994.00	-948,723.53	24.04%
	190,247.32	-327,094.00	517,341.32	-58.16%
	190,247.32	-327,094.00	517,341.32	-58.16%



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed material for this item



5. SACRS Legislative Committee Update – Action

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

- A. 2021 Legislative Report No Action
- B. SACRS Board of Directors Legislative Proposal Action

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associated

April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – April 2021

Last year, Governor Newsom solemnly pronounced that after expecting record breaking surpluses in 2020, the state was facing a \$54 billion deficit. That number was daunting, and comparable to the budget shortfalls experienced at the onset of the Great Recession. That massive deficit never materialized. The Governor and his Department of Finance (DOF) didn't lie or mislead. The nonpartisan and respected Legislative Analyst's Office (LAO) also projected large and growing deficits as a result of the pandemic.

The projections were wrong for two reasons. First, with tax filing deadlines extended, both DOF and the LAO were flying blind without a reliable estimate of how much revenue the state would take in. Last year's budget was adopted before the Governor and the Legislature had the benefit of those estimates.

Secondly, the economic downturn was lopsided, disproportionately impacting low-income Californians forced to leave work during the pandemic. Wealthy Californians largely continued to prosper while stock markets rebounded despite rapid and precipitous falls at the outset of the pandemic. California's tax code leans heavily on high-income residents. While that reliance devastated state revenues during the Great Recession, it has helped spare the state during the pandemic.

Since the projections were off, the 2020 Budget was more conservative than it needed to be. Consequently, Governor Newsom's 2021 Budget was built on a \$15.5 billion windfall surplus, and the good news keeps rolling in.

Last week, the Department of Finance reported that the state will receive another \$14.3 billion in unexpected surplus revenue. On top of that, \$150 billion is coming to California from the \$1.9 Trillion American Rescue Plan recently signed by President Biden. While most of this money will go directly to residents and local governments, \$26 billion will drop into California's budget. The money must be spent addressing public health issues or the economic fallout from the pandemic, pay for essential workers, backfilling lost tax revenue, or making investments in water, sewer, or broadband infrastructure.

We have a few observations.

That's not a lot of Strings

The \$14.3 billion surplus is General Fund revenue which can be spent as the Legislature and Governor see fit. While the \$26 billion in federal aid comes with the restrictions mentioned above, they are not very limiting. The Governor and Legislature could argue that any number of spending proposals would mitigate the economic impact of the pandemic, for example. The state has until 2024 to spend the money, and lots of things to spend it on.

Lots of Money, Lots of People Want it

\$40 billion in unexpected revenue is a lot. It's easy for lobbyists and their clients to start imagining how to spend it, which is exactly why it's not as much money as it seems. Even before it was clear exactly how much money California would receive from the Federal Government or how much surplus revenue it had to spend, billions of dollars of new spending proposals were floating around the Legislature.

There's a lot of need right now, and no shortage of stakeholders looking to use state revenue to meet it. The Legislature and the Governor will have to figure out which of these requests aligns with their own priorities.

It's Enough Money for the Legislature and Governor to Fight Over

The Governor essentially ruled California via Executive Order and unilateral spending authority granted by the Legislature from March through June last year. While they allowed the situation to persist, it seems to have rubbed many legislators the wrong way. As we've reported previously, frustrated legislators largely won the debate over how to structure the 2020 budget. While they have questioned Governor Newsom on his handling of the pandemic, his handling of unemployment fraud, and his plans for school reopening, they have not truly challenged him since budget negotiations concluded in 2020.

The Legislature could choose to leverage the Governor on how to spend new revenue, but there's reason to think the Legislature will be even more accommodating than they were last year. While it's still not official, Governor Newsom will be facing a recall later this year. Despite their grievances, Democrats in the Legislature will want to defend the Democratic Governor from the Republican-backed recall effort. While there will be give and take over how to use the new money as always, it seems likely the Legislature will help the Governor with his major spending initiatives.

New Attorney General

In December, we reported that the election of Vice President Kamala Harris created a game of political musical chairs when she vacated her US Senate seat. The issue of appointing her successor quickly became fraught with risk for Governor Newsom who was urged by advocates and legislators representing the state's African American, Latino, API, and LGBTQ Californians to appoint a Senator who can represent their communities.

The Governor handled the challenge. The appointment of former Secretary of State Alex Padilla as the first Latino Senator representing California created another vacancy. The Governor appointed Shirley Weber to replace them and serve as California's first African American Secretary of State. Last week, the Governor appointed Assemblymember Rob Bonta to replace Xavier Becerra as Attorney General. Mr. Bonta will be the first Filipino American to hold the position.

March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

RE: Sponsorship of SB 634 (Committee on Labor, Public Employment and Retirement)

Similar to last year with AB 2101 (Committee on Public Employment and Retirement), the Legislative Committee is pursuing another omnibus bill to provide technical and clarifying changes to the CERL. You may recall that SACRS' cleanup changes were initially placed into SB 783, then ultimately amended into AB 2101, a bill sponsored by SACRS, CalPERS, and CalSTRS that provided noncontroversial changes to each entity's respective code sections.

This year, the Senate Committee on Labor, Public Employment and Retirement is authoring another omnibus bill for SACRS, CalPERS, and CalSTRS technical cleanup.

After fielding proposals from member systems and deliberating among the legislative committee, several minor cleanup proposals were selected to be amended into SB 634 at the start of the new legislative session.

These changes include clarifying that a Board of Retirement may contract with a private physician to provide medical advice as part of the board's duties related to processing disability claims, deleting an obsolete reference to procedures for purchasing additional service, changing incorrect code references, and fixing typos. Along with these changes, the Legislative Committee will continue to review noncontroversial proposals to be added into this vehicle in the coming months.

On a separate track, the Legislative Committee continues to review more substantive CERL amendments for consideration by the Board of Directors for the 2022 legislative session.

The SACRS Legislative Committee is requesting Board of Directors approval for SACRS to formally sponsor SB 634. Thank you for your consideration.

The bill language for SB 634 and a summary matrix of CERL provisions in SB 634 are attached.

SB 634 As Introduced, 2/19/2021

2021 CERL Amendments

Sec	Gov Code	Topic	Issue/Justification
			Updates statutes to conform to existing practices in which many retirement systems
			currrently use outside, independent medical advisors to evaluate disability claims.
			Amendments clarify that the county health officer, either directly or through a duly
			authorized representative, shall advise the board on medical matters. Also clarifies that
			the board may contract with a physician in private practice under its existing authority
9	31530		to secure the necessary medical service and advice in carrying out its adjudication of
14	31732	County Health Officer as Medical Advisor	disability retirement applications.
10	31565.5	County Office of Education	Fixes incorrect cross references when the Education Code was restructured years ago.
			Deletes obsolete section. The payment terms related to
			pre-tax and after-tax contributions in conformity with federal tax law are generally
			specified in the contracts that members sign when they elect to make additional
11	31641.8	Service Purchase-Installment Payments	contributions.
			Fixes typo/missing words. Section 31680.2 provides that retired members may be
			reemployed without reinstatement to membership in a position requiring special skills
			or knowledge for a period of time not to exceed 90 working days or 720 hours in one
			fiscal year of any other 12-month period. Section 31680.3 provides that the period of
			time not exceed 120 working days or 960 hours. The current statutes are missing the
12	31680.2		phrase "a period of time," similiar to sentence structure in Section 31680.6.
13		Post-Retirement Employment	
15		Survivor benefits	Fixes typo. The word "the" is missing before "guardian."

Page 1 of 1 023

Introduced by Committee on Labor, Public Employment and Retirement (Senators Cortese (Chair), Durazo, Laird, Newman, and Ochoa Bogh)

February 19, 2021

An act to amend Sections 22011, 22802, 24204, and 26804 of the Education Code, and to amend Sections 20320, 20322, 20324, 31530, 31565.5, 31680.2, 31680.3, 31732, and 31781.2 of, to add Section 21499.1 to, and to repeal Section 31641.8 of, the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as introduced, Committee on Labor, Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. STRS is administrated by the Teachers' Retirement Board. Existing law requires STRS to pay premiums associated with Medicare Part A for certain retired or disabled members, as specified. Existing law creates the Cash Balance Benefit Program, which is administered by the board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time.

Existing law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system.

 $SB 634 \qquad \qquad -2-$

This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that STRS pay certain Medicare Part A premiums.

Existing law authorizes a member of STRS who is not retired and who was previously excluded from membership in the Defined Benefit Program request to purchase service credit in the program for certain types of other service. The bill would delete and obsolete cross-reference.

This bill would prohibit a member from purchasing service credit for any school year if the purchase would result in more than one year of service for that school year.

Existing law authorizes a member of STRS who files an application for service retirement to change or cancel their retirement application if specified requirements are met. In this regard, existing law requires a member to return the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment, as specified.

This bill would extend the requirement to return total gross distribution amount, as described above, to apply to any canceled benefit.

(2) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which is administered by the Board of Administration of the Public Employees' Retirement System. PERL excludes specified appointees, elective officers, and legislative employees from membership in the system unless the person to whom these provisions apply elects to file with the board an election in writing to become a member.

This bill would prescribe the circumstances pursuant to which the start date would be determined for an appointee, elective officer, or legislative employee who elects to become a member of PERS. If the written election is received by the system within 90 days of the applicable appointment, current term, or start date for the position, the bill would require that the effective date be the start date of the appointment, the start date of the term, or the start date of the position. If the election is not received by the system within 90 days, as specified, the effective date would be the first day of the month in which the election is received by the system.

PERL prescribes the circumstances pursuant to which specified payments and benefits may be paid by PERS in connection with the death of a member, among others.

3 SB 634

This bill would require that overpayments, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, as specified, be deducted from any subsequent payment or benefit that is payable by PERS as a result of the death.

(3) The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL vests management of the retirement systems created pursuant to its provisions in a board of retirement. CERL requires the county health officer to advise the board on medical matters and, if requested, attend its meetings.

This bill would authorize a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.

CERL authorizes a member of a system established under its provision who ceases to be an employee of the county under certain provisions of the Education Code to elect to remain a member of the CERL system.

This bill would correct an obsolete cross-reference in this regard.

CERL provides benefits based upon service credit, defines service for this purpose, and authorizes a member to elect to receive service credit for other forms of public service, as defined, by making contributions. CERL authorizes a member who has elected to make contributions to receive service credit to complete payment, at any time prior to the effective date of the member's retirement, by a lump sum.

This bill would repeal the above-described authority of a member to complete a payment by lump sum.

CERL requires a board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement.

This bill would authorize the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.

This bill would make various technical and stylistic changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

SB 634

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The people of the State of California do enact as follows:

SECTION 1. Section 22011 of the Education Code is amended 1 2 to read:

22011. For an application or document requiring a signature, that signature shall be in a form prescribed by the system, including, but not limited to, on paper or made by electronic means. Notwithstanding any other law, an application or document made under this part, Part 13.5 (commencing with Section 25900), or Part 14 (commencing with Section 26000) that is signed and submitted by the person authorized to do so using technology and security measures prescribed by the system shall be deemed to be a signed and valid original document.

SEC. 2. Section 22802 of the Education Code is amended to read:

- 22802. (a) A member, other than a retired member, who was previously excluded from membership in the Defined Benefit Program may request to purchase service credit for:
 - (1) Service as a substitute excluded under Section 22602.
- (2) Creditable service subject to coverage under the Cash Balance Benefit Program, excluding service credited pursuant to Section 26402, Program if the member is currently contributing to the Defined Benefit Program and has terminated all service subject to coverage under the Cash Balance Benefit Program. Upon requesting to purchase service credit under this paragraph, the member shall cease to be eligible for a benefit for the same service or time previously credited under the Cash Balance Benefit Program pursuant to Part 14 (commencing with Section 26000).
- (3) Service performed on a part-time basis excluded under Section 22601.5 or Section 22604, other than service credited under paragraph (2).
- (4) Adult education service excluded under Section 22603, as it read on December 31, 1995.
- (5) Service as a school nurse excluded under Section 22606, as it read on December 31, 1995.
- (6) Service performed in a position prior to the date the position was made subject to coverage under the Defined Benefit Program.
- 36 (7) Service subject to coverage under the Defined Benefit Program performed while a member of another California public retirement system, provided the member has ceased to be a member 38

5 SB 634

of, and has ceased to be entitled to benefits from, the other retirement system. The member shall not receive credit for the service if the member may redeposit withdrawn contributions and subsequently be eligible for any benefits based upon the same service or based upon other full-time service performed during the same period, from another California public retirement system.

- (b) A member who requests to purchase service credit under this part for service performed while excluded from membership under the Defined Benefit Program shall pay all of the required contributions for all or the portion of that service for which the member requests to purchase service credit.
- (c) A member—may shall not request to purchase service credit for service or time described in paragraphs (1) and (3) to (7), inclusive, of subdivision (a) if, after the request, the member would continue to receive credit for the same service or time in the Cash Balance Benefit Program under Part 14 (commencing with Section 26000) or another public retirement system.
- (d) A member shall not purchase service credit for any school year if the purchase would result in more than one year of service for that school year.
- SEC. 3. Section 24204 of the Education Code is amended to read:
- 24204. (a) A service retirement allowance under this part shall become effective upon any date designated by the member, provided all of the following conditions are met:
- (1) An application for service retirement allowance is filed on a form provided by the system, which is executed no earlier than six months before the effective date of retirement allowance.
- (2) The effective date is later than the last day the member earned creditable compensation pursuant to Section 22119.2 or 22119.3.
- (3) The effective date is no earlier than one day after the date on which the retirement allowance was terminated under Section 24208.
- (4) The effective date is no earlier than one year following the date on which the retirement allowance was terminated under subdivision (a) of Section 24117.
- (5) The effective date is no earlier than the date upon and continuously after which the member is determined to the satisfaction of the board to have been mentally incompetent.

 $SB 634 \qquad \qquad -6-$

(6) The effective date is no earlier than one day after the date upon which the member completes payment of a service credit purchase pursuant to Section 22801, 22820, or 22826, or payment of a redeposit of contributions pursuant to Section 23200, except as provided in Section 22801 or 22829.

- (b) A member who files an application for service retirement may change or cancel their retirement application if all of the following are met:
- (1) The form provided by the system is received in the system's headquarters office no later than 30 days from the date the member's initial benefit payment for the member's most recent retirement under the Defined Benefit Program is paid by the system.
- (2) The member returns the total gross distribution amount of all payments for any canceled—retirement benefit, including a lump-sum payment being changed to an annuity, to the system's headquarters office no later than 45 days from the date of the member's initial benefit payment. The member shall be liable for any adverse tax consequences that may result from these actions.
- (c) The retirement date of a member who files an application for retirement pursuant to Section 24201 on or after January 1, 2012, shall be no earlier than January 1, 2012.
- (d) Nothing in this section shall be construed to allow a member to receive more than one type of retirement or disability allowance for the same period of time by virtue of the member's own membership.
- SEC. 4. Section 26804 of the Education Code is amended to read:
- 26804. Application for a retirement benefit under this part shall be made on a form prescribed by the system. A participant who files an application for a retirement benefit may change or cancel the retirement application if all of the following are met:
- (a) The form provided by the system is received in the system's headquarters office no later than 30 days from the date of the member's participant's initial benefit payment.
- (b) The participant returns the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment being changed to an annuity, to the system's headquarters office no later than 45 days from the date of the participants's participant's initial benefit payment. The participant

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shall be liable for any adverse tax consequences that may result from these actions.

- SEC. 5. Section 20320 of the Government Code is amended to read:
- 20320. (a) A person directly appointed by the Governor, without the nomination of any officer or board, or directly appointed by the Attorney General, Lieutenant Governor, Controller, Secretary of State, Treasurer, or Superintendent of Public Instruction exempt from civil service under Article VII of the California Constitution, except those appointed pursuant to subdivision (i) of Section 4 thereof, is excluded from membership in this system unless he or she the person files with the board an election in writing to become a member. The election effective date shall be the start date of the current appointment, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system.
 - (b) Upon electing to become a member, the person may further elect at any time prior to retirement to receive service credit for his or her their prior, excluded state service by making the contributions as specified in Sections 21050 and 21051.
 - SEC. 6. Section 20322 of the Government Code is amended to read:
 - 20322. (a) An elective officer is excluded from membership in this system unless the officer files with the board an election in writing to become a member. The election effective date shall be the start date of the current term, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system. Upon electing to become a member, the officer may further elect at any time prior to retirement to receive service credit for his or her their prior, excluded service by making the contributions as specified in Sections 21050 and 21051.
 - (b) As used in this part, "elective officer" includes any officer of the Senate or Assembly who is elected by vote of the members of either or both of the houses of the Legislature, and any

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appointive officer of a city or county occupying a fixed term of office, as well as officers of the state or contracting agencies elected by the people, and persons elected to a city council or a county board of supervisors.

- (c) Notwithstanding any other provision of subdivision (a) or (b), elected or appointed officers of a county superintendent of schools, school district, or community college district, or of a contracting agency, who serve on public commissions, boards, councils, or similar legislative or administrative bodies are excluded from membership in this system. This exclusion shall only apply to those elected or appointed officers, other than city or county officers, who are first elected or appointed to an office on or after July 1, 1994, or who are elected or appointed to a term of office not consecutive with the term of office held on June 30, 1994. For city or county elected or appointed officers, this exclusion shall only apply to those officers who are first elected or appointed to an office on or after January 1, 1997, or who are elected or appointed to a term of office not consecutive with the term of office held on December 31, 1996. This exclusion shall not apply to persons elected to a city council or county board of supervisors.
- (d) Any person holding the office of city attorney or the office of assistant city attorney, whether employed, appointed, or elected, is excluded from the definition of "elective officer" as defined in subdivision (b). This subdivision shall apply only to persons first employed, elected, or appointed on or after July 1, 1994, or following any break in state service while serving in the office if the office was held on June 30, 1994.
- (e) In accordance with Section 20125, the board shall be the sole judge of which elected or appointed positions qualify the incumbent as an "elective officer" in this system under this section.
- (f) Notwithstanding any other provision of law, with respect to elective officers of contracting agencies, payment by a contracting agency of employer contributions and any other amounts for employer paid benefits under this system shall not be construed as receipt of salary or compensation by the elective officer for purposes of any statutory salary or compensation limitation.
- 38 SEC. 7. Section 20324 of the Government Code is amended to read:

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20324. (a) An employee of the Senate or the Assembly, or the respective committees thereof, whose salaries or wages are paid from the Senate Operating Fund or the Assembly Operating Fund or the Operating Funds of the Assembly and Senate, shall be deemed a "legislative employee." A legislative employee is excluded from membership in this system unless he or she the person files with the board an election in writing to become a member. The election effective date shall be the start date of the current position, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system. The election shall not be required of a legislative employee who was a member of this system on October 1, 1963.

(b) Upon electing to become a member, a legislative employee may further elect at any time prior to retirement to receive service credit for his or her their prior, excluded legislative service and he or she the legislative employee shall have the option as to how much of that prior legislative service is to be credited. The legislative employee shall make contributions to this system as specified in Sections 21050 and 21051 for the previous service as a legislative employee for which he or she desires they desire to receive service credit.

SEC. 8. Section 21499.1 is added to the Government Code, to read:

21499.1. Any overpayment, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, including, but not limited to, contributions, interest, retirement allowance, payments of any kind, or federal or state tax, shall be deducted from any subsequent payment or benefit that is payable by this system as a result of the death.

SEC. 9. Section 31530 of the Government Code is amended to read:

31530. The county health-officer officer, either directly or through a duly authorized representative, shall advise the board on medical matters and, if requested by the board, shall attend its meetings.

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SEC. 10. Section 31565.5 of the Government Code is amended to read:

31565.5. Any member of a system established under this chapter who ceases to be an employee of the county under the provisions of Education Code Section 873 Section 1312 of the Education Code may elect as authorized in Education Code Section 873.1 Section 1313 of the Education Code to remain a member of such system.

SEC. 11. Section 31641.8 of the Government Code is repealed. 31641.8. Any member who has elected to make contributions pursuant to this chapter by installment payments may, at any time prior to the effective date of his retirement, complete payment thereof by lump sum.

SEC. 12. Section 31680.2 of the Government Code is amended to read:

31680.2. (a) Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, for them, for a period of time not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend-his or her their retirement allowance, and no deductions shall be made from his or her their salary as contributions to this system.

- (b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.
- (2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.
- (3) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail, except that

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the limit on postretirement employment provided in subdivision (a) to the greater of 90 working days or 720 hours shall remain effective.

- SEC. 13. Section 31680.3 of the Government Code is amended to read:
- 31680.3. (a) Notwithstanding Section 31680.2, any member who has been covered under the provisions of Section 31751 and has retired may be reemployed in a position requiring special skills or knowledge, as determined by the county or district employing the member, for *a period of time* not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend the person's retirement allowance, and no deductions shall be made from the person's salary as contributions to this system.
- (b) (1) This section shall not apply to any retired member who is otherwise eligible for reemployment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.
- (2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.
- (c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.
- SEC. 14. Section 31732 of the Government Code is amended to read:
- 31732. The board shall secure such medical, investigatory and other service and advice as is necessary to carry out the purpose of this article. Notwithstanding Section 31529, the board may contract with an attorney in private practice for the legal services and advice necessary to carry out the purpose of this article. Notwithstanding Section 31530, the board may contract with a physician in private practice for the medical advice necessary to

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carry out the purpose of this article. It shall pay for such services 2 and advice such compensation as it deems reasonable.

SEC. 15. Section 31781.2 of the Government Code is amended to read:

31781.2. In lieu of accepting in cash the death benefit payable under Section 31781 or 31781.01, the surviving spouse of a member who dies prior to reaching the minimum retirement age and who at the date of the member's death has 10 or more years of service to the member's credit, shall have the option to leave the amount of the death benefit on deposit in the retirement system until the earliest date when the deceased member could have retired had the member lived, and at that time receive the retirement allowance provided for in Section 31765, 31765.1, or 31765.11, whichever is applicable.

If, at the death of the spouse, the spouse is survived by one or more unmarried children of the member, under the age of 18 years, the retirement allowance shall continue to the child or children, collectively, until every child dies, marries, or attains the age of 18 years. If the spouse dies, either before or after the death of the member, without either making the election or receiving any portion of the death benefit, and no part of the death benefit had been paid to any person, prior to the payment of any benefits, the legally appointed guardian of the children shall make the election herein provided for on behalf of the surviving children as, in *the* guardian's judgment, may appear to be in their interest and advantage, and the election so made shall be binding and conclusive upon all parties in interest.

Notwithstanding any other provisions of this section, the benefits otherwise payable to the children of the member shall be paid to those children up to the 22nd birthdays of the children if the children remain unmarried and are regularly enrolled as full-time students in an accredited school as determined by the board.



6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice - Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022



March 25, 2021

To: SACRS Trustees & SACRS Administrators/CEO's

From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair

SACRS Nominating Committee

Re: SACRS Board of Director Elections 2021-2022 Elections – Final Ballot

SACRS BOD 2021-2022 election process began January 2021. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2021	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, 2021	The Nominating Committee will report a final ballot to each
	regular member County Retirement System prior to March 25
May 14, 2021	Nomination Committee to conduct elections during the SACRS
	Business Meeting at the Spring Conference, May 11-14, 2021
May 14, 2021	Board of Directors take office for 1 year (until Spring 2022
	Elections)

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 on Friday, May 14, 2021 during the scheduled business meeting. Access to the business meeting is available on the conference platform, all voting delegates and alternate delegates must be registered for the conference to access link.

SACRS Nominating Committee Final Ballot:

•	Vivian Gray, Los Angeles CERA	President
•	Kathryn Cavness, Mendocino CERA	Vice President
•	Harry Hagen, Santa Barbara, CERS	Treasurer
•	Thomas Garcia, Imperial CERS	Secretary
•	David MacDonald, MD, Contra Costa CERA	Regular Member
•	Vere Williams, San Bernardino CERA	Regular Member

Additional Candidates Submitted:

•	John Kelly, Sacramento CERS	Regular Member
•	Chris Prevatt, Orange CERS	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 Dan McAllister, <u>Dan.McAllister@sdcounty.ca.gov</u> or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee SACRS Nominating Committee Chair

CC: SACRS Board of Directors

SACRS Nominating Committee Members Sulema H. Peterson, SACRS Executive Director

Attached: Candidate submissions

Submissions for President



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H Grav
Traine or Garrana	Name: Vivian H. Gray
Candidate Contact	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101
Information	
(Please include – Phone	Email Address: viviangray@aol.com, vgray@lacera.com
Number, Email Address	213.440.0142
and Mailing Address)	Phone:
Name of Retirement	System Name: Los Angeles County Employees Retirement Assoc.
System Candidate	(LACERA)
Currently Serves On	
List Your Current	o Chair
Position on Retirement	o Alternate
Board (Chair, Alternate,	General Elected
Retiree, General Elected,	o Retiree
Etc)	o Other <u>Vice-Chair</u>
Applying for SACRS	∛ President
Board of Directors	○ Vice President
Position (select only one)	o Treasurer
,	o Secretary
	o Regular Member
Dui (Di c	
Brief Bio	2020 President, SACRS
	2018 Chair, LACERA Board of Retirement 2017 Chair, SACRS Bylaws Committee
	2019 Vice Chair, SACRS President
	Elected general member trustee since 2012
	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
	- 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 Master's Program
	- NCPERS Public Pension Funding Forum
	- National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN H. GRAY

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

February 23, 2021 VIA EMAIL

SACRS Nominating Committee Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

I would like to express my desire to be considered for SACRS' President for 2021/2022.

For the past year, I have been humbly honored to serve as SACRS President. 2020 was a very difficult time for everyone. SACRS was no exception. During this time, my thoughts focused on two concepts: Relevance and Sustainability.

Within these two concepts, SACRS was able to remain 'relevant' to the pension community by moving forward in its approach to education and 'sustainable' by building on technological advances in order to continue to provide quality education through different mediums.

Most notably SACRS accomplishments for 2020 include, but are not limited to the following:

- Continued communications with 37 Act systems and administrators through SACRS' website and SACRS Magazine
- > Relevant and up to the minute webinars on pensions and investments as impacted by the pandemic
- Presentation of SACRS Spring and Fall conferences in a virtual format without sacrificing quality speakers, presentations or interactions among trustees, affiliates and staff
- > Presenting the SACRS Berkeley Education Program in a virtual format with ondemand replays of the classes presented
- Maintaining an active role in the legislative process as it affected county retirement systems

In spite of the pandemic, I am very proud of the work the SACRS Board has accomplished under my leadership. We have been and continue to be productive while remaining relevant and sustainable for the SACRS membership.

I would be honored to serve a second term as President of SACRS. I thank you in advance for your consideration of my candidacy for re-election.

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS

Submissions for Vice President



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
	Kathryn Cavness
Candidate Contact	Molling Address:
Information	Mailing Address:
	6500 Ridgewood Road, Willits, CA 95490 Email Address:
(Please include – Phone	
Number, Email Address	k24u2figure@gmail.com Phone:
and Mailing Address)	Home (707) 459-2215; Cell (707) 354-8105; Work (707) 463-4194
Name of Retirement	System Name:
System Candidate	Mendocino County Employee Retirement Association (MCERA)
Currently Serves On	
List Your Current	Chair
Position on Retirement	Alternate
Board (Chair, Alternate,	✓ General Elected
Retiree, General Elected,	Retiree
Etc.)	Other
,	
Applying for SACRS	President
Board of Directors	√ Vice President
Position (select only one)	Treasurer
	Secretary
	Regular Member
Brief Bio	My education and professional experience provides qualifications ideally
	suited for taking on the responsibilities of Vice President of the SACRS
	Board of Directors:
	•
	Four years as Secretary for SACRS Board of Directors
	Past Chair on the MCERA Board &
	Current 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

Kathryn Cavness 6500 Ridgewood Road Willits, CA 95490

February 4, 2021

Dan McAllister, SACRS Nominating Committee Chair SACRS Nominating Committee

Dear Dan and Nominating Committee Members,

Please accept my letter of intent to run as Vice President in the State Association of County Retirement Systems (SACRS) Board of Directors (BOD) officers' election for the 2021-22. I have had the honor of serving on the SACRS BOD as Secretary since May 2017, which has enhanced my understanding of the value of this organization for all parties involved. Additionally, I have served as Chair of the Mendocino County Employees Retirement Association (MCERA) for the last two years.

My interest in seeking the position of Vice President is to continue working with the highly effective SACRS Board in achieving common goals. My focus will be on adding value for Trustees by expanding growth and positive outcomes, increasing diversity, and providing educational opportunities through boosting attendance at the UC Berkeley Educational Program, and SACRS conferences. I will also continue working to expand participation and membership opportunities in SACRS Committees.

As a General Elected Trustee of the Mendocino County Employee Retirement Association, which is the smallest and most northern rural county system in California, I welcome the opportunity to continue representing the smaller systems as well as all SACRS members.

My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors:

- SARCS Board of Directors Secretary for four years from FY 2017/2018 FY 2020/2021
- Chair of the MCERA Board for two years through December 2020
- Trustee on the MCERA Auditing Committee
- Public Pension Investment Management Program/
 - o Modern Investment Theory & Practice for Retirement Systems
 - UC Berkeley Hass School of Business
- Advanced Principles of Pension Management for Trustees
 - UCLA Anderson School of Management
- Principles of Pension Management for Trustees
 - Pepperdine University, Graziadio Business School
- County of Mendocino District Attorney's Office Administrative Services Manager
- Master's Degree in Business Administration with Emphasis on Finance & Accounting

Sincerely,

Kathryn Cavness, SACRS BOD Secretary, Mendocino CERA Trustee

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Submissions for Treasurer



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021. Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

	Γ
Name of Candidate	Name:
	Harry E. Hagen
Candidate Contact	Mailing Address: P.O. Box 579
Information	Santa Barbara, CA 93102
(Please include – Phone	
Number, Email Address	Email Address: hhagen@co.santa-barbara.ca.us
and Mailing Address)	
	Phone: 805-568-2490
Name of Retirement	System Name: SBCERS (Santa Barbara)
System Candidate	
Currently Serves On	
List Your Current	o Chair
Position on Retirement	o Alternate
Board (Chair, Alternate,	General Elected
Retiree, General Elected,	o Retiree
Etc)	Other: Ex-Officio Member, Vice-Chair
2:0)	Salor. Ex Silolo Wolfiber, vise Silair
Applying for SACRS	o President
Board of Directors	 Vice President
Position (select only one)	Treasurer
	○ Secretary
	o Regular Member
Brief Bio	See Attachment
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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 \$2 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 29-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.

February 22, 2021

To Dan McAllister, 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 25-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 10 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

Submissions for Secretary



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Thomas Garcia
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address) Name of Retirement System Candidate Currently Serves On	Mailing Address: 107 South B Street, Imperial, CA 92251 Email Address: tgarcia@icso.org Phone: 442-265-2222 System Name: Imperial County Employees Retirement System (ICERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	 Chair Alternate General Elected (Safety) Retiree Other
Applying for SACRS Board of Directors Position (select only one)	 President Vice President Treasurer Secretary Regular Member
Brief Bio	ICERS Board Trustee, elected safety member (2015-Present) Vice Chair ICERS Board (Current) Chair ICERS Board (2016) 25 Years Public Service in Law Enforcement with the Imperial County Sheriff's Office: Chief Deputy Sheriff Supervising Deputy Coroner Education & Training: Bachelor of Science, Public Administration (Northern Arizona University) Public Pension Investment Management Program, UC Berkeley Hass School of Business Principles of Pension Management, Pepperdine University FBI National Academy (Quantico, VA.) Sherman Block Supervisory Leadership Institute (Cal POST)

Thomas Garcia 107 South B Street Imperial, CA 92251

February 5th, 2021

SACRS Nominating Committee
SACRS Nominating Committee Chair
Vivian Gray, SACRS President

Nomination Committee,

Please accept this as my letter of intent to run as Secretary in the State Association of County Retirement System (SACRS) Board of Directors (BOD) officers' 2021-22 election. I have served as an elected Board Trustee to the Imperial County Employees Retirement System (ICERS) since 2015. As an ICERS trustee I have fulfilled the duties of Board Chair and current Vice Chair. In addition, as a member of SACRS I have had the honor and privilege to serve as committee member of both the SACRS Legislation and Nomination Committees (2017—present).

In seeking this position, I hope to further my service to SACRS and all members SACRS represents. My motivation will be concentrated on assisting the distinguished SACRS Board in maintaining the legacy of SACRS work and increasing participation of all SACRS members from systems small and large.

I believe my experience with ICERS and SACRS, in conjunction with 25 years of public service as a law enforcement officer, provide me a unique skillset beneficial to SACRS:

- ICERS Board Trustee (past Chair, current Vice Chair)
- Chief Deputy Sheriff, Imperial County Sheriff's Office
- Bachelor of Science in Public Administration (Northern Arizona University)
- Public Pension Investment Management Program/Modern Investment Theory & Practice for Retirement Systems (UC Berkeley Hass School of Business)
- Principles of Pension Management for Trustees (Pepperdine University, Graziadio Executive Center)
- FBI National Academy (Quantico, VA.)
- Sherman Block Supervisory Leadership Institute (Californian Commission on POST)

Sincerely,

Thomas Garcia, Board Trustee (Safety)

Imperial County Employees Retirement System

Submissions for General Member



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David I MacDanald MD
Name of Candidate	Name: David J. MacDonald, MD
Candidate Cantast	Mailing Address: 255 Demograte Way, Vallaia, CA, 04504
Candidate Contact	Mailing Address: 255 Ramsgate Way, Vallejo, CA 94591
Information	
(Please include – Phone	Email Address: <u>dmacdcccera@gmail.com</u>
Number, Email Address	
and Mailing Address)	Phone: 510-409-4458
Name of Retirement	System Name: CCCERA
System Candidate	
Currently Serves On	
List Your Current	o Chair
Position on Retirement	o Alternate
Board (Chair, Alternate,	○ General Elected X
Retiree, General Elected,	○ Retiree
Etc)	o Other
Applying for SACRS	o President
Board of Directors	 Vice President
Position (select only one)	 Treasurer
	 Secretary
	o Regular Member X
	* 0.4.0 P.O. P
Brief Bio	* SACRS Board of Directors, Member – 2020-2021
	* Secretary, CCCERA Board of Retirement
	* Elected general member trustee of CCCERA since 2016
	* President, Physicians' and Dentists' of Contra Costa (PDOCC), since
	2010 (Union for health care providers working at Contra Costa County).
	* 16 years serving on the PDOCC Executive Board (including several
	years as Vice President) prior to being elected President.
	* 30 years of service to Contra Costa County as a physician working in
	the Department of Health Services.
	* Education/Pension Trustee Certificates:
	- Bachelors of Science, Biology – UC Irvine
	- Doctor of Medicine – UC Irvine
	- UC Berkeley (SACRS) – Modern Investment Theory & Practice for
	Retirement Systems
	- Wharton Business School – Portfolio Concepts & Management
	- IFEBP – CAPPP program
	- CALAPRS Trustee Education – Principles of Pension Governance

David J MacDonald, MD

255 Ramsgate Way Vallejo, CA 94591 dmacdcccera@gmail.com 510-409-4458 (mobile)

January 26, 2021

SACRS Nominating Committee Mr. Dan McAllister, Chair

Dear Mr. McAllister,

I would like to express my interest in continuing on as a Regular Member of the SACRS' Board of Directors for the 2021/2022 year.

I was elected to the SACRS board in 2020. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as CCCERA Board Secretary. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members and I carry this spirit into my role as an elected trustee. My work with SACRS has meant for further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. Doing so allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide.

Thank you for your time and consideration.

Sincerely and Respectfully,

David J Mac Donald, MD

David J MacDonald, MD

Name of Candidate	
_	Name:
Candidate Contact Information	JOHN B. KHLY
Information (Please in	Mailing Address:
(Please include - Phone	1724 CLENBROOK LANE; AN COLN, CA 95. Email Address:
Number, Email Address and Mailing Address)	- we are trucket com
Name of Retirement C	Phone: INVESTORSCHODIE COMAIL, COM
Candidate Currently Serves	System Name:
	SCERS
List Your Current Position	o Chair
on Retirement Board (Chair, Alternate, Retiree, General	o Alternate
Elected, Etc)	o General Elected
	o Retiree
	Other
Applying for SACRS Board	o President
of Directors Position (select	o Vice President
only one)	
	o Secretary
	Regular Member
rief Bio	FISCAL LUIST MINT
	FISCAL INVESTMENT ADVISOR 72 YEARS SCERS TRUSTEE MASTERS OF PUBLIC ADMINISTRATION
L'	DE MARC CALLE
	TI YEARS SEENS
	TRUSTEE
	MASTERS OF PUBLIC
	DOMINIC PATION
	Tolling State of the
*	PORMER EXECUTIVE
	PORMER EXECUTIVE BOAKO MEMBER

From: John Kelly
To: Sulema Peterson

Subject: Letter of Intent for SACRS Board Position

Date: Friday, January 15, 2021 11:07:42 AM

John B. Kelly, CFP, MPA serving on SCERS; Sacramento County Employee's Retirement System as an Appointed Trustee; Vice President.

Applying as regular member for SACRS.

My interest is to provide enhancements and history for educating and providing networking opportunities for system participants.

Bio:

- -24+years on SCERS Board; VP,
- -42+years as Independent Registered Investment Advisor,
- -12 years as Ca. State employee under the Reagan and Brown administrations,
- -3 years on the SACRS Board previously,
- -22 years First Tee of Greater Sacramento Board; President 2006-2009,
- -2016 induction into the Sacramento Region Golf Hall of Fame,
- -produced three publications regarding investment management and retirement planning as 'The Investor's Caddie'.

Thank you for the opportunity and your consideration.

John B. Kelly, CFP, MPA 'Values Based Financial Advisor' The Investors Caddie, Inc. investorscaddie@gmail.com 916-342-9279



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vere Williams					
Candidate Contact	Mailing Address: 8379 Icicle Drive, Pinon Hills, CA 92372					
Information						
(Please include – Phone	Email Address: <u>verevlw@aol.com</u>					
Number, Email Address	DI 700 400 0044					
and Mailing Address)	Phone: <u>760.486.6311</u>					
Name of Retirement	System Name:					
System Candidate	San Bernardino County Employees' Retirement Association					
Currently Serves On List Your Current						
Position on Retirement						
Board (Chair, Alternate,	General Elected					
Retiree, General Elected,	Ocheral Elected					
Etc)						
Applying for SACRS						
Board of Directors						
Position (select only one)	o <u>Regular Member</u>					
Brief Bio	I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification on Retirement System Management courses at UCLA, Pepperdine and Wharton. I have been an enrolled Agent for over 20 years along with over 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit Committee.					
	A guiding quote — "I always wondered why somebody didn't do something about that, then I realized I was somebody." — Lily Tomlin					

March 1, 2021 VIA Email

Dan McAllister,

SACRS Immediate Past President/ Nominating Committee Chair

SACRS Nominating Committee

Dear Mr. Immediate Past President/Nominating Committee Chair McAllister,

Please accept this letter as my letter of intent to be a candidate for the position of Regular Member in SACRS Board of Directors Elections 2021-2022.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). Seated on the SBcera's Board in January 2015, I attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts and/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 the 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 the 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 (both as formal seminars and networking opportunities.) Additionally, I would seek to encourage even greater participation from the trustees and staff of the 37 Act Systems. I strongly believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending only a few sessions. Over the years, I have served on the governing Boards of the Teamsters Local 1932, the Working Assembly of Governmental Employees and other organizations. Currently, I am a member of the SACRS Audit committee.

I would like very much to contribute, based on my education and experience, to SACRS - a superlative organization: "Providing insight. Fostering oversight."

I thank you in advance for your kind consideration and support. It would be a high honor for me to be elected to serve as a Regular Member on the SACRS Board for the 2021-2022 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams, MBA

Overe Williams

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

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, 2021. Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Chris Prevatt					
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address) Name of Retirement System Candidate Currently Serves On	Mailing Address: 1625 E. Appleton St. #3H, Long Beach, CA 90802 Email Address: Prevatt.c@gmail.com cprevatt@ocers.org Phone: 714-290-44428 System Name: Orange County Employees Retirement System					
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	 Chair Alternate General Elected Retiree Other 					
Applying for SACRS Board of Directors Position (select only one)	 President Vice President Treasurer Secretary Regular Member 					
Brief Bio	Chris is an Elected General Member of OCERS. His full-time position is with the Orange County Health Care Agency since 1997. He also serves as Second Vice President of the Orange County Employees Association which represents approximately 18,000 public employees in Orange County, CA. Chris has served on the OCEA Board since 2006. In addition to his service with OCERS and OCEA, Chris has more than 20 years' experience serving on multiple non-profit boards of directors at the state and local level. Chris has participated in SACRS Conferences since 2013 and served/participated on the Bylaws and Legislative Committees.					

SACRS

Attn: Dan McAlister Nominations Committee

February 22, 2021

Dear Dan,

I am writing to declare my intent to run for election as a Regular Member of the SACRS Board of Directors for the 2021-2022 term. I have included with this letter the required application form.

Regards,

Chris Prevatt

Elected General Member Trustee

Orange County Employees Retirement System



Serving the Active and **Retired Members of:**

February 23, 2021

CITY OF SAN JUAN CAPISTRANO

By email to Dan.McAllister@sdcounty.ca.gov and Regular Mail

COUNTY OF ORANGE

Mr. Dan McAllister

ORANGE COLINTY

SACRS Nominating Committee Chair

CEMETERY DISTRICT

SACRS

ORANGE COUNTY CHILDREN & **FAMILIES COMMISSION**

1225 8th Street, Suite 550 Sacramento, CA 95814

ORANGE COUNTY **DEPARTMENT OF EDUCATION** (CLOSED TO NEW MEMBERS)

ORANGE COUNTY **EMPLOYEES RETIREMENT** Dear Mr. McAllister:

ORANGE COUNTY FIRE AUTHORITY

SYSTEM

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2021-2022

ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

On February 16, 2021, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Christopher Prevatt, for one of the two Regular Member Director positions on the SACRS Board of Directors, and directed me to submit this nomination to the SACRS Nominating Committee.

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

> Accordingly, please accept this letter as OCERS' nomination of OCERS Trustee, Christopher Prevatt, for election to the position of Regular Member Director at the 2021-2022 SACRS Board of Directors Election to take place on May 14, 2021.

ORANGE COUNTY PUBLIC LAW LIBRARY

> Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information.

ORANGE COUNTY SANITATION DISTRICT

Thank you.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Best regards,

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

TRANSPORTATION CORRIDOR AGENCIES

Steve Delaney

UCI MEDICAL CENTER AND CAMPUS (CLOSED TO NEW MEMBERS)

Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator (by email to sulema@sacrs.org)

02-26-21

Dear Nomination Committee,

Chris Prevatt is running for the Regular Board Member on the SACRS Board. Chris has held many positions at OCERS including Chair and is a Board member at the Orange County Employees Association (OCEA). Working in these roles he has gained a wealth of knowledge and would be a good hard working board member for SACRS. Please accept this letter as my recommendation for Chris Prevatt as Regular Board Member.

Thank you,

Roger Hilton

SACRS and OCERS Board Member



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit



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, 2020 AND 2019

701 HOWE AVENUE, E3 SACRAMENTO, CA 95825

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

JUNE 30, 2020

BOARD OF DIRECTORS

Vivian Gray

President

Roger Hilton

Vice President

Harry Hagen

Treasurer

Kathryn Cavness

Secretary

Dan McAllister

Immediate Past President

Teri Noble

Affiliate Chair

John Kelly

Board Member

David MacDonald

Board Member

* * * *

Sulema Peterson

Association Management

JUNE 30, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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

James Marta & Company LLP Certified Public Accountants

Sacramento, California October 23, 2020 FINANCIAL SECTION

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	2019-20	2018-19
Cash Receipts	A	ф с-с
Dues	\$ 364,000	\$ 372,250
Conference	(20.070	61.6.610
Fall	628,070	616,640
Spring	2,670	590,110
Seminars	35,000	118,500
Other Admin Receipts	2,190	2,980
Other Conference Receipts	2,450	-
Interest	61,108	63,668
Total Cash Receipts	1,095,488	1,764,148
<u>Cash Disbursements</u>		
Conference		
Fall - 2018 and 2017		
Hotel and meals	270,132	307,724
Audio and visual	56,477	52,180
Program materials	83,553	102,702
Spring - 2019 and 2018		
Hotel and meals	257,419	81,224
Audio and visual	12,121	48,498
Program materials	14,449	80,389
Seminars	231,947	243,450
Conference Administration	50,808	27,228
Prior Year and Other Expenses	-	162,462
Total conference disbursements	976,906	1,105,857
Administration	365,517	375,233
Administration Legislative representation	303,317	237
	60,012	
Lobbying Newsletters	15,893	71,627
Committee meetings		27.215
e e e e e e e e e e e e e e e e e e e	49,944	27,315
Special projects Total administration disbursements	17,690 509,056	17,458 491,870
Total Cash Disbursements	1,485,962	1,597,727
Excess (Deficit) of Cash Receipts over Cash Disbursements	(390,474)	166,421
Cash and Investments, Beginning	2,372,422	2,206,001
Cash and Investments, Ending	\$ 1,981,948	\$ 2,372,422
Cash and Investments, Ending Supplementary Information	\$ 1,981,948	\$ 2,372,42
Cash and Investments at June 30,	2020	2019
Cash and cash equivalents	\$ 1,006,628	\$ 1,195,688
Non current portion of investments	975,320	1,176,734
Total Cash and Investments	\$ 1,981,948	\$ 2,372,422

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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 Sulema Peterson & Associates, 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.

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

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.

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:

	2020	 2019
Bank accounts	\$ 208,515	\$ 409,088
Money market accounts	798,113	786,600
Total cash and cash equivalents	\$ 1,006,628	\$ 1,195,688

Cash in bank accounts at June 30, 2020 consisted of the following:

	First	First Foundation		of America	Total	
Per bank	\$	319,175	\$	8,493	\$	327,668
Checks outstanding		(126,442)		-		(126,442)
Deposits in transit		7,289		-		7,289
Total bank accounts	\$	200,022		8,493	\$	208,515

Cash in bank accounts at June 30, 2019 consisted of the following:

	Bank of	Comr	nunity First		
	 America Bank		Total		
Per bank	\$ 297,541	\$	89,588	\$	387,129
Deposits in transit	 -		21,959		21,959
Total bank accounts	\$ 297,541		111,547	\$	409,088

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There was \$69,175 and \$47,541 in excess of FDIC coverage as of June 30, 2020 and 2019, respectively.

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing \$1,104,130. The fair value balance as of June 30, 2020 and 2019 presented in the financial statement is \$975,320 and \$1,176,734; respectively. This balance includes reinvested interest income totaling \$48,586 and \$62,336, 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, 2020 and 2019 was \$0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2020 and 2019 was 1.94% and 2.43%, 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:

		Food and	Guest Room		
		Beverage	Nights	Guest Room	
Conference	Cancellation Fees	Minimums	Reserved	Nights Minimum	Rooms Attrition
Fall 2020*	\$49,194-\$408,276*	\$80,000	890	700	\$226 plus tax
Spring 2021	\$174,603-\$279,364	\$150,000	1145	916	\$239 plus tax
Fall 2021	\$184,462-\$332,031	\$165,000	1145	916	\$239 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2022	\$136,762-\$288,524	\$150,000	1145	916	\$249 plus tax
Spring 2023	\$224,848-\$404,726	\$170,000	1145	916	\$247 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

^{*}Conference cancelled and cancellation fees waived due to COVID-19 Pandemic

SACRS received a refund of the Spring 2020 conference deposit in July 2020 in the amount of \$60,000.

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 October 23, 2010, 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

COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

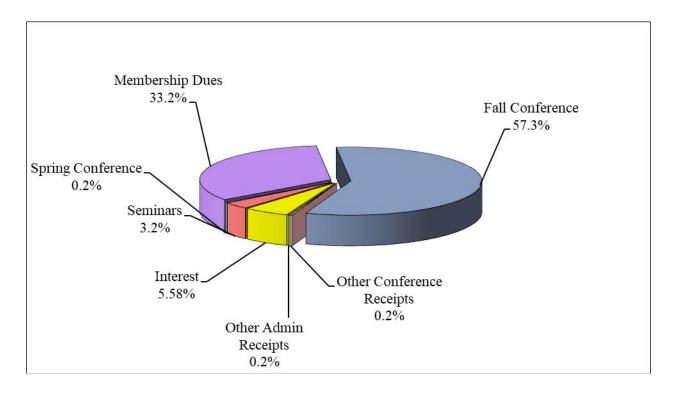
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Conference	Administration	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 364,000	\$ 364,000
Conference			
Fall	628,070	-	628,070
Spring	2,520	-	2,520
Seminars	35,000		35,000
Other Admin Receipts	-	2,340	2,340
Other Conference Receipts	2,450	-	2,450
Interest	61,108	-	61,108
Total Cash Receipts	729,148	366,340	1,095,488
<u>Cash Disbursements</u>			
Conference			
Fall - 2018			
Hotel and meals	270,132	-	270,132
Audio and visual	56,477	-	56,477
Program materials	83,553	-	83,553
Spring - 2019			
Hotel and meals	257,419	-	257,419
Audio and visual	12,121	-	12,121
Program materials	14,449	-	14,449
Seminars	231,947	_	231,947
Conference Administration	50,808	_	50,808
Total conference disbursements	976,906	-	976,906
Administration	-	365,517	365,517
Lobbying	-	60,012	60,012
Newsletters	-	15,893	15,893
Committee meetings	-	49,944	49,944
Special projects	_	17,690	17,690
Total administration disbursements		509,056	509,056
Total Cash Disbursements	976,906	509,056	1,485,962
Excess (Deficit) of Cash Receipts			
over Cash Disbursements	(247,758)	(142,716)	(390,474)
Cash and Investments, Beginning	3,320,984	(948,562)	2,372,422
Cash and Investments, Ending	\$ 3,073,226	\$ (1,091,278)	\$ 1,981,948

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

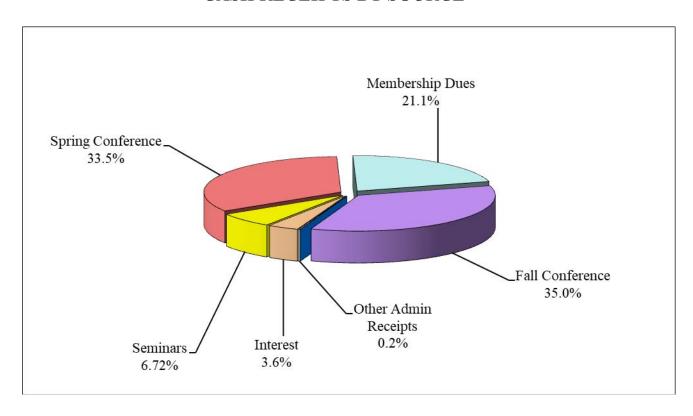
CASH RECEIPTS BY SOURCE



GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

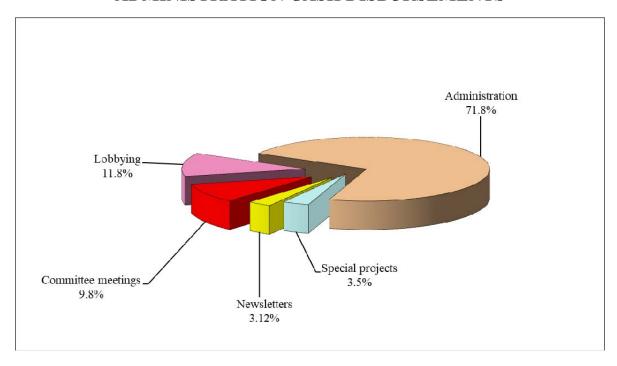
CASH RECEIPTS BY SOURCE



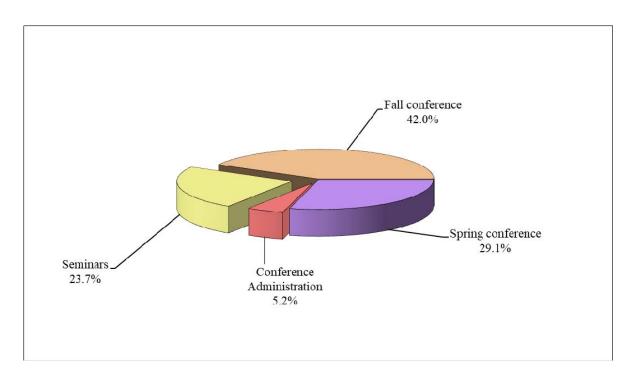
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS



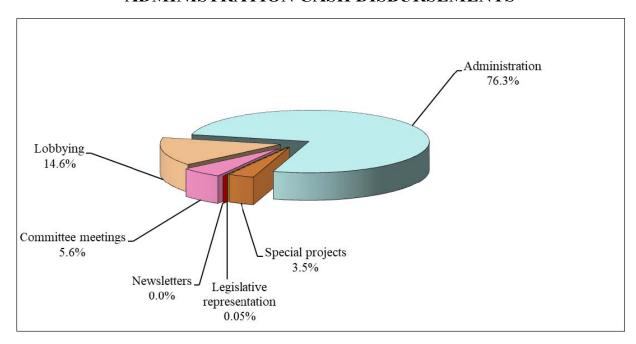
CONFERENCE CASH DISBURSEMENTS



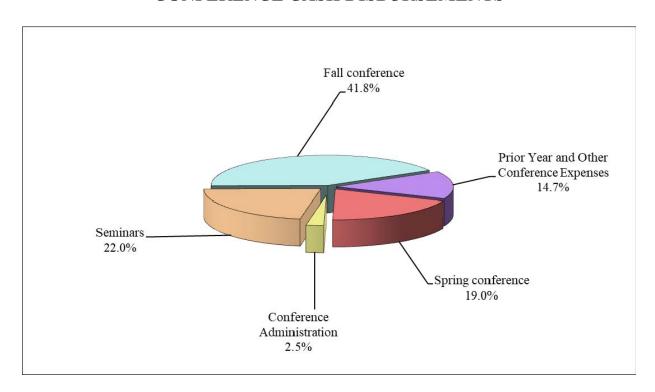
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



CONFERENCE SUMMARY REPORT

	Spring 2020 Online	Fall 2019 Indian Wells	Spring 2019 Lake Tahoe	Fall 2018 Indian Wells	Spring 2018 Anaheim	Fall 2017 San Francisco
Cash receipts						
Conference	\$ -	\$ 639,270	\$ 592,590	\$ 591,530	\$ 546,750	\$ 581,490
Total cash receipts		639,270	592,590	591,530	546,750	581,490
Cash disbursements						
Hotel and meals	-	296,927	195,278	312,670	152,017	304,155
Audio and visual	6,155	52,180	57,731	52,180	40,300	43,826
Program materials	-	39,552	42,342	32,086	20,909	26,722
Program Speakers	-	74,458	3,974	74,457	35,159	50,363
Conference Administration		17,818	14,094	9,634	7,183	11,333
Total cash disbursements	6,155	480,935	313,419	481,027	255,568	436,400
Net cash provided by conference	\$ (6,155)	\$ 158,335	\$ 279,171	\$ 110,503	\$ 291,182	\$ 145,090
Total attendees	-	742	590	588	599	603



James Marta & Company LLP Certified Public Accountants

Accounting Auditing Tax and Consulting

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2020 and 2019, and have issued our report thereon dated October 23, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated October 23, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of out audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment I for adjustments provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 23, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2020 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

James Marta & Company LLP Certified Public Accountants

This report is intended solely for the information and use of the Board of Directors, and management 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

James Marta & Company LLP

Certified Public Accountants Sacramento, California

October 23, 2020

Adjusting Journal Entries:

Account	Description	Debit	Credit
Adjusting Journa To back out unrea	al Entry JE # 1 lized gain/loss recognized in prior years		
2100 3200 Total	Unrealized Gain (Loss) Retained Earnings	74,256.00 74,256.00	74,256.00 74,256.00
Adjusting Journal PBC AJE to remo	·		
2150 1000 Total	Refund Liability First Foundation Bank-Checking	2,500.00 2,500.00	2,500.00 2,500.00
Reclassifying	g Journal Entries:		
	urnal Entry JE # 2 d cash transfer in the correct period		
1000 1100 Total	First Foundation Bank-Checking CalTrust - Medium Term	250,000.00 250,000.00	250,000.00 250,000.00



MANAGEMENT REPRESENTATION LETTER

October 23, 2020

James Marta & Company LLP Certified Public Accountants Sacramento, California

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2020 and 2019, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 23, 2020:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 4, 2019, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.



- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:



- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.



- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:
 - We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
 - We are responsible for establishing and maintaining effective internal control over compliance.
 - We have performed an evaluation of the Association's compliance with tax filing requirements and we are not aware of any instances of noncompliance.
 - We have reviewed and approved the tax returns prepared by your office.
 - We have made available to you all documentation related to compliance with specified requirements.
 - We assume all management responsibilities in regards to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
 - We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
 - We accept responsibility for the results of the services.

Sulema H. Peterson

Sulema Peterson, SACRS Executive Director

MANAGEMENT LETTER

Accounting, Auditing, Consulting, and Tax

To the Management State Association of County Retirement Systems Sacramento, CA, 95814

We have recently completed the audit of the financial statement of State Association of County Retirement Systems (SACRS) and have issued our report thereon dated October 23, 2020. In planning and performing our audit of your financial statement for year ending June 30, 2020, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters that we are submitting for your consideration for the improvement of SACRS' accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated October 23, 2020 on the financial statement of the State Association of County Retirement Systems.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489 e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Current Year Recommendations

2020-1 Unrealized Gain/Loss

Observation:

Management has been recording unrealized gains and losses on investments in a liability account on the financial statements for the past few years. As a result, we had an audit adjustment of \$74,256 to agree beginning equity to the prior year audit. In addition, the current year unrealized gain of \$60,099 had to be moved from the liability account to the income statement.

Recommendation:

We recommend that the prior year's cumulative unrealized gain/loss be recorded to equity and all future unrealized gain/loss be recognized on the income statement.

Management Response:

Management will implement the recommendation upon approval of the Treasurer and Board of Directors. Management will consider recognizing interest earned on the income statement in "Interest revenue" rather than the "Unrealized gain/loss". Upon approval of the Board of Directors, management will work with the auditors in applying the corresponding adjustments/journal entries.

The current financial statement account structure was developed and approved in prior fiscal years and the recommendation is a change from that financial accounting structure in an effort to be more consistent with the cash basis of accounting. No recommendations were made in the prior years.

Prior Year Recommendations

None

We believe that the implementation of these recommendations will provide State Association of County Retirement Systems with a stronger system of internal accounting control while also making its operations more efficient.

Management's responses to our recommendations are described above. We did not audit the Management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, and others within the association and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

James Marta & Company LLP Certified Public Accountants

James Marta + Company LLP

Sacramento, California October 23, 2020



James Marta & Company LLP Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2020 and 2019 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated October 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

nes Marta + Kompany LLP

James Marta & Company LLP Certified Public Accountants

October 23, 2020



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback





9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report





10. SACRS Affiliate Committee Report – No ActionScott Draper, Algert Global LLC, 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 Spring 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 12, 2021 at the Hollywood Loews Hotel unless Covid-19 restrictions are in place.

