

## AGENDA

### BOARD OF RETIREMENT

#### Boardroom

832 12<sup>th</sup> Street Suite 600 Modesto, CA 95353

**March 22, 2022**

**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](http://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 Government Code section 54953, the StanCERA Board of Retirement ("Board") is authorized to conduct its meetings via teleconference during the COVID-19 public health emergency.

Because of the COVID-19 public health emergency, StanCERA's offices, including the StanCERA boardroom, are currently closed to public access. Members of the public who wish to attend Board meetings may do so by teleconference, by calling (209) 689-0007. The access code is 414752.

If you wish to make a general public comment during the Public Comment section of the meeting, or if you wish to comment on a specific agenda item, please press 5\* on your phone to alert the Chair that you wish to speak. As permitted by Gov. Code § 54954.3(b)(1), each public comment is limited to three minutes.

You may also submit public comments in writing. If you wish to make a general public comment or a comment on a specific agenda item in writing, please submit your comment via email or fax no later than 4:30 p.m. on the day before a Board meeting. Comments can be submitted via email at [gomesk@stancera.org](mailto:gomesk@stancera.org) or via fax at (209) 558-4976. If your comment pertains to a specific agenda item, please include the agenda item number in the subject line. As permitted by Gov. Code § 54954.3(b)(1), each public comment is limited to 400 words. Comments submitted in writing will be read aloud during the meeting.

In compliance with the Americans with Disabilities Act, if you require an accommodation, auxiliary aid, or service in order to participate in this meeting, please 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](http://www.stancera.org).

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Announcements
5. Public Comment
6. Emergency Declaration
  - a. Emergency Declaration - AB-361  
Agenda Item [View](#) Attachment 1 [View](#)
7. Consent Items
  - a. Approval of the February 22, 2022 Meeting Minutes [View](#)
  - b. Applications for Service Retirement(s) – Government Code Sections 31499.14, 31670, 31662.2 & 31810 See attachment for details. [View](#)
  - c. Application for Non-Service-Connected Disability – Government Code 31724
    1. Sandra Mendez – Stanislaus County - Effective Date 09/13/2021
  - d. Legislative Update [View](#)
  - e. Investment Matrix [View](#)
  - f. Information Technology Solutions (ITS) Project [View](#)
  - g. Rehire of Retiree - Executive Order N-04-22  
Agenda Item [View](#) Attachment 1 [View](#) Attachment 2 [View](#)
8. NEPC – Investment Consultant
  - a. February Flash Report [View](#)
  - b. Real Asset Pricing Study [View](#)
9. Investment
  - a. Russian Investments and Related Market Events
10. Administrative
  - a. Brown Armstrong Accountancy Corporation – Auditing Services Contract [View](#)

11. 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 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)

12. Members’ Forum (Information and Future Agenda Requests Only)

13. Adjournment

March 22, 2022

Retirement Board Agenda Item

TO: Retirement Board

FROM: Fred Silva, StanCERA General Counsel  
Rick Santos, Executive Director

I. SUBJECT: A Resolution of the Board of the Stanislaus County Employees' Retirement Association Acknowledging the Proclamation of a State of Emergency and Authorizing Remote Teleconference Meetings of the Stanislaus County Employees' Retirement Association for the Period of March 22, 2022 until the earlier of April 21, 2022 or the date of termination of the COVID-19 State of Emergency in California.

II. ITEM NUMBER: 6.a

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION: Approve Resolution of the Board of the Stanislaus County Employees' Retirement Association acknowledging the proclamation of a state of emergency by Executive Order N-15-20 issued on March 4, 2020, as extended by Executive Order N-21-21 on November 10, 2021 and acknowledged by the Stanislaus County Public Health Officer's recommendation issued on September 22, 2021, which together permit the legislative bodies of Stanislaus County Employees' Retirement Association to conduct remote teleconference meetings pursuant to Assembly Bill 361 (AB-361) during the period of March 22, 2022 until the earlier of April 21, 2022 or the date of termination of the COVID-19 State of Emergency in California.

**MEETINGS VIA TELECONFERENCE**

V. AB-361 allows local government entities to conduct meetings via teleconference without complying with certain Brown Act requirements when the following conditions are in place:

Condition 1: The Governor has proclaimed a state of emergency; and

Condition 2: State or local officials have imposed or recommended measures to promote social distancing.

The first condition is satisfied by the Governor's March 4, 2020 state of emergency proclamation, which has now been extended three times, including most recently on November 10, 2021 ([Executive Order N-21-21](#), extending state of emergency provisions through March 31, 2022).

The second condition is satisfied by the Stanislaus County Public Health Officer's September 22, 2021 recommendation issued in response to AB-361, stating "I recommend that physical/social distancing measures be practiced throughout our Stanislaus County communities to minimize the spread of COVID-19, including implementation of the newly enacted AB 361 to maintain social distancing by legislative bodies of our local agencies. This recommendation is made due to the continued threat of COVID-19 in the community."

AB-361 was signed on September 17, 2021 and went into effect on October 1, 2021. AB 361 replaced some aspects of Executive Order N-29-20, which allowed local legislative bodies to hold remote teleconference meetings while the COVID-19 public health crisis is in effect. Since the size of StanCERA's Board room prevents compliance with social distancing measures if the public were to attend meetings in person, attendance by the public in a county with high transmission rates creates potential health issues for StanCERA employees and the public. Therefore, to continue remote teleconference meetings, AB-361 requires that the Board consider the circumstances of the state of emergency and make findings via resolution by majority vote to hold remote teleconference meetings. If such findings are made, a resolution must be passed by a majority of the Board citing these circumstances. The Board will need to complete such recertification every 30 days or at each Board meeting following adoption of this Resolution, until Government Code section 54953 sunsets by operation of law on January 1, 2024 or there is no longer a state of emergency in effect.

### **MASK MANDATE**

California's indoor mask mandate is no longer in effect for either vaccinated or unvaccinated persons. However, the State of California continues to "strongly recommend" that people wear masks in state and local government offices that serve the public. All attendees are asked to socially distance while in the Board room by maintaining at least six feet of distance from other persons whenever possible.

VI. RISK: NONE

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

## **RESOLUTION NO. 2022-\_\_**

**A RESOLUTION OF THE BOARD OF THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ACKNOWLEDGING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM ON MARCH 4, 2020 AND ADDITIONAL ORDERS AND RECOMMENDATIONS ISSUED BY THE STANISLAUS COUNTY PUBLIC HEALTH OFFICER, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION FOR THE PERIOD OF MARCH 22, 2022 TO THE EARLIER OF APRIL 21, 2022 OR THE DATE OF TERMINATION OF THE COVID-19 STATE OF EMERGENCY IN CALIFORNIA, PURSUANT TO BROWN ACT PROVISIONS**

**WHEREAS**, the Board of Retirement ("Board") for the Stanislaus County Employees' Retirement Association ("StanCERA") is committed to preserving and promoting public access and encouraging participation in meetings of the Board and its legislative bodies; and

**WHEREAS**, all meetings of the Board and its legislative bodies are open and public, as required by the Ralph M. Brown Act (Gov. Code §§ 54950-54963), so that any member of the public may attend meetings and observe and participate in the conducting of business by the Board and its legislative bodies; and

**WHEREAS**, Government Code section 54953(e) allows local government entities such as the Board and its legislative bodies to conduct meetings via teleconference without complying with the requirements of Government Code section 54953(b)(3) when the following conditions are in place:

- A state of emergency proclaimed by the Governor pursuant to Government Code section 8625 is in effect; and
- State or local officials have imposed or recommended measures to promote social distancing.

**WHEREAS**, such conditions are currently in place for the Board and its legislative bodies, which operate in Stanislaus County:

- On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency for the State of California pursuant to the California Emergency Services Act (Gov. Code § 8625) based on an outbreak of respiratory and other illness due to the novel coronavirus known as COVID-19. That State of Emergency has been extended three times, including by Executive Order N-21-21 signed by Governor Newsom on November 10, 2021, which extends emergency provisions through March 31, 2022. At this time, it is not clear when

the State of Emergency will be terminated. Governor Newsom commented during a February 17, 2022 press conference that, currently, “there is no end date” for the COVID-19 state of emergency. The Board acknowledges that, while the State of Emergency will most likely still be in place through April 21, 2022, it is possible that it will have been lifted by the time this Resolution has expired.

- On September 22, 2021, the Public Health Officer for Stanislaus County issued a recommendation stating: “I recommend that physical/social distancing measures be practiced throughout our Stanislaus County communities to minimize the spread of COVID-19, including implementation of the newly enacted AB 361 to maintain social distancing by legislative bodies of our local agencies. This recommendation is made due to the continued threat of COVID-19 in the community. I will continue to evaluate this recommendation on an ongoing basis and will communicate when there is no longer such a recommendation.”

**WHEREAS**, Government Code section 54953(e) allows local government entities such as the Board and its legislative bodies to conduct meetings when a state of emergency is in place without complying with the requirements of Government Code section 54953(b)(3), as long as such entities instead comply with the requirements of Government Code section 54953(e)(2);

**WHEREAS**, StanCERA’s offices, including its boardroom, are not large enough to accommodate the COVID-19 social distancing measures recommended by the Centers for Disease Control and others if members of the public were to attend StanCERA Board and/or committee meetings in person; and

**WHEREAS**, to ensure that the public retains access to StanCERA Board and committee meetings during this state of emergency, StanCERA will post each Board or committee agenda on the StanCERA website and at its business office location at least 72 hours prior to the meeting, and such agenda will describe the means by which members of the public may access the meeting and offer public comment. In addition, persons requiring accommodations are asked to contact StanCERA prior to the meeting.

**NOW, THEREFORE, BE IT RESOLVED that:**

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Acknowledgment of Proclamation of Emergency and Local Orders. The Board hereby acknowledges that a state of emergency has been proclaimed by the Governor of the State of California effective as of its issuance date of March 4, 2020, that the state of emergency has been extended through at least March 31, 2022, and that on September 22, 2021 the Stanislaus County Public Health Office recommended that physical and social distancing measures, including holding meetings via teleconference pursuant to AB-361, be practiced throughout the County.

Section 3. Remote Teleconference Meetings. The StanCERA Retirement Administrator and his designee(s) and the legislative bodies of StanCERA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of April 21, 2022 or the date of termination of the COVID-19 State of Emergency in California.

Section 5. Reconsideration of Circumstances Every 30 Days. Government Code section 54953(e)(3) requires that the Board periodically recertify its decision to continue to hold remote teleconference meetings; in order to do so, the Board must reconsider the circumstances of the state of emergency and make findings by majority vote as are necessary to continue to hold remote teleconference meetings. The Board will complete such recertification every 30 days or at each Board meeting following adoption of this Resolution, until Government Code section 54953 sunsets by operation of law on January 1, 2024 or there is no longer a state of emergency in effect.

The foregoing Resolution was adopted by the Board of Retirement upon motion of Board member \_\_\_\_\_, seconded by Board member \_\_\_\_\_, at a regular meeting of this Board held on March 22, 2022, by the following vote:

Ayes:

Nays:

Absent:

Abstain:

## **STANISLAUS COUNTY EMPLOYEE RETIREMENT ASSOCIATION**

\_\_\_\_\_  
Donna Riley, 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



## BOARD OF RETIREMENT MINUTES February 22, 2022

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call

**Trustees Present**

Donna Riley - Chair  
Terry Withrow

**Trustees Absent:**

Mike Lynch

**Present by Conference Call:**

Mandip Dhillon - Vice Chair  
Rhonda Biesemeier,  
Darin Gharat,  
Joshua Clayton,  
Sam Sharpe,  
Michael O'Neal  
Jeff Grover

**Others Present by Conference Call:**

Rick Santos, Executive Director  
Stan Conwell, Retirement Investment Officer  
Lisa Fraser, Benefits Manager  
Brittany Atkins-Smith, Fiscal Services Manager  
Daniel Hennessy, NEPC Investment Consultant  
Harvey Lederman, Legal Counsel  
Fred Silva, General Legal Counsel

**Others Present:**

Kellie Gomes, Executive Board Assistant

4. Announcements

Chair- Donna Riley announced due to the COVID-19 Pandemic, we are meeting today virtually and in person to accommodate the 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 and the clerk of the board you wish to make a public comment.

5. Public Comment

NONE

6. Emergency Declaration

a. AB-361

Motion was made by Trustee Gharat and seconded by Trustee O'Neal to approve the Emergency Declaration as presented.

Roll Call Vote was as follows:

Trustee Riley	YES
Trustee Dhillon	YES
Trustee Grover	YES
Trustee O'Neal	YES
Trustee Sharpe	YES
Trustee Withrow	YES
Trustee Clayton	YES
Trustee Gharat	YES

Motion carried unanimously

7. Consent Items

- a. Approval of the January 25, 2022 Meeting Minutes
- b. Applications for Service Retirement(s) – Government Code Sections 31499.14, 31670, 31662.2 & 31810 See attachment for details.
- c. Application for Service-Connected Reciprocal Disability – Government Code 31837
  - 1. Peter Danielski – City of Ceres – Effective 6/28/2020
- d. Application for Non-Service-Connected Disability – Government Code 31724
  - 1. Lahallion Ahmed – Stanislaus County – Effective 3/9/21
- e. Application of Death Benefit – Government Code Section 31781, 31781.1, 31781.3 1.
  - 1. Elizabeth Martin – Stanislaus County – Non-Service Connected – Effective 02.05.2022 – Active Member
- f. Legislative Update
- g. 2022 Cost of Living
- h. Investment Matrix
- i. Private Market Commitment Notice:  
Great Hill Equity Partners VIII
- j. Fiscal Year 2021-2022 Mid-Year Budget Review
- k. Information Technology Solutions (ITS) Project

Motion was made by Trustee Dhillon and seconded by Trustee Sharpe to approve all the consent items as presented

Roll Call Vote was as follows:

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

Motion carried unanimously

8. NEPC – Investment Consultant

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

9. Investment

None

10. Administrative

- a. June 30, 2021 Actuarial Valuation and 2018-2021 Experience Study

2:38pm Trustee Withrow left the meeting

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to approve all the consent items as presented

Roll Call Vote was as follows:

Trustee Riley	YES	Trustee Sharpe	YES
Trustee Dhillon	YES	Trustee Clayton	YES
Trustee Grover	YES	Trustee Lynch	YES
Trustee O'Neal	YES	Trustee Gharat	YES

Motion carried unanimously

- b. StanCERA Recruitment

Motion was made by Trustee Sharpe and seconded by Trustee O'Neal to direct staff to begin recruitment for the position of the Retirement Member & Employer Services Manager as a Manager IV.

Roll Call Vote was as follows:

Trustee Riley	YES	Trustee Sharpe	YES
Trustee Dhillon	YES	Trustee Clayton	YES
Trustee Grover	YES	Trustee Lynch	YES
Trustee O'Neal	YES	Trustee Gharat	YES

Motion carried unanimously

Motion was made by Trustee Dhillon and seconded by Trustee Sharpe to direct staff to begin recruitment for the currently unfilled Manager II position with the working title of Retirement Business and Operations Manager.

Roll Call Vote was as follows:

Trustee Riley	YES	Trustee Sharpe	NO
Trustee Dhillon	YES	Trustee Clayton	YES
Trustee Grover	YES	Trustee Lynch	YES
Trustee O'Neal	YES	Trustee Gharat	YES

Motion passed 6/1

c. Ad-Hoc Committee Assignment for the Recruitment of the Position of Executive Director

Motion was made by Trustee Gharat and seconded by Trustee Dhillon to accept staff recommendation to form an ad-hoc Committee of at least 3 Trustees (Trustee O'Neal, Trustee Grover, Trustee Lynch) to recommend to the full Board the process to recruit for the position of Executive Director.

Roll Call Vote was as follows:

Trustee Riley	YES	Trustee Sharpe	YES
Trustee Dhillon	YES	Trustee Clayton	YES
Trustee Grover	YES	Trustee Lynch	YES
Trustee O'Neal	YES	Trustee Gharat	YES

Motion carried unanimously

10. Closed Session

- a. Government Code Section 54956.9(d)(2) – Anticipated Litigation  
Significant Exposure to Litigation  
One (1) Case Conference with Legal Counsel – Pending Litigation – One (1) Case:
- b. 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 Read out from closed session.

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

None

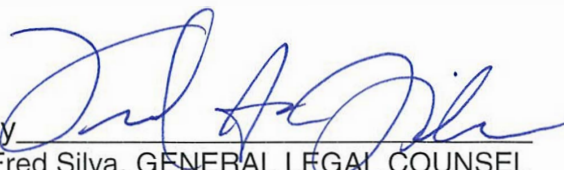
13. Adjournment

Meeting adjourned at 3:35p.m.

Respectfully submitted,

APPROVED AS TO FORM

  
Rick Santos, Executive

By   
Fred Silva, GENERAL LEGAL COUNSEL

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**STANCERA APPLICATIONS FOR SERVICE RETIREMENT(S)**  
**GOVERNMENT CODE SECTIONS 31499.14, 31670, 31662.2,**  
**31810 & 31700**

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1. Bearden, Yolanda - Stanislaus County - Effective 03/26/2022
2. Bejaran, Anthony - Stanislaus County - Effective 03/12/2022
3. Bender, Catherine - Stanislaus County - Effective 03/26/2022
4. CADRETT, JOHN - Stanislaus County - Effective 03/19/2022
5. COLLINS, CHRISTOPHER - Stanislaus County - Effective 02/26/2022
6. Carmelich, Tamara - Stanislaus County - Effective 03/30/2022
7. Chambers, Linda - Stanislaus County - Effective 03/26/2022
8. Denofra, Monica - Stanislaus County - Effective 02/20/2022
9. Dillard, Ruby - Stanislaus County - Effective 03/31/2022
10. Estrada, Rodney - Stanislaus County - Effective 03/27/2022
11. Ferguson, Douglas - Stanislaus County - Effective 03/11/2022
12. Finley, Jane - Stanislaus County - Effective 03/31/2022
13. Frakes, Doreen - Stanislaus County - Effective 03/26/2022
14. Gerhardt Jr., Steven - Stanislaus County - Effective 03/10/2022
15. Hatfield, Darwin - Stanislaus County - Effective 03/12/2022
16. Herman, Kathleen - Stanislaus County - Effective 03/31/2022
17. Hester, Paul - Stanislaus County - Effective 03/26/2022
18. Huntley, Kenneth - Stanislaus County - Effective 03/12/2022
19. Hutchins, Ann - Stanislaus County - Effective 03/12/2022
20. Jensen, Holly - Stanislaus County - Effective 03/12/2022
21. Jimenez, Samuel - Stanislaus County - Effective 03/25/2022
22. Kirk, Timothy - Stanislaus County - Effective 03/12/2022
23. Lake, Gary - Stanislaus County - Effective 03/24/2022
24. Lee, Andrew - Stanislaus County - Effective 03/01/2022
25. Lovell, Roger - Stanislaus County - Effective 03/12/2022
26. Manabat, Rommel - Stanislaus County - Effective 03/22/2022
27. Mc Fadon, Cathy - Stanislaus County - Effective 03/11/2022
28. Meares, Forrest - Stanislaus County - Effective 03/26/2022
29. Mercado, Jason - Stanislaus County - Effective 03/26/2022
30. Meyer, Linda - Stanislaus County - Effective 03/02/2022
31. Miller, Karyn - Stanislaus County - Effective 03/11/2022
32. Miller, Rosemary - Stanislaus County - Effective 02/18/2022
33. Montoya, Charles - Stanislaus County - Effective 03/31/2022
34. Nuno, Isabel - Stanislaus County - Effective 03/26/2022
35. Ortiz, Florence - Stanislaus Superior Court - Effective 03/30/2022
36. Rabe, Brent - Stanislaus County - Effective 03/12/2022
37. SHARP, JAMES - City of Ceres - Effective 03/31/2022
38. Sanchez, Noemi - Stanislaus County - Effective 03/26/2022
39. Schemmel, Ross - Stanislaus County - Effective 03/28/2022
40. Shaw, Debra - Stanislaus County - Effective 03/26/2022
41. Takasaki, Blane - Stanislaus County - Effective 03/26/2022
42. Terry, Jeffrey - Stanislaus County - Effective 03/26/2022
43. Torres, Veronica - Stanislaus County - Effective 03/19/2022
44. Whipkey, David - Stanislaus County - Effective 03/26/2022
45. White, Rachel - Stanislaus County - Effective 03/26/2022
46. Williams, Sean - Stanislaus County - Effective 03/12/2022
47. Woodbridge, Jeffrey - Stanislaus County - Effective 03/31/2022
48. Zamora, Veronica - Stanislaus County - Effective 03/26/2022

March 22, 2022  
Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

- I. SUBJECT: Legislation Update
- II. ITEM: 7.d
- III. ITEM TYPE: Consent
- IV. RECOMMENDATION: None
- V. ANALYSIS:

***SB 1328: Act to add and repeal Sections 7513.73 and 12414 of and to add and repeal Chapter 8 (commencing with Section 16649.100) Part 2 of Division 4 of Title 2, of the Government Code, and to add and repeal Article 14 (commencing with Section 10495) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code, relating to government***

*Second reading, referred to committee – March 3, 2022*

- This bill would prohibit the boards of specified state and local public retirement systems from investing public employee retirement funds in a company with business operations in Russia or Belarus or a company that supplies military equipment to Russia or Belarus, as defined. The bill would require those boards to contract with a research firm or firms to determine those companies with business operations in those countries, and to conduct their own review of companies with business operations in those countries, as specified. The bill would require the boards to determine whether a company has business operations in Russia or Belarus or supplies military equipment to Russia or Belarus. The bill, except as specified, would require the board to notify companies determined to have business operations with those countries, and request the company to take substantial action, as defined and specified. If the company fails to complete substantial action, the bill would prohibit the board from making additional or new investments in that company, and to liquidate the investments of the board in that company, as specified. The bill would also require the board, on or before January 1, 2023, and every year thereafter, to file a specified report with the Legislature.

***AB 1944: Act to amend Government Code Section 54953, relating to public meetings***  
*Referred to Committee – February 18, 2022*

- This bill would eliminate the requirement to post each board member address on public agendas for remote meetings. For public meetings that elect to use teleconferencing, the legislative body would be required to provide a video stream accessible to members of the public and an option for members of the public to address the legislative body remotely during public comment through a video or call-in option.



**AB 2449: Act to amend Government Code Section 54953, relating to local government**

Referred to Committee – March 3, 2022

- This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements.

**SB 1824: Act to amend Government Code Sections 314527.7, 31641.4, 31663.25, 31663.26, 31726, 31726.5, 31761, 31762, 31763, 31764, and 31781**

Referred to Committee – March 8, 2022

- 314527.7: Section (c) added: *For purposes of this section, "beneficiary" includes, but is not limited to, a corporation, a trust, or an estate.*
- 31641.4: Section (2) added: *Nothing in this subdivision prohibits a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service. It is intended that this section be consistent with the holdings in Cantwell v. San Mateo County (1980) 631 F.2d 631.*
- 31663.25: Additional language added: *The effective retirement date shall not be either of the following: (1) Earlier than the date the application is filed with the board. (2) More than 60 days after the date of filing the application or more than a number of days that has been approved by the board.*
- 31663.26: Additional language added: *The effective retirement date shall not be either of the following: (1) Earlier than the date the application is filed with the board. (2) More than 60 days after the date of filing the application or more than a number of days that has been approved by the board.*
- 31726: Language clean-up
- 31726.5: Language clean-up
- 31761: Language clean-up
- 31762: Language clean-up
- 31763: Language clean-up
- 31764: Language clean-up
- 31781: Additional language added: *The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence.*

**SB 1971: Act to amend Government Code Sections 31525, 31646, 31725.7, 31730, 31760 and 31838.5 and add Sections 31646.2 and 31680.16**

Referred to Committee – February 18, 2022

- 31525: Amended to read: *The board may make regulations not inconsistent with this chapter. The regulations become effective when approved by the board of supervisors. chapter, the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1), and any other provisions of law applicable to county retirement systems.*
- 31646: Section (c)(1) and (2) added: *(c) (1) A member who returns to active service following an uncompensated leave of absence on account of the serious illness of a family member when the absence is eligible for coverage under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.) or the Moore-Brown-Roberti Family Rights Act, commonly referred to as the California*

*Family Rights Act, as described in Section 12945, may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had the contributions been on deposit, if the member was not absent. For purposes of this subdivision, "leave of absence on account of illness of a family member" means any time, up to one year, during which a member is granted an approved leave to care for a seriously ill family member and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions required to receive the service credit may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.*

*(2) This subdivision shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county and applies it to leave that commences after the adoption by the board of supervisors*

- 31646.2: Section (a) and (b) added: (a) The board may grant a member who is subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the member would have been entitled in the absence of the temporary mandatory furlough. The board may condition this grant on the receipt of additional member or employer contributions, or both as applicable, that the board determines are necessary to fund any benefits granted under this section on an actuarially sound basis.  
(b) For the purposes of this section, "temporary mandatory furlough" means the time during which a member is directed to be absent from work without pay for up to one quarter of the member's normal working hours, provided that these reduced working hours shall not be in place for longer than two years.
- 31680.16: New code added: A person who is retired under this chapter may serve without reinstatement from retirement or loss or interruption of benefits under this chapter or the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1), provided the service is on a part-time state, county, city, district, or other political subdivision board or commission. A retired person whose employment without reinstatement is authorized by this subdivision shall not acquire benefits, service credit, or retirement rights with respect to the employment. Part-time service authorized by this section is limited to less than 20 hours per week, and any salary or stipend for the part-time service shall not exceed sixty thousand dollars (\$60,000) annually.
- 31725.7: Section (b) added: (b) Notwithstanding subdivision (a), this section shall also apply to a member retired for service who subsequently files an application for disability retirement with the board. If the member retired for service is found to be eligible for disability retirement, appropriate adjustments shall be made in their retirement allowance retroactive to the effective date of their disability retirement, as provided in Section 31724.
- 31730: Section (b) added: (b) If the board determines that the beneficiary is not incapacitated, and their employer does not offer to reinstate that beneficiary, notwithstanding any requirement of this chapter regarding eligibility therefor, the beneficiary's retirement allowance shall be reclassified to a service retirement in the same amount and subject to any applicable future cost of living adjustments. The optional or unmodified type of allowance selected by the beneficiary at the time of retirement for disability shall be binding as to the service retirement.
- 31760: Section (c) added: c) Notwithstanding subdivision (a), a member retired for service who applies for, and is subsequently granted, a disability retirement may



*change the type of optional or unmodified allowance that was elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.*

- 31838.5: Additional language added: *If, however, another entity does not reduce the amount it pays the member, an entity subject to this section shall reduce the allowance it pays the member by as much as necessary to ensure that the member does not receive a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.*

VI. RISK: None

VII. STRATEGIC PLAN: None

VIII. BUDGET IMPACT: None

**March 22, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Investment Matrix
- II. ITEM NUMBER: 7.e.
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

a) *Investment Program Activities:*

Given the ongoing conflict between Russia and Ukraine, staff has been in close communication with our international managers to monitor and evaluate StanCERA's exposure to the crisis. StanCERA has modest exposure to Russian securities representing an estimated 0.11% of the total portfolio as of February 28<sup>th</sup>. StanCERA's Russian exposure is in public equity securities and a small position in Russian debt. The market for these securities is currently frozen at the time of writing. Because of this our international managers have marked the value of these holdings down to zero or near zero. The benchmark StanCERA uses has also removed Russian exposure from their index and they did so at a zero or near zero valuation. Staff is also aware of the legislative bill introduced to the California senate prohibiting public pension plans from investing in companies with business operations in Russia or Belarus. Staff has already informed StanCERA's international managers of the legislation, so they can be prepared to implement the requirements of the bill should it become law.

Other notable activities include meeting with Northern Trust to update and establish a maintenance workflow process for the performance reports they provide. The annual Form ADV review was also completed for all managers. Form ADV is a disclosure document required for all investment advisors registered with the SEC. A few private market commitments are in the works and moved into the legal document portion of review.

b) *Money Transfer Report:*

February

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
BlackRock US Real Estate	Public Equity	\$-1,405,115.56	Grandview II	Real Estate	\$1,405,115.56
StanCERA Cash	Cash	\$-825,603.56	Gryphon Partners VI	Private Equity	\$825,603.56
StanCERA Cash	Cash	\$-175,011.70	Genstar Capital Partners X	Private Equity	\$175,011.70

c) *Manager Meeting Notes:*

Invesco

Staff set up a call with Invesco to go over the global targeted returns fund recently added to StanCERA's portfolio. The Invesco fund has a target allocation of 1% of the total fund and makes up a portion of the 3% strategic allocation to the liquid absolute return asset class. The global targeted returns fund targets a cash plus 5% return over the long term in all market environments. The fund invests across assets classes to provide appropriate diversification and targets low volatility to mitigate risk during broad market drawdowns. During the call we reviewed team changes and went over current positioning and any tweaks to the investment process. The team responsible for managing the fund is based out of the UK and they recently added a product manager and a dedicated macro research director. The changes should free up the portfolio managers to focus more time on the individual investments in the fund. Special attention was placed on risk management given the fund plays an important role as a risk mitigator in StanCERA's portfolio.

- VI. RISK: None
- VII. STRATEGIC PLAN: N/A
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

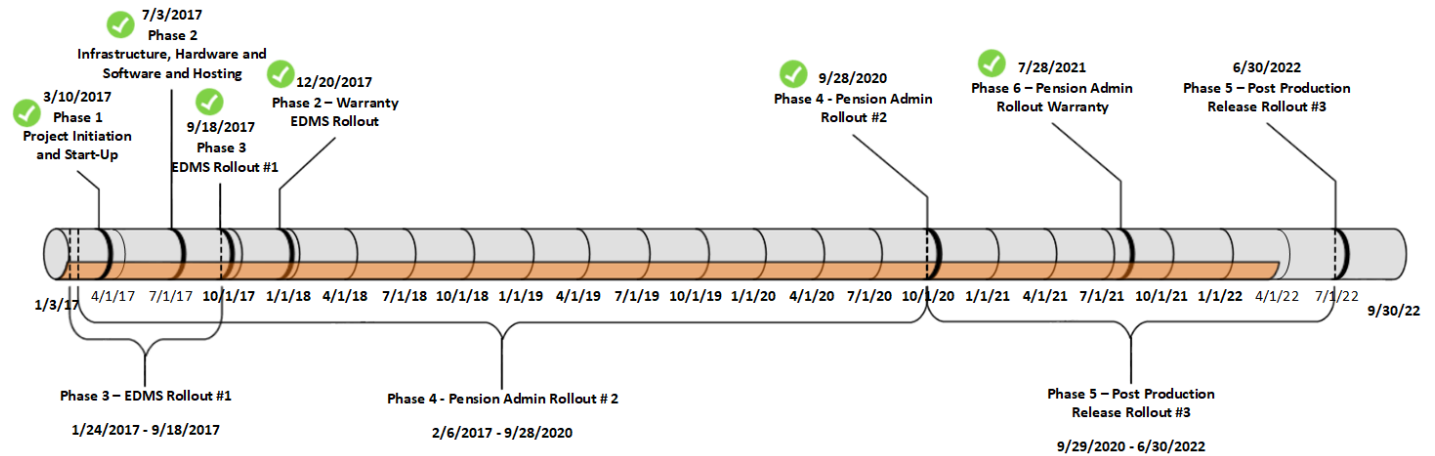
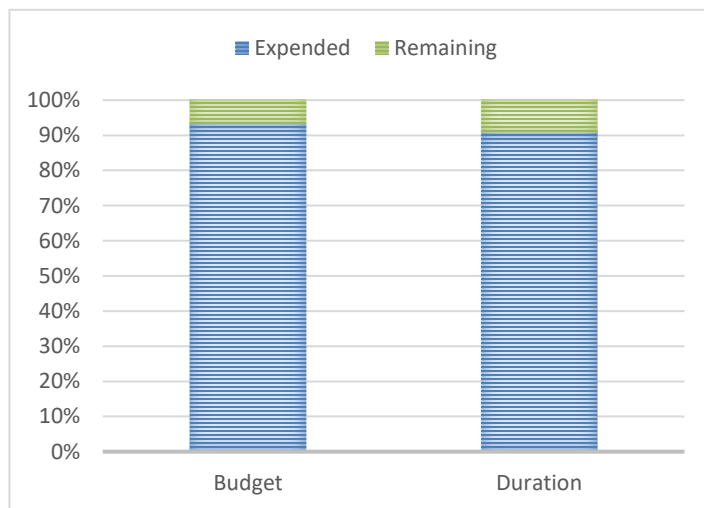
# PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE


**SPONSOR:**

Rick Santos

**REPORT DATE:**

03-18-2022


**Baseline 12/01/2016**
**STATUS**


Linea Budget as of 02/28/2022

**Risks & Issues:**

There are currently not any significant project risks or issues.

The project team continues monitoring the following:

- Testing of custodial bank changes.
- City of Ceres transmittal file changes.
- Final IRS W-4P changes, if any.

The City of Ceres is now implementing a new transmittal upload file.

The project team is testing changes related to the custodial bank transition for release prior to the 05/01/2022 retiree payroll run.

StanCERA plans to implement the new IRS W-4P as of 07/01/2022.

**Accomplishments:**

- The project team met to plan and organize testing efforts for the R28 release, including for the changes pertaining to the custodial bank change.
- Tegrit made the R28 release available for testing on 03/14/2022, and the testing has commenced.
- StanCERA met with City of Ceres and their payroll system vendor to discuss the requirements for their new transmittal upload file.

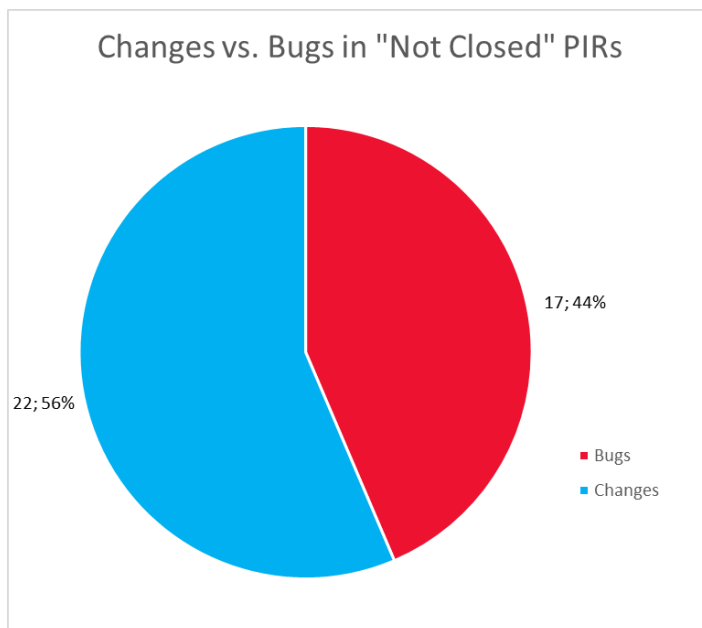
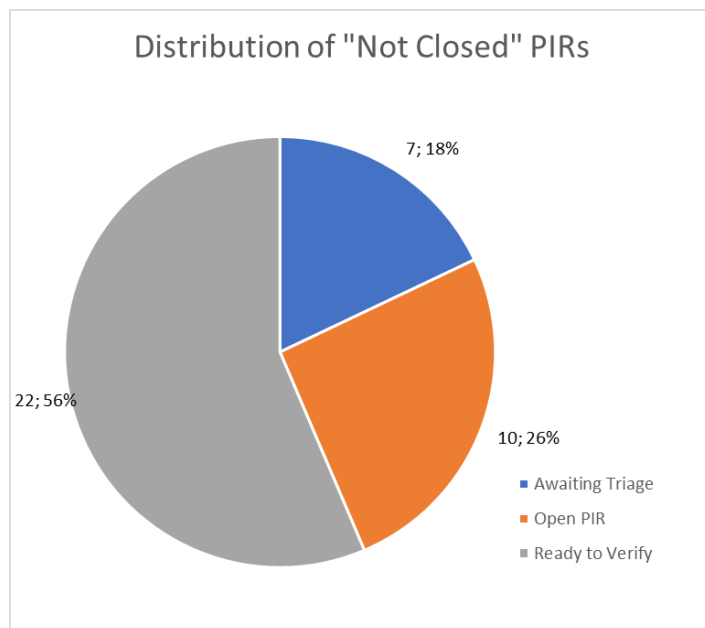
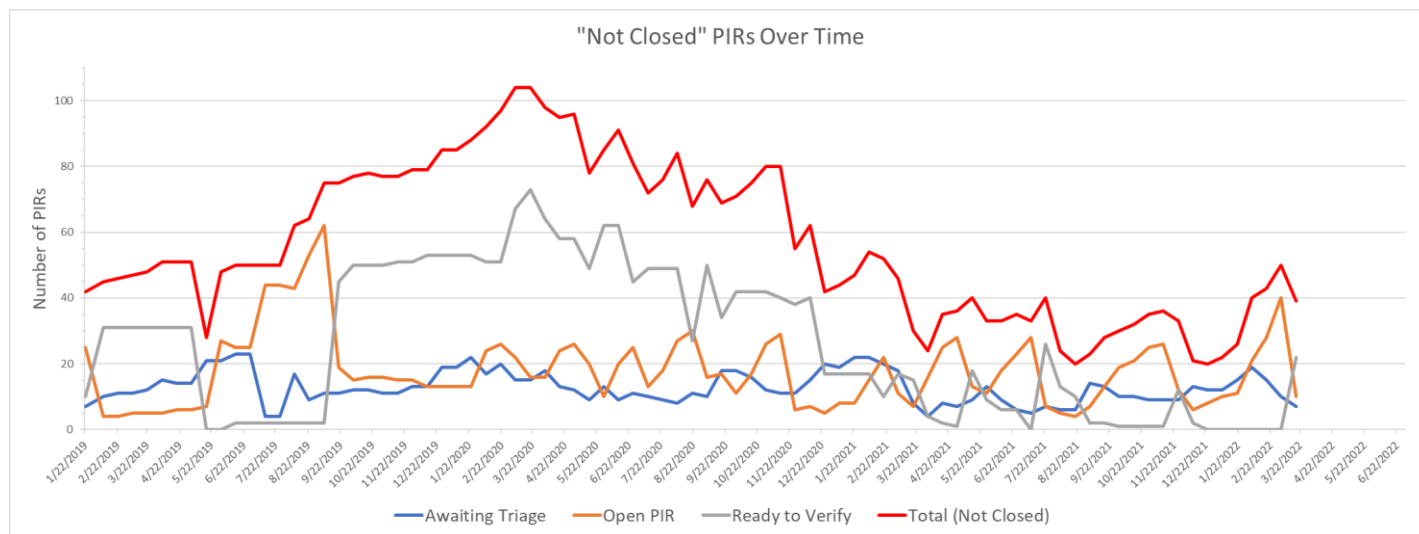
**Upcoming:**

- Further testing of new Member Web Portal features and planning for Portal rollout process and user registrations.
- R28 release to production scheduled for 04/11/2022.
- Work sessions and development of functionality planned for release R29 prior to fiscal year end.

## 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 (BSR075).
- 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



**March 22, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Brittany Smith-Atkins, Fiscal Services Manager

I. SUBJECT: Rehire of Retiree - Executive Order N-04-22

II. ITEM NUMBER: 7.g

III. ITEM TYPE: Information Only

IV. STAFF RECOMMENDATION: N/A

V. EXECUTIVE SUMMARY:

On February 25, 2022, the Governor issued Executive Order N-04-22 ending the suspensions of the 180-day break-in-service requirement and 960-hour cap under PEPRA effective March 31, 2022.

Upon receipt of the updated order, StanCERA consulted with Counsel to ensure adherence to the new orders effective April 1, 2022. Attachment 1 contains the letter co-authored by StanCERA and Counsel which was distributed to plan sponsors on March 10, 2022. Attachment 2 contains the Executive Order N-04-22.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None



March 10, 2022

Re: Executive Order N-04-22

Dear StanCERA Plan Sponsors:

As you know, the Governor has issued a number of Executive Orders in response to the COVID pandemic. Executive Orders N-25-20 and N-35-20, issued in March 2020, suspended the 180-day break-in-service requirement and 960-hour cap under PEPRA.

On February 25, 2022, Executive Order N-04-22 was issued ending the suspensions of the 180-day break-in-service requirement and 960-hour cap effective March 31, 2022. Beginning April 1, 2022, the normal restrictions will be reinstated.

Therefore, beginning April 1, 2022, any StanCERA retiree who did not return to service while the 180-day waiting period was suspended must wait at least 180 days after their effective retirement date before returning to work for a StanCERA employer without reinstatement, unless:

- a. The employer's governing board has made a finding in a public meeting not on consent, that employment of that person is necessary to fill a critically needed position before 180 days have passed; and
- b. The appointment does not exceed a total of 960 hours of work for all StanCERA employers per calendar year.

For retirees who returned to service while the 180-day waiting period was suspended (from March 2020 through March 31, 2022), any hours or days worked from January 1, 2022 through March 31, 2022, will not count toward work-hour limits. Beginning April 1, 2022, retirees (both current and new) may continue to work through December 31, 2022 and accumulate up to 960 work hours. On January 1, 2023, the 960-hour annual limit will resume as before.

Finally, Executive Order N-84-20 suspended reinstatement and work-hour limitations for any retiree appointed to a vacant interim position who has been determined by the relevant public agency to be engaged in mitigation of the effects of the COVID pandemic. Executive Order N-04-22 reinstates those provisions. Such a retiree may only be appointed to a vacant position once and shall not exceed a combined total of 960 hours for across all employers as described in the paragraph above. Such a retiree may be paid an hourly rate and no benefits, as explained in Government Code § 21221(h).

Please contact me at [atkinsb@stancera.org](mailto:atkinsb@stancera.org) with any questions.

Sincerely,

DocuSigned by:  
  
AA667DF8B5DA43F

Brittany Smith-Atkins  
Fiscal Services Manager

cc: Rick Santos, Executive Director  
Lisa Frazer, Member & Employer Services Manager



**EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA**

**EXECUTIVE ORDER N-04-22**

**WHEREAS** on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

**WHEREAS** since March 2020, the State has taken decisive and meaningful actions, relying on the most current data and science available, to reduce the spread, and mitigate the impacts, of COVID-19, saving an untold number of lives; and

**WHEREAS** on June 11, 2021, as a result of reducing case rates throughout California at that time, I issued Executive Order N-08-21, which systematically rolled back many of the Executive Order provisions I put in place to ensure for the continued provision of public and essential services while preserving public health and safety; and

**WHEREAS** following my issuance of Executive Order N-08-21, the Delta and Omicron variants of COVID-19 spread throughout California, the United States, and the world, posing significant threats to the health and safety of Californians and necessitating additional decisive actions, including those implemented through Executive Order; and

**WHEREAS** as a result of the effective actions Californians have taken, including more than 73 percent of eligible Californians who have been fully vaccinated, another 9 percent of eligible Californians who are partially vaccinated, and more than 56 percent of eligible Californians who have received a booster, California has turned another corner in its fight against COVID-19, and in particular, the Omicron variant; and

**WHEREAS** on February 17, 2022, I unveiled the SMARTER Plan, which will guide California's strategic approach to managing the next phase of the COVID-19 pandemic while moving the state's recovery forward, with a focus on continued readiness, awareness and flexibility; and

**WHEREAS** in light of the current state of the COVID-19 pandemic in California, it is appropriate to, again, through measured and decisive action, roll back additional provisions of my COVID-19-related Executive Orders; and

**WHEREAS** certain provisions of my COVID-19 related Executive Orders currently remain necessary to continue to help California respond to, recover from, and mitigate the impacts of the COVID-19 pandemic, including maintaining California's robust testing and vaccination programs and protecting hospital capacity, and the termination of certain provisions of my COVID-19 related Executive Orders during this stage of the emergency would compound the effects of the emergency and impede the State's recovery by disrupting the State's ability to support ongoing medical response and preparedness; and

**WHEREAS** under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Order would continue to prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.



**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

**IT IS HEREBY ORDERED THAT:**

**The following provisions are terminated.**

- 1) State of Emergency Proclamation dated March 4, 2020:
  - a. Paragraph 1. The State Emergency Plan as it relates to the COVID-19 pandemic shall remain active;
  - b. Paragraph 5; and
  - c. Paragraph 6.
- 2) Executive Order N-25-20:
  - a. Paragraph 6; and
  - b. Paragraph 8.
- 3) Executive Order N-40-20, Paragraph 14. This provision shall apply to any expenses incurred prior its termination.
- 4) Executive Order N-41-20.
- 5) Executive Order N-45-20, Paragraph 10.
- 6) Executive Order N-50-20:
  - a. Paragraph 1;
  - b. Paragraph 3; and
  - c. Paragraph 4.
- 7) Executive Order N-55-20:
  - a. Paragraph 15;
  - b. Paragraph 17; and
  - c. Paragraph 18.
- 8) Executive Order N-63-20, Paragraph 8, subparagraphs (d) and (f).
- 9) Executive Order N-66-20:
  - a. Paragraph 7; and
  - b. Paragraph 8.
- 10) Executive Order N-02-21, Paragraph 2.
- 11) Executive Order N-12-21, Paragraph 8.

**The following provisions shall remain in place and shall have full force and effect through March 31, 2022, upon which time they will expire subject to individual conditions described in the enumerated paragraphs below.**

- 12) Executive Order N-57-20:
  - a. Paragraph 1;
  - b. Paragraph 2;
  - c. Paragraph 3; and
  - d. Paragraph 4.

- 13) Executive Orders N-25-20, Paragraph 7, N-35-20, Paragraph 3, and N-84-20, Paragraph 4, except that Executive Order N-25-20, Paragraph 7 shall remain in effect as applicable only to emergency appointments made pursuant to Government Code section 19888.1 and California Code of Regulations, Title 2, Sections 300 through 303 for participants in the California Medical Assistance Team (CAL-MAT) Program. Any hours or days worked during the 2021-22 fiscal year by an individual hired pursuant to these provisions prior to their termination shall not count toward the work-hour or work-day limits prescribed under the respective statutes and regulations identified in these Executive Orders.
- 14) Executive Order N-71-20, Paragraph 5.
- 15) Executive Order N-12-21, Paragraph 7. Any retired person who returned to service pursuant to this provision prior to its termination shall be able to remain in service through the end of the 2021-22 fiscal year notwithstanding any limitation that would otherwise apply pursuant to Government Code section 7522.56, subdivision (f).
- 16) Executive Order N-3-22:
- a. Paragraph 3. Any days for which a substitute teacher was assigned to a single general education assignment prior to the termination of this provision shall not count toward the limitations in California Code of Regulations, Title 5, sections 80025.1(c) and 80025.3(a) and (b), as modified via Section 47 of Assembly Bill 167, Chapter 252, Statutes of 2021;
  - b. Paragraph 5. Any compensation earned by a retired member during the 2021-22 school year pursuant to this provision prior to its termination shall not count toward the post-retirement compensation limits under Education Code section 24214, subdivisions (d), (f), and (g);
  - c. Paragraph 6. Any retired member who meets normal retirement age and returned to service pursuant to this provision prior to its termination shall be able to remain in service through the end of the 2021-22 school year notwithstanding any limitation that would otherwise apply pursuant to Education Code section 24214.5, subdivisions (a) through (g); and
  - d. Paragraph 7. Any retired classified and certified personnel who returned to service pursuant to this provision prior to its termination shall be able to remain in service through the end of the 2021-22 fiscal year notwithstanding any limitation that would otherwise apply pursuant to Government Code section 7522.56, subdivision (g).

**The following provisions shall remain in place and shall have full force and effect through June 30, 2022, upon which time they will expire subject to individual conditions described in the enumerated paragraphs below.**

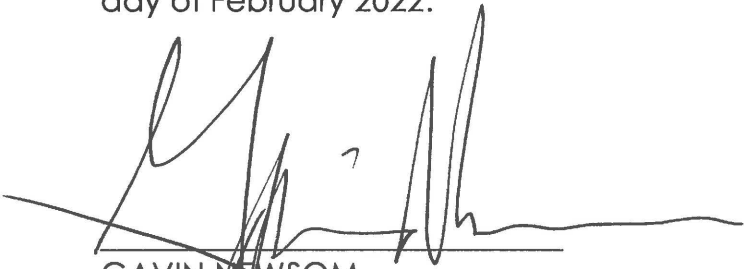
- 17) Executive Order N-38-20:
- a. Paragraph 1;
  - b. Paragraph 2;
  - c. Paragraph 3;
  - d. Paragraph 4; and
  - e. Paragraph 5.

- 18) Executive Order N-43-20 (as modified via Executive Order N-08-21 and extended via Executive Order N-16-21):
- a. Paragraph 2;
  - b. Paragraph 3;
  - c. Paragraph 4;
  - d. Paragraph 5;
  - e. Paragraph 6;
  - f. Paragraph 7;
  - g. Paragraph 8;
  - h. Paragraph 9; and
  - i. Paragraph 10.
- 19) Executive Order N-71-20, Paragraph 18.
- 20) Executive Order N-12-21:
- a. Paragraph 1. This is a further extension beyond that provided in Paragraph 1 of Executive Order N-21-21;
  - b. Paragraph 2. This is a further extension beyond that provided in Paragraph 1 of Executive Order N-21-21;
  - c. Paragraph 3. This is a further extension beyond that provided in Paragraph 1 of Executive Order N-21-21;
  - d. Paragraph 4. This is a further extension beyond that provided in Paragraph 1 of Executive Order N-21-21;
  - e. Paragraph 5. This is a further extension beyond that provided in Paragraph 1 of Executive Order N-21-21; and
  - f. Paragraph 6. This is a further extension beyond that provided in Paragraph 1 of Executive Order N-21-21.
- 21) Executive Order N-17-21, Paragraph 1. This is a further extension beyond that provided in Paragraph 2 of Executive Order N-21-21.

**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 25th day of February 2022.



GAVIN NEWSOM  
Governor of California

**ATTEST:**

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SHIRLEY N. WEBER, PH.D.  
Secretary of State





# MONTHLY PERFORMANCE REPORT

STANISLAUS COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

FEBRUARY 28, 2022

Dan Hennessy, CFA, CAIA, Senior Consultant



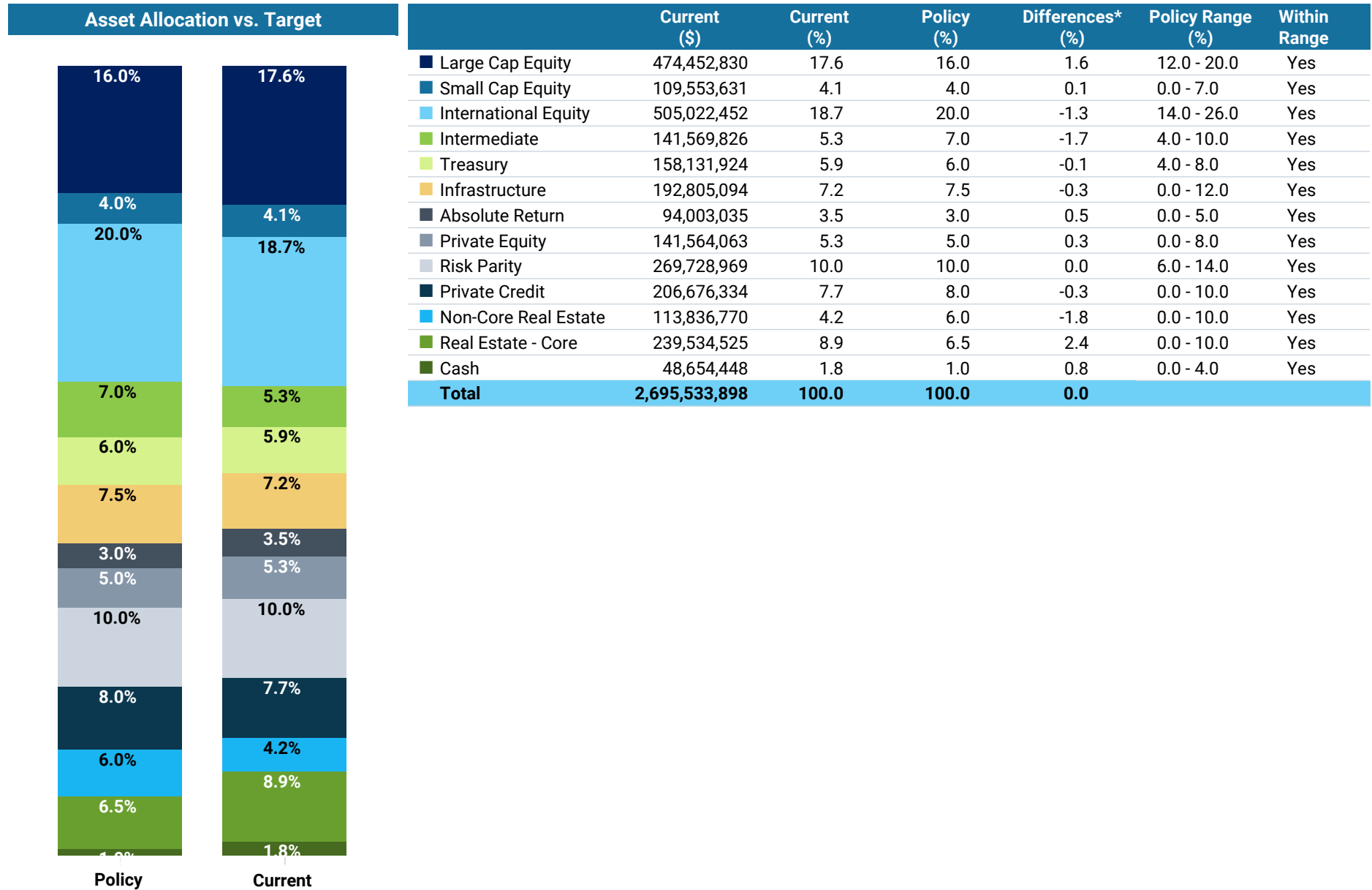
# CALENDAR YEAR INDEX PERFORMANCE

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Feb	YTD
<b>S&amp;P 500</b>	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-3.0%	-8.0%
<b>Russell 1000</b>	16.4%	33.1%	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	-2.7%	-8.2%
<b>Russell 2000</b>	16.3%	38.8%	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	1.1%	-8.7%
<b>Russell 2500</b>	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	1.1%	-7.3%
<b>MSCI EAFE</b>	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	-1.8%	-6.5%
<b>MSCI EM</b>	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	-3.0%	-4.8%
<b>MSCI ACWI</b>	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	-2.6%	-7.4%
<b>Private Equity</b>	9.5%	12.6%	22.3%	14.6%	10.4%	10.3%	21.0%	13.1%	17.2%	23.2%	-	-
<b>BBG TIPS</b>	7.0%	-8.6%	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	0.9%	-1.2%
<b>BBG Municipal</b>	6.8%	-2.6%	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	-0.4%	-3.1%
<b>BBG Muni High Yield</b>	18.1%	-5.5%	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	-0.2%	-3.0%
<b>BBG US Corporate HY</b>	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	-1.0%	-3.7%
<b>BBG US Agg Bond</b>	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	-1.1%	-3.2%
<b>BBG Global Agg</b>	4.3%	-2.6%	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	-1.2%	-3.2%
<b>BBG Long Treasuries</b>	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	-1.5%	-5.5%
<b>BBG US Long Credit</b>	12.7%	-6.6%	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	-3.4%	-8.7%
<b>BBG US STRIPS 20+ Yr</b>	3.0%	-21.0%	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	-2.5%	-7.8%
<b>JPM GBI-EM Global Div</b>	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	-5.0%	-5.0%
<b>JPM EMBI Glob Div</b>	17.4%	-5.3%	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	-6.5%	-9.2%
<b>CS Hedge Fund</b>	7.7%	9.7%	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	-	-0.7%
<b>BBG Commodity</b>	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	6.2%	15.6%
<b>Alerian Midstream</b>	-	-	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	5.5%	15.8%
<b>FTSE NAREIT Equity REITs</b>	18.1%	2.5%	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	-3.1%	-9.8%

\*Private Equity return represents calendar year pooled IRR and is subject to a one quarter lag  
Source: FactSet, Barclays, Thomson One



# ASSET ALLOCATION VS. POLICY



\*Difference between Policy and Current Allocation

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>2,695,533,898</b>	<b>100.0</b>	<b>-1.4</b>	<b>-3.8</b>	<b>8.1</b>	<b>9.8</b>	<b>8.5</b>	<b>7.2</b>	<b>8.4</b>	<b>9.0</b>	<b>Jan-95</b>
Policy Index			-1.1	-3.7	6.6	9.9	8.5	7.4	8.2	8.2	
Allocation Index			-1.4	-4.6	6.2						
<b>Liquidity Sub-Portfolio</b>	<b>190,224,274</b>	<b>7.1</b>	<b>-0.5</b>	<b>-1.2</b>	<b>-1.1</b>	<b>3.7</b>	<b>2.7</b>	<b>2.3</b>	<b>-241.5</b>	<b>-238.1</b>	<b>Apr-11</b>
StanCERA Liquidity Blended BM			-0.9	-2.6	-2.4	3.3	2.5	2.0	1.7	1.7	
<b>Cash</b>	<b>48,654,448</b>	<b>1.8</b>	<b>0.0</b>	<b>0.1</b>	<b>2.8</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>	<b>-240.8</b>	<b>-237.5</b>	<b>Apr-11</b>
FTSE 1 Month T-Bill			0.0	0.0	0.0	0.8	1.0	0.8	0.6	0.5	
<b>Cashflow-Matched Bonds</b>	<b>141,569,826</b>	<b>5.3</b>	<b>-0.6</b>	<b>-1.6</b>	<b>-2.2</b>	<b>3.6</b>				<b>2.9</b>	<b>Jul-17</b>
Blmbg. Intermed. U.S. Government/Credit			-0.7	-2.1	-2.5	2.8				2.3	
Insight	141,569,826	5.3	-0.6	-1.6	-2.2	3.6				2.9	Jul-17
Blmbg. Intermed. U.S. Government/Credit			-0.7	-2.1	-2.5	2.8				2.3	
<b>Growth Sub-Portfolio</b>	<b>1,992,248,064</b>	<b>73.9</b>	<b>-1.8</b>	<b>-4.3</b>	<b>10.3</b>	<b>11.9</b>	<b>10.2</b>	<b>8.6</b>	<b>10.4</b>	<b>8.5</b>	<b>Jan-04</b>
StanCERA Growth Blended BM			-1.6	-5.2	6.7	10.9	10.1				
<b>US Equities</b>	<b>584,006,461</b>	<b>21.7</b>	<b>-2.2</b>	<b>-6.7</b>	<b>14.6</b>	<b>17.3</b>	<b>14.0</b>	<b>11.9</b>	<b>13.8</b>	<b>10.4</b>	<b>Jan-04</b>
Russell 3000 Index			-2.5	-8.3	12.3	17.6	14.7	12.7	14.3	10.1	
<b>US Large Equity</b>	<b>474,452,830</b>	<b>17.6</b>	<b>-2.8</b>	<b>-7.3</b>	<b>15.3</b>	<b>18.8</b>	<b>15.5</b>	<b>13.1</b>	<b>14.8</b>	<b>13.0</b>	<b>Jan-95</b>
Russell 1000 Index			-2.7	-8.2	13.7	18.1	15.1	13.0	14.5	10.8	
BlackRock Russell 1000 Growth	229,954,140	8.5	-4.2	-12.5	12.5	23.2	20.2	16.5	17.0	17.5	Aug-10
Russell 1000 Growth Index			-4.2	-12.5	12.5	23.2	20.2	16.5	17.0	17.5	
BlackRock Russell 1000 Value	114,104,289	4.2	-1.2	-3.5	14.9	12.3	9.5	9.2	11.8	12.4	Aug-09
Russell 1000 Value Index			-1.2	-3.5	15.0	12.2	9.5	9.1	11.7	12.3	
Dodge & Cox-Equity	130,394,401	4.8	-1.7	-0.5	20.1	15.9	12.2	11.7	14.0	12.3	Jan-95
Russell 1000 Value Index			-1.2	-3.5	15.0	12.2	9.5	9.1	11.7	10.1	
<b>US Small Equity</b>	<b>109,553,631</b>	<b>4.1</b>	<b>0.7</b>	<b>-3.8</b>	<b>11.4</b>	<b>12.0</b>	<b>9.0</b>	<b>7.9</b>	<b>10.7</b>	<b>12.8</b>	<b>Jan-09</b>
Russell 2000 Index			1.1	-8.7	-6.0	10.5	9.5	8.9	11.2	12.8	
<b>Attucks Small Cap</b>	<b>109,553,631</b>	<b>4.1</b>	<b>0.7</b>	<b>-3.8</b>	<b>11.4</b>	<b>12.0</b>	<b>9.1</b>	<b>8.9</b>	<b>11.3</b>	<b>13.0</b>	<b>Jan-09</b>
Russell 2000 Value Index			1.7	-4.3	6.6	10.9	8.0	8.7	10.7	11.6	
<b>International Equity</b>	<b>505,022,452</b>	<b>18.7</b>	<b>-3.3</b>	<b>-4.5</b>	<b>2.3</b>	<b>8.7</b>	<b>7.5</b>	<b>5.5</b>	<b>6.1</b>	<b>6.6</b>	<b>Oct-04</b>
MSCI AC World ex USA (Net)			-2.0	-5.6	-0.4	7.7	7.3	4.9	5.4	6.1	
LSV Int'l Large Cap Value	260,086,100	9.6	-2.0	-1.8	5.7	7.2	6.3	4.8	5.6	6.2	Oct-04
MSCI AC World ex USA Value (Net)			-1.2	-0.3	5.7	5.1	5.0	3.3	4.0	5.2	
Fidelity Int'l Growth	244,936,352	9.1	-4.5	-7.2	-1.1	10.0	8.6	5.9	6.4	4.6	May-06
MSCI AC World ex USA Growth (Net)			-2.8	-10.6	-6.3	9.8	9.2	6.4	6.6	4.7	

- Allocation Index is estimated as of 02/28/2022, and is subject to change once finalized.

- Cash Composite includes the Transaction Account Value



# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Real Estate</b>	<b>239,534,525</b>	<b>8.9</b>	<b>-1.3</b>	<b>-3.9</b>	<b>17.2</b>	<b>7.8</b>	<b>6.3</b>	<b>4.9</b>	<b>6.3</b>	<b>3.2</b>	<b>Apr-08</b>
NCREIF Property Index			0.0	0.0	17.7	8.4	7.8	8.6	9.3	6.5	
Prime Property Fund	88,108,597	3.3	0.0	0.0	21.5	9.3	8.9			8.9	Oct-15
NCREIF ODCE			0.0	0.0	22.2	9.2	8.7			8.7	
BlackRock Real Estate Securities	87,892,159	3.3	-3.6	-9.8	25.1	8.5	6.8	6.4		8.6	Oct-12
Dow Jones U.S. Select RESI			-3.5	-9.8	25.3	8.6	6.9	6.4		8.6	
PGIM Real Estate US Debt Fund	63,533,768	2.4	0.0	0.0	5.3	5.3				5.0	Sep-18
Blmbg. U.S. Investment Grade: CMBS Index			-1.2	-2.7	-2.6	3.4				3.7	
<b>Value-Add Real Estate</b>	<b>113,836,770</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>17.5</b>	<b>12.5</b>	<b>12.0</b>	<b>12.6</b>		<b>11.3</b>	<b>Aug-14</b>
NCREIF Property Index +2%			0.2	0.3	20.0	10.5	9.9	10.7		10.9	
American Strategic Value Realty	82,616,313	3.1	0.0	0.0	19.1	9.9	9.8	11.3		11.0	Jan-15
NCREIF Property Index			0.0	0.0	17.7	8.4	7.8	8.6		8.4	
Greenfield Acquisition Partners VII	821,396	0.0	0.0	0.0	-1.8	7.9	10.0	11.2		10.1	Aug-14
NCREIF-ODCE +1%			0.1	0.2	23.4	10.3	9.8	10.7		10.8	
Grandview Property Partners I	30,399,061	1.1	0.0	0.0	19.4	21.3				21.8	Apr-18
NCREIF-ODCE +1%			0.1	0.2	23.4	10.3				9.7	
<b>Infrastructure</b>	<b>201,607,461</b>	<b>7.5</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>4.8</b>	<b>9.9</b>			<b>5.8</b>	<b>Jun-15</b>
CPI + 5% (Unadjusted)			1.3	3.7	14.5	9.5	8.5			8.0	
MS Infrastructure Partners II	24,648,269	0.9	0.0	0.0	4.3	5.7	10.4			6.2	Jun-15
CPI + 5% (Unadjusted)			1.3	3.7	14.5	9.5	8.5			8.0	
Northern Trust Infrastructure Fund	168,156,825	6.2	0.0	-2.1						0.2	Jul-21
67% STOXX Global Broad Infra / 33% Bloomberg US TIPS			0.0	-2.5						0.1	
Melody Infrastructure II	8,802,367	0.3	0.0								Jan-22
CPI + 5% (Unadjusted)			1.3	3.7						3.7	

- 67% STOXX Global Broad Infra / 33% Bloomberg US TIPS, NCREIF Property Index, and NCREIF ODCE are estimated as of 01/31/2022, and are subject to change once finalized.  
 - Melody Infrastructure II funded 01/2022.

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Private Equity</b>	<b>141,564,063</b>	<b>5.3</b>	<b>-1.7</b>	<b>-5.8</b>	<b>13.8</b>	<b>17.9</b>				<b>18.8</b>	<b>Dec-18</b>
Russell 3000 + 3%			-2.3	-7.8	15.7	21.1				20.3	
<b>Private Equity</b>	<b>44,998,927</b>	<b>1.7</b>	<b>0.0</b>	<b>0.0</b>	<b>26.0</b>					<b>20.1</b>	<b>Apr-20</b>
Russell 3000 + 3%			-2.3	-7.8	15.7					38.4	
<b>Private Equity Proxy</b>	<b>96,565,135</b>	<b>3.6</b>	<b>-2.5</b>	<b>-8.3</b>	<b>12.3</b>	<b>17.6</b>	<b>15.8</b>	<b>13.6</b>	<b>14.9</b>	<b>10.4</b>	<b>Dec-03</b>
Russell 3000 Index			-2.5	-8.3	12.3	17.6	14.7	12.7	14.3	10.3	
<b>Total Private Credit</b>	<b>206,676,334</b>	<b>7.7</b>	<b>-0.5</b>	<b>-2.1</b>	<b>5.7</b>	<b>-2.1</b>	<b>0.3</b>	<b>0.9</b>		<b>2.1</b>	<b>Jun-13</b>
S&P/LSTA Leveraged Loan Index +2%			-0.3	0.2	5.3	6.2	6.1	6.2		6.0	
<b>Private Credit</b>	<b>86,492,099</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>8.2</b>	<b>-1.3</b>	<b>0.7</b>	<b>1.2</b>		<b>2.4</b>	<b>Jun-13</b>
S&P/LSTA Leveraged Loan Index +2%			-0.3	0.2	5.3	6.2	6.1	6.2		6.0	
<b>Private Credit Proxy</b>	<b>120,184,235</b>	<b>4.5</b>	<b>-0.9</b>	<b>-3.6</b>						<b>-2.1</b>	<b>Jul-21</b>
ICE BofA US High Yield Master II Constrained			-0.9	-3.6						-2.1	
<b>Risk-Diversifying Sub-Portfolio</b>	<b>513,061,561</b>	<b>19.0</b>	<b>0.1</b>	<b>-2.7</b>	<b>4.2</b>	<b>4.0</b>	<b>3.3</b>	<b>3.1</b>	<b>3.4</b>	<b>4.7</b>	<b>Dec-03</b>
StanCERA Risk-Diversifying Blended BM			-0.4	-1.6	-1.8	2.3	1.9	1.7	1.6		
<b>Risk Parity</b>	<b>269,728,969</b>	<b>10.0</b>	<b>-0.1</b>	<b>-3.8</b>	<b>7.2</b>	<b>9.4</b>				<b>6.7</b>	<b>Dec-17</b>
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-2.0	-5.7	2.5	9.1				6.7	
HFR Risk Parity Vol 10 Institutional Index			-0.5	-4.2	6.5	6.9				5.3	
AQR Global Risk Premium - EL	136,114,782	5.0	0.3	-3.1	8.5	8.9				7.3	Apr-18
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-2.0	-5.7	2.5	9.1				7.0	
PanAgora Risk Parity Multi Asset	133,614,187	5.0	-0.5	-4.6	5.9	10.0				7.0	Dec-17
60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg			-2.0	-5.7	2.5	9.1				6.7	
<b>US Treasury Bonds</b>	<b>158,131,924</b>	<b>5.9</b>	<b>-0.8</b>	<b>-3.0</b>	<b>-1.5</b>	<b>3.4</b>	<b>2.9</b>	<b>2.9</b>	<b>3.2</b>	<b>4.6</b>	<b>Dec-03</b>
Blmbg. U.S. Treasury: 7-10 Year			-0.3	-2.7	-2.3	3.9	2.9	2.4	2.5	4.4	
Northern Trust Intermediate Gov't Bond	105,414,874	3.9	-0.5	-1.7	-2.2	2.3				1.8	Aug-17
Blmbg. U.S. Government: Intermediate			-0.5	-1.7	-2.4	2.3				1.8	
Northern Trust Long Term Gov't Bond	52,717,049	2.0	-1.5	-5.5	0.3	6.8				4.7	Aug-17
Blmbg. U.S. Government: Long Term Bond Index			-1.5	-5.5	-1.1	6.9				4.7	
<b>Liquid Absolute Return</b>	<b>85,200,668</b>	<b>3.2</b>	<b>2.8</b>	<b>1.8</b>						<b>3.5</b>	<b>Oct-21</b>
30 Day T-Bill + 4%			0.3	0.7						1.7	
Graham Global Investment Fund I SPC LTD	58,422,808	2.2	3.8	9.4						6.2	Nov-21
HFRI Macro (Total) Index			1.4	2.2						0.6	
Invesco Trust Company	26,777,860	1.0	0.8	-2.2						0.5	Dec-21
30 Day T-Bill + 4%			0.3	0.7						1.0	

# 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%Bloomberg 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% Bloomberg US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3% Bloomberg US Treasury 7-10 Yr TR, 7.7% NCREIF Property Index, 1.7% NCREIF Property Index +2%, 0.6% CPI + 5%, 5% Bloomberg US High Yield + 2%, 14% 60% MSCI ACWI Net/40% Bloomberg 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% Bloomberg US Govt/Credit 1-3 Yr. TR, 1% FTSE T-Bill 1 Month TR, 3%Bloomberg 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% Bloomberg Global Aggregate
  - **6/1/2019 - 6/30/2020:** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 19% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% Bloomberg 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% Bloomberg Global Aggregate
  - **7/1/2020 - 12/31/2020:** 14% Russell 1000, 3% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 3% Bloomberg 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% Bloomberg Global Aggregate, 11%Bloomberg US Intermediate.
  - **1/1/2021 - 06/30/2021:** 16% Russell 1000, 3.5% Russell 2000, 6% Russell 3000 + 3%, 23% MSCI ACWI ex-USA, 8% Bloomberg US Gov't/Credit 1-3 Yr, 1% Citi 1 Month T-Bills, 5% Bloomberg 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% Bloomberg Global Aggregate, 7%Bloomberg US Intermediate.
  - **07/01/2021 - Present:** 16% Russell 1000, 4% Russell 2000, 5% Russell 3000 + 3%, 20% MSCI ACWI ex USA Gross, 6.5% NCREIF Property Index, 6% NCREIF Property Index + 2%, 7.5% CPI + 5% (Unadjusted), 8% S&P/LSTA Leveraged Loan Index +2%, 6% Bloomberg US Treasury 7-10 Yr TR, 10% 60% MSCI ACWI (Net)/ 40% Bloomberg Global Agg, 3% 30 Day T-Bill+ 4%, 1% FTSE T-Bill 1 Month TR, 7% Bloomberg US Govt/Credit Int TR.
- 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 cash flows.

# DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

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Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv



# 2022 PACING PLAN – REAL ESTATE AND INFRASTRUCTURE

STANISLAUS COUNTY ERA

MARCH 2022

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PROPRIETARY & CONFIDENTIAL

# OVERVIEW

- **Each year, NEPC will provide a review of the private markets allocations to determine the commitment budget for the upcoming year.**
  - We consider: existing manager commitments and anticipated calls/distributions, adjustments to the target allocation and the forecasted net growth rate.
  - An annual review provides an opportunity to make adjustments to any of the above factors and assess the program carefully so as to not over-allocate to illiquid investments.
- **The strategy is to maintain an active commitment pace in each vintage year going forward, being mindful of the liquidity needs.**
  - Fund and manager recommendations are made in the context of the existing portfolio along with NEPC's market views.
  - Our goal is to develop a program that will invest in various strategies and achieve returns in excess of public market returns.

# REAL ASSETS - INVESTMENT GOALS

- Real assets are not “one-size-fits-all” and therefore there is no single “target portfolio” suitable for all investors
- Identifying the key objective(s) should always be the first step in building a strategic allocation to real assets
- There is a spectrum of investment strategies within real assets, which can generally be grouped into “Core” and “Non-Core” categories
  - Core
    - Typically open-ended in nature, providing some degree of liquidity
    - In general, highly diversified
    - Typically more “beta” exposure and less business-plan risk (i.e., stabilized assets)
    - Lower-risk, lower-return strategies; can provide reliable current income
  - Non-Core
    - Typically closed-end in nature
    - Range of diversification/concentrations
    - Higher risk, higher-return strategies

# REAL ASSET ALLOCATION EXAMPLES

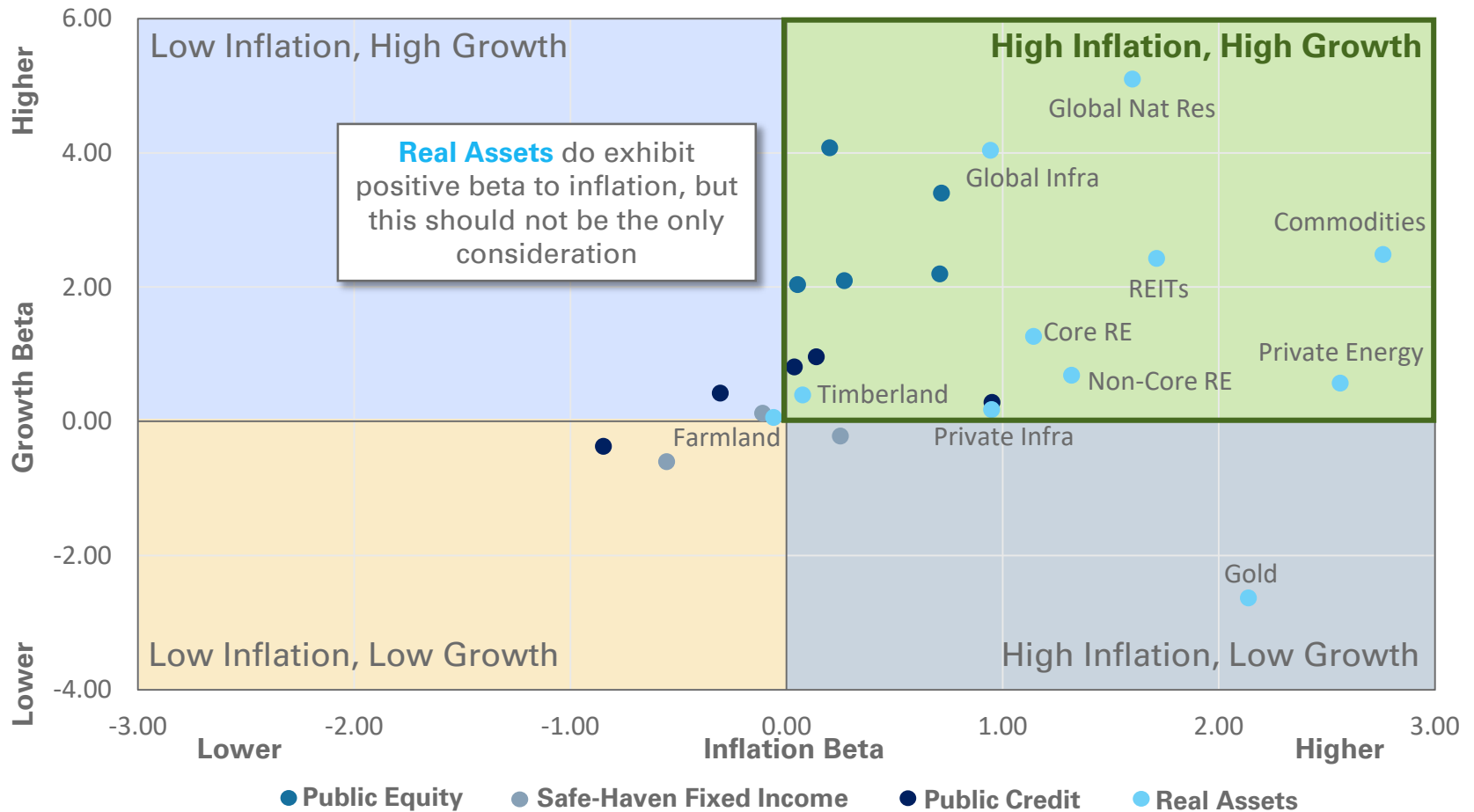
**Allocation to Core and Non-Core strategies should be driven by the following strategic questions (among others):**

- What is the primary objective of the real assets allocation?
- What are the targeted returns and risk threshold?
- What is the preference for income generation vs. appreciation-driven returns?
- How important is liquidity in the portfolio?

Portfolio Name	Target Core Allocation	Target Non-Core Allocation	Sample Portfolio Objectives	Real Estate 10yr Return Expectation	Infrastructure 10yr Return Expectation
Liquidity	100%	0%	Quarterly (or more frequent) liquidity	4.7%	5.3%
Income Tilt	75% +/- 10%	25%	Primary objective is to generate income; preference for lower risk strategies	5.1%	6.2%
Balanced	60% +/- 10%	40%	Portfolio is balanced with core generating income and providing liquidity while non-core provides opportunity for higher returns	5.3%	6.6%
Appreciation Tilt	30% +/- 10%	70%	Primary focus is on return, with core serving as portfolio ballast and/or source of liquidity for rebalancing	5.6%	7.1%
Return-Maximizing	0%	100%	Objective is to maximize total return; no consideration given to liquidity or income	5.9%	7.1%



## SENSITIVITIES TO GROWTH & INFLATION



Notes: Growth and Inflation Beta calculations reflect sensitivity to trends in U.S. CPI-U and U.S. Real GDP growth since asset class inception date.  
Sources: S&P, Russell, MSCI, Bloomberg, Cambridge Associates, JPM, NAREIT, NCREIF, FactSet

# PRIVATE REAL ESTATE PACING PLAN



PROPRIETARY & CONFIDENTIAL

# REAL ESTATE SUMMARY - SEPTEMBER 2021

## Plan Summary

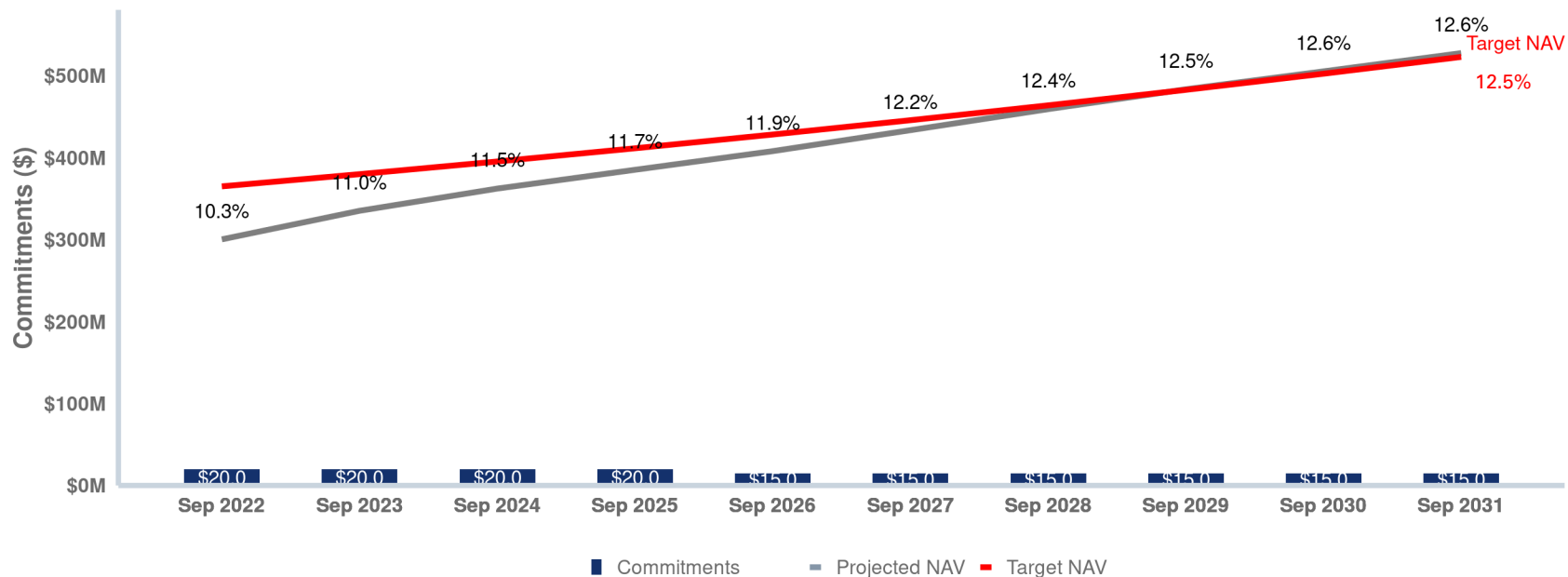
Total Portfolio Assets	\$2,806.3
Current NAV %	9.6%
Current Total Exposure %	10.8%
Target Allocation %	20.0%
Ann. Expected Return %	5.4%
Ann. Contributions %	0.0%
Ann. Payouts %	-1.3%
Ann. Expenses %	0.0%

## Current Allocations (in millions)

Asset Class	Investment Strategy	Commitment	Unfunded Commitment	NAV	Total Exposure
Real Estate	Real Estate - Core	\$151.6	\$0.0	\$151.6	\$151.6
	Real Estate - Value-Add	\$161.6	\$33.8	\$117.0	\$150.9
	<b>Total</b>	<b>\$313.3</b>	<b>\$33.8</b>	<b>\$268.7</b>	<b>\$302.5</b>
<b>Grand Total</b>		<b>\$313.3</b>	<b>\$33.8</b>	<b>\$268.7</b>	<b>\$302.5</b>

# COMMITMENTS & ALLOCATION PROJECTIONS

## Private Real Estate Commitments by Vintage



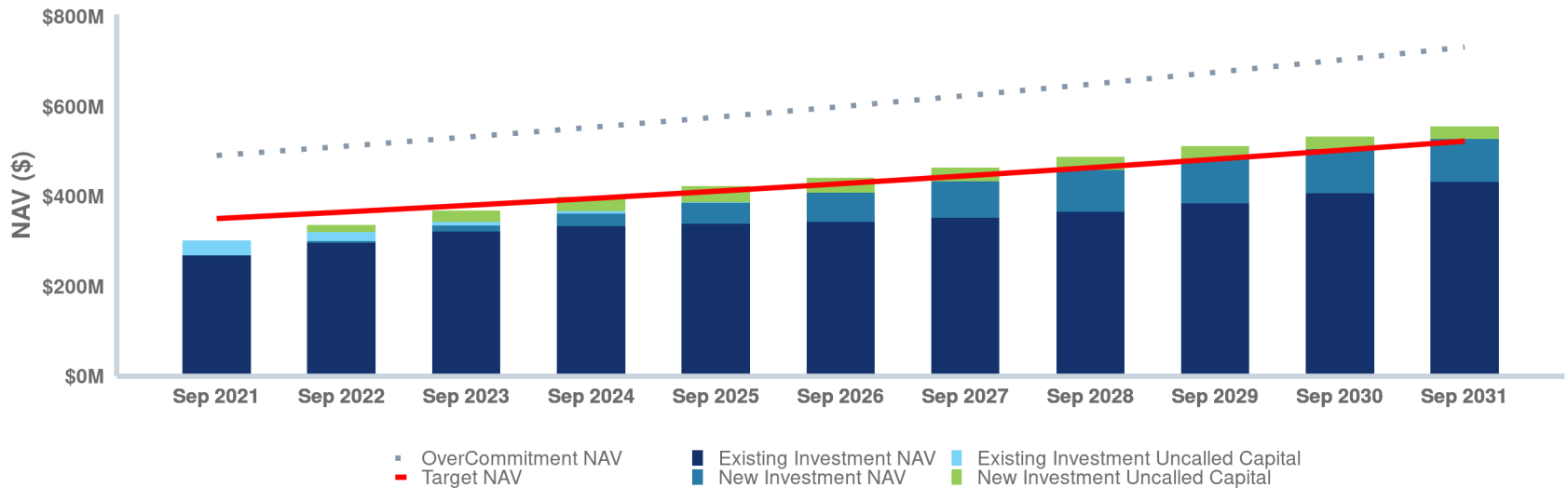
More Certain

Less Certain

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Commitments (\$M)	\$20.0	\$20.0	\$20.0	\$20.0	\$15.0	\$15.0	\$15.0	\$15.0	\$15.0	\$15.0
Target (%)	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Projected NAV / Total Portfolio Assets	10.3%	11.0%	11.5%	11.7%	11.9%	12.2%	12.4%	12.5%	12.6%	12.6%

# ASSET PROJECTIONS

## Private Real Estate Portfolio Projections

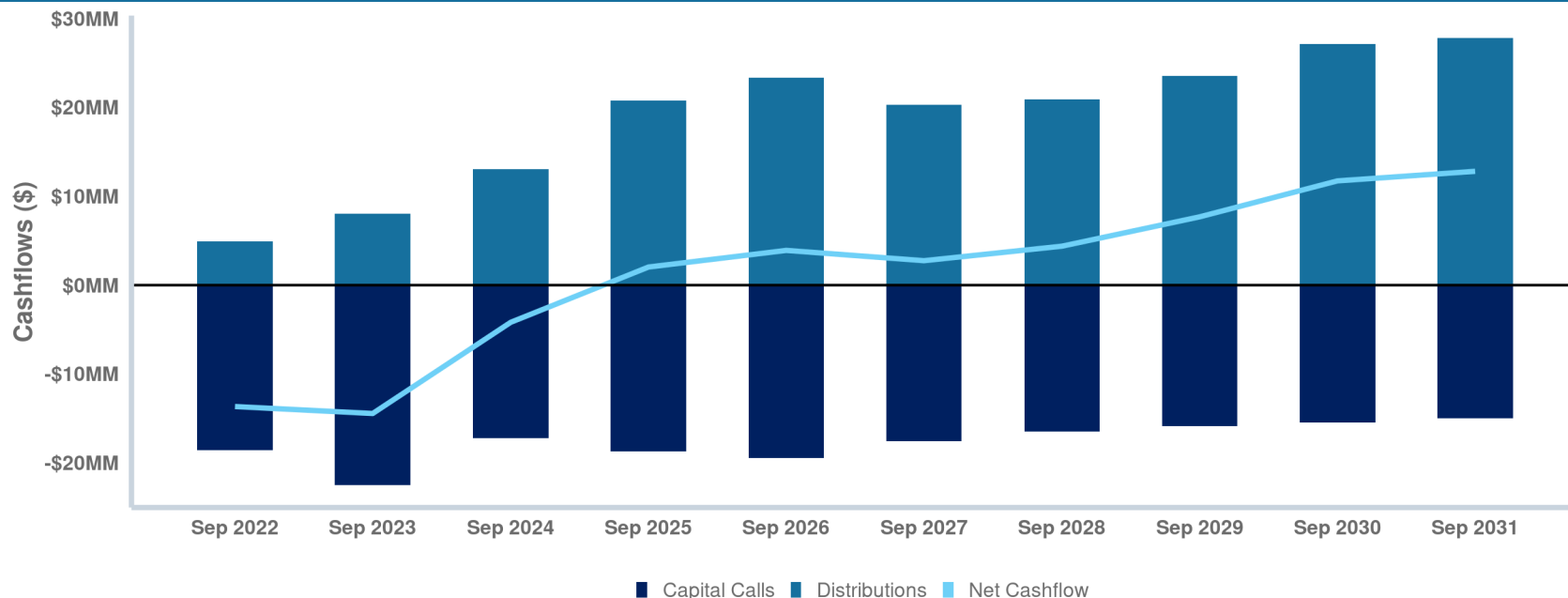


### Projection Summary

Description	Sep 2021	Sep 2022	Sep 2023	Sep 2024	Sep 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029	Sep 2030	Sep 2031
Net Asset Value (NAV)	\$268.7	\$300.4	\$335.2	\$362.4	\$385.3	\$408.1	\$433.6	\$459.4	\$483.6	\$505.5	\$527.7
Uncalled Capital	\$33.8	\$36.4	\$33.9	\$36.6	\$37.9	\$33.5	\$30.9	\$29.4	\$28.5	\$28.1	\$28.1
NAV + Uncalled Capital	\$302.5	\$336.8	\$369.1	\$399.0	\$423.2	\$441.5	\$464.5	\$488.8	\$512.2	\$533.6	\$555.8
Target NAV	\$350.8	\$365.1	\$380.0	\$395.5	\$411.6	\$428.4	\$445.8	\$464.0	\$482.9	\$502.6	\$523.1
NAV (%)	9.6%	10.3%	11.0%	11.5%	11.7%	11.9%	12.2%	12.4%	12.5%	12.6%	12.6%
NAV + Uncalled Capital (%)	10.8%	11.5%	12.1%	12.6%	12.9%	12.9%	13.0%	13.2%	13.3%	13.3%	13.3%
Target Allocation (%)	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%

# CASH FLOW PROJECTIONS

## Private Real Estate Projected Capital Calls & Distributions



### Projected Cashflows (in millions)

Description	Sep 2022	Sep 2023	Sep 2024	Sep 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029	Sep 2030	Sep 2031
Capital Calls	-\$18.6	-\$22.5	-\$17.2	-\$18.7	-\$19.4	-\$17.6	-\$16.5	-\$15.8	-\$15.4	-\$15.0
Distributions	\$4.9	\$8.1	\$13.1	\$20.8	\$23.4	\$20.3	\$20.9	\$23.5	\$27.2	\$27.8
Net Cash Flow	-\$13.7	-\$14.4	-\$4.2	\$2.0	\$3.9	\$2.8	\$4.4	\$7.7	\$11.7	\$12.8



# PRIVATE INFRASTRUCTURE PACING PLAN



PROPRIETARY & CONFIDENTIAL



# INFRASTRUCTURE SUMMARY - SEPTEMBER 2021

## Plan Summary

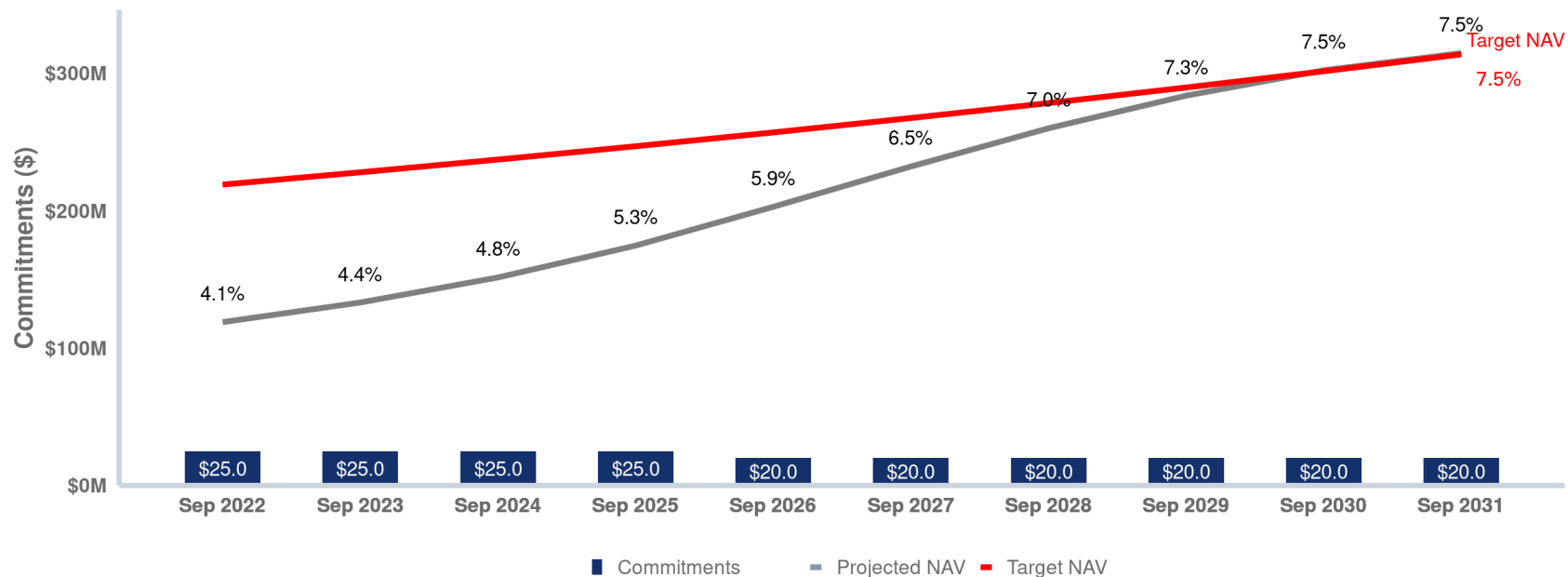
Total Portfolio Assets	\$2,806.3
Current NAV %	0.9%
Current Total Exposure %	4.7%
Target Allocation %	20.0%
Ann. Expected Return %	5.4%
Ann. Contributions %	0.0%
Ann. Payouts %	-1.3%
Ann. Expenses %	0.0%

## Current Allocations (in millions)

Asset Class	Investment Strategy	Commitment	Unfunded Commitment	NAV	Total Exposure
Real Assets	Private Real Assets - Infrastructure	\$163.4	\$106.6	\$25.2	\$131.8
	<b>Total</b>	<b>\$163.4</b>	<b>\$106.6</b>	<b>\$25.2</b>	<b>\$131.8</b>
<b>Grand Total</b>		<b>\$163.4</b>	<b>\$106.6</b>	<b>\$25.2</b>	<b>\$131.8</b>

# COMMITMENTS & ALLOCATION PROJECTIONS

## Private Infrastructure Commitments by Vintage



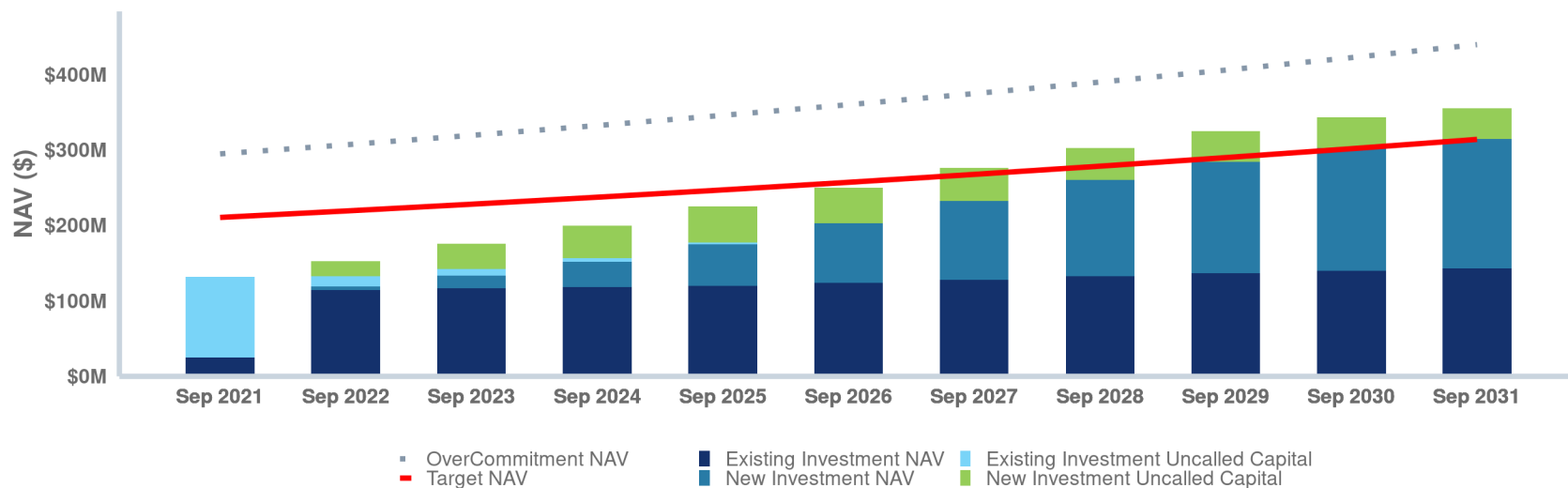
More Certain

Less Certain

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Commitments (\$M)	\$25.0	\$25.0	\$25.0	\$25.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0
Target (%)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Projected NAV / Total Portfolio Assets	4.1%	4.4%	4.8%	5.3%	5.9%	6.5%	7.0%	7.3%	7.5%	7.5%

# ASSET PROJECTIONS

## Private Infrastructure Portfolio Projections

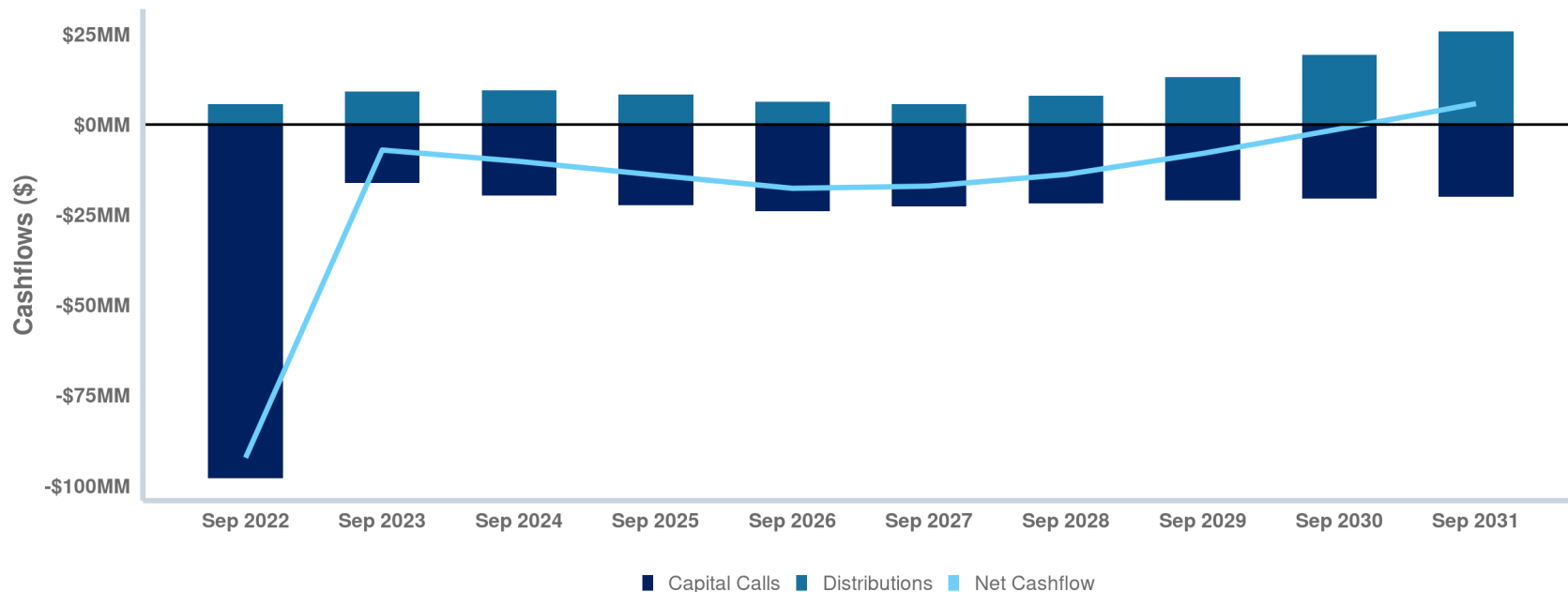


### Projection Summary

Description	Sep 2021	Sep 2022	Sep 2023	Sep 2024	Sep 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029	Sep 2030	Sep 2031
Net Asset Value (NAV)	\$25.2	\$118.9	\$133.2	\$151.5	\$174.6	\$202.9	\$232.2	\$260.1	\$283.8	\$302.2	\$314.7
Uncalled Capital	\$106.6	\$33.7	\$42.6	\$47.9	\$50.6	\$46.6	\$43.9	\$42.1	\$41.0	\$40.5	\$40.5
NAV + Uncalled Capital	\$131.8	\$152.6	\$175.8	\$199.4	\$225.2	\$249.4	\$276.0	\$302.2	\$324.8	\$342.7	\$355.2
Target NAV	\$210.5	\$219.1	\$228.0	\$237.3	\$246.9	\$257.0	\$267.5	\$278.4	\$289.7	\$301.5	\$313.8
NAV (%)	0.9%	4.1%	4.4%	4.8%	5.3%	5.9%	6.5%	7.0%	7.3%	7.5%	7.5%
NAV + Uncalled Capital (%)	4.7%	5.2%	5.8%	6.3%	6.8%	7.3%	7.7%	8.1%	8.4%	8.5%	8.5%
Target Allocation (%)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

# CASH FLOW PROJECTIONS

## Private Infrastructure Projected Capital Calls & Distributions



### Projected Cashflows (in millions)

Description	Sep 2022	Sep 2023	Sep 2024	Sep 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029	Sep 2030	Sep 2031
Capital Calls	-\$97.9	-\$16.1	-\$19.7	-\$22.3	-\$24.0	-\$22.7	-\$21.8	-\$21.1	-\$20.5	-\$20.0
Distributions	\$5.7	\$9.1	\$9.5	\$8.3	\$6.4	\$5.7	\$7.9	\$13.1	\$19.3	\$25.8
Net Cash Flow	-\$92.2	-\$7.1	-\$10.2	-\$14.0	-\$17.7	-\$17.0	-\$13.8	-\$8.0	-\$1.2	\$5.8

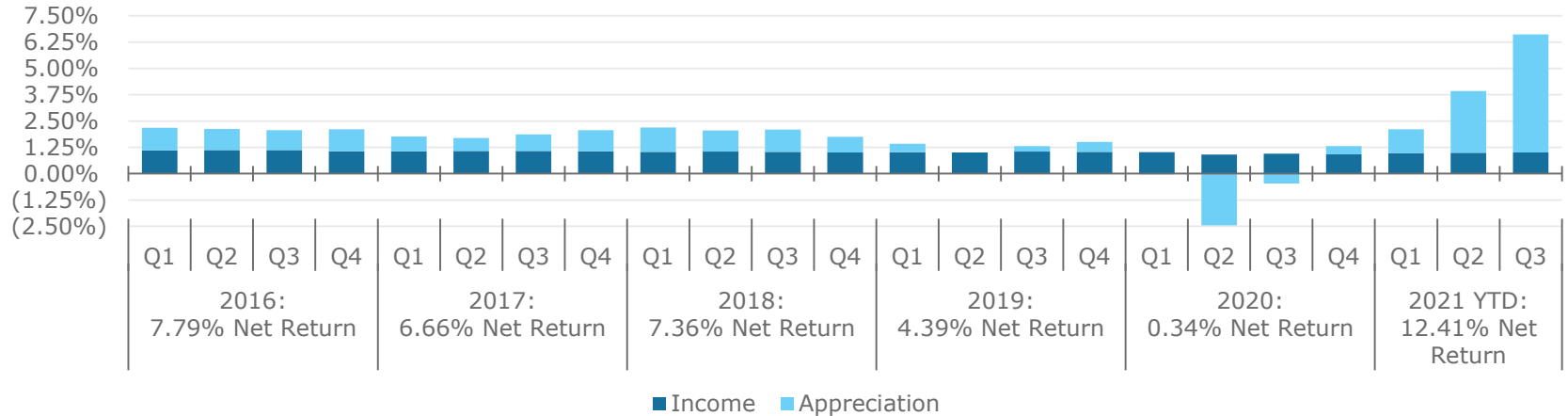
# MARKET ENVIRONMENT



PROPRIETARY & CONFIDENTIAL

# REAL ESTATE MARKET PERFORMANCE

## CORE REAL ESTATE: REBOUND CONTINUES; ALL TIME HIGH QUARTERLY RETURN IN Q3

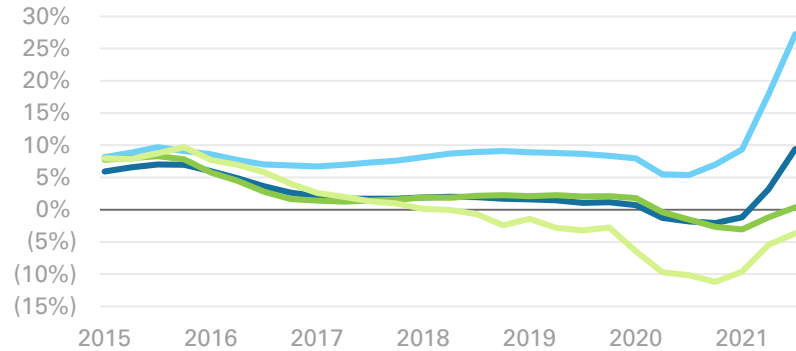


## REITs: STRONG RECOVERY AFTER 2020 VOLATILITY

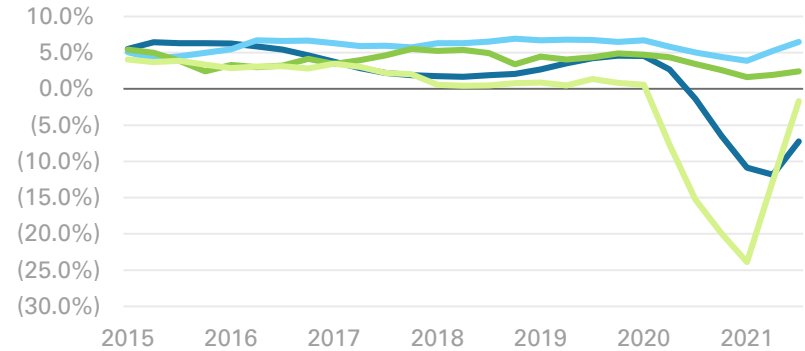


# REAL ESTATE FUNDAMENTALS

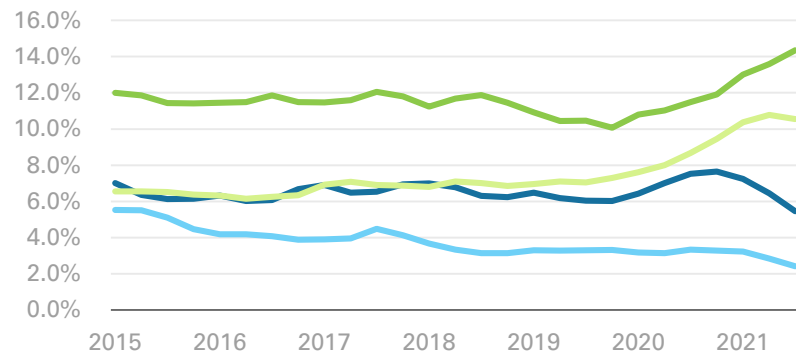
## Appreciation Returns (Rolling 1-Year)



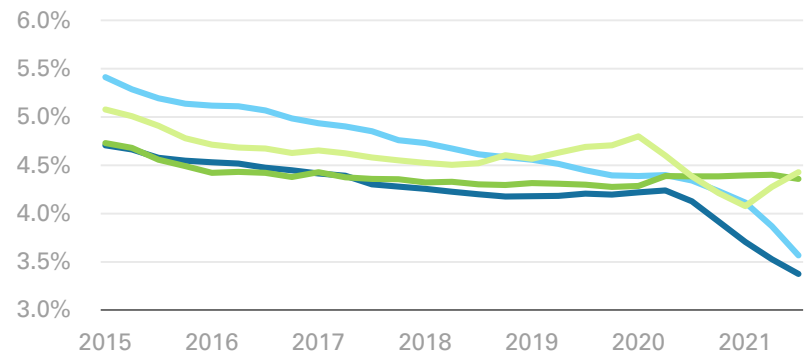
## NOI Growth (Rolling 1-Year SAAR\*)



## Vacancy Rates



## Cap Rates

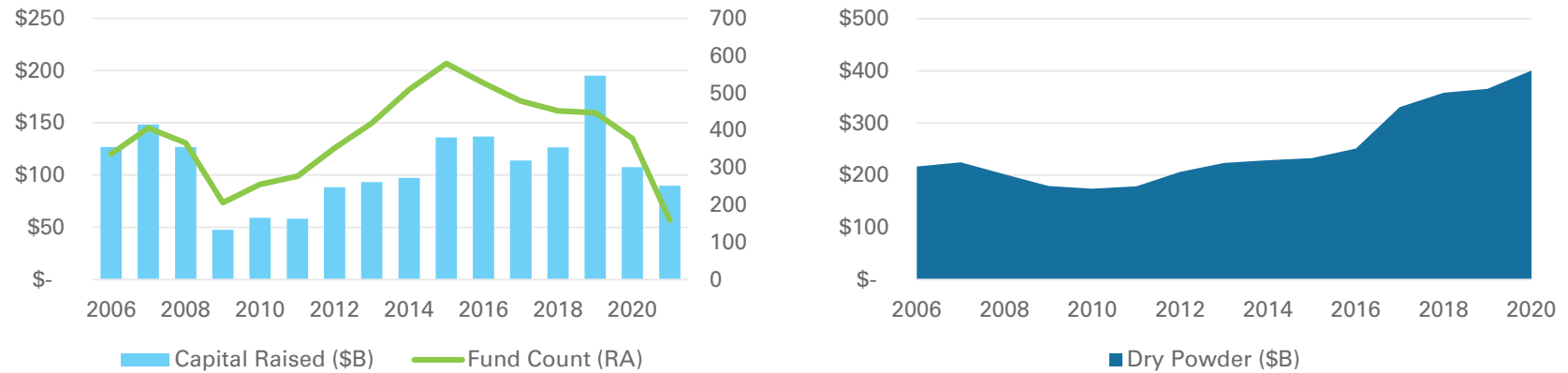


— Apartments — Industrial — Office — Retail

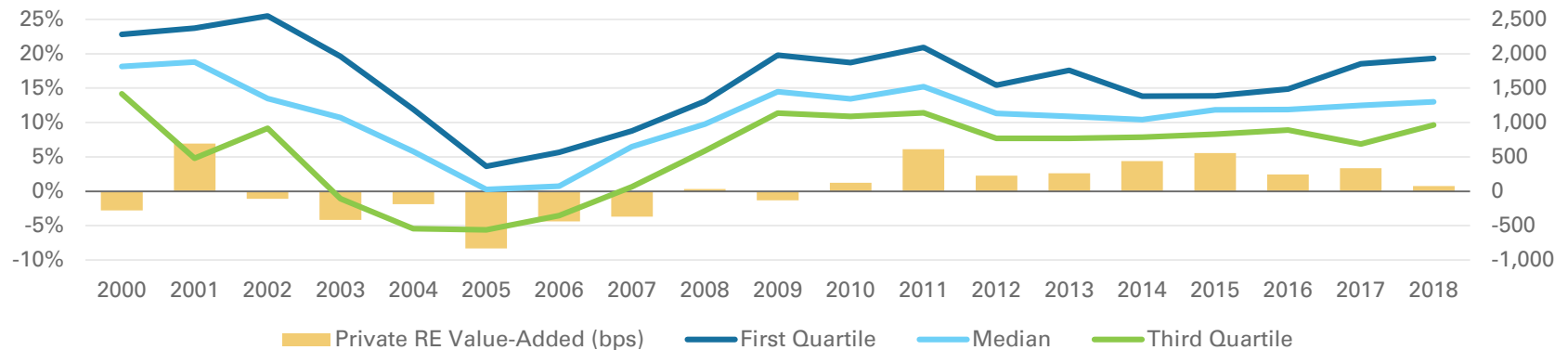


# NON-CORE REAL ESTATE SNAPSHOT

VALUE-ADD & OPPORTUNISTIC: FUNDRAISING HAS SLOWED; DRY POWDER REMAINS HIGH



VALUE-ADD & OPPORTUNISTIC: VINTAGE YEAR RETURNS & PMEs

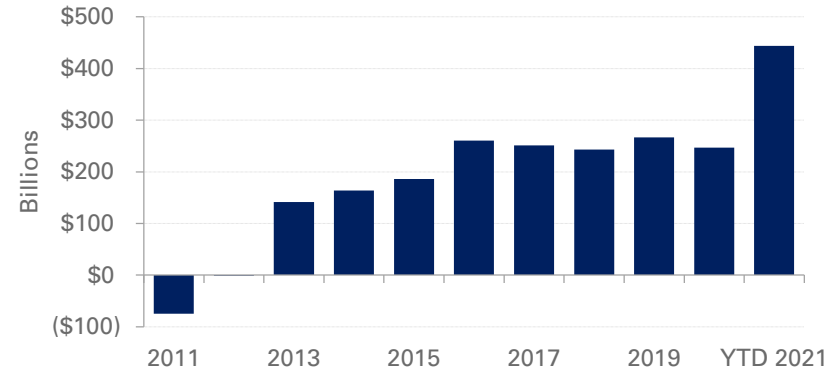


# REAL ESTATE CAPITAL MARKETS

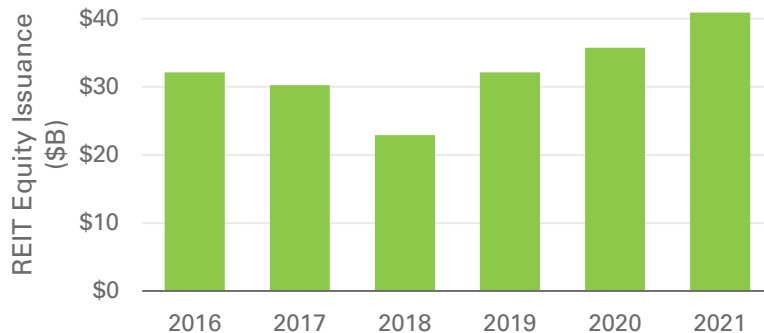
## Capital Markets Are Healthy & Functioning

- Real estate transaction volumes accelerated through 2021 after a slowdown in 2020
- This helped fuel an increase in demand for new real estate loans
- Generally, both equity (REIT) and debt markets are healthy and issuance levels are up
- There remain disparities by property type and asset quality, however, as some real estate continues to face capital structure distress

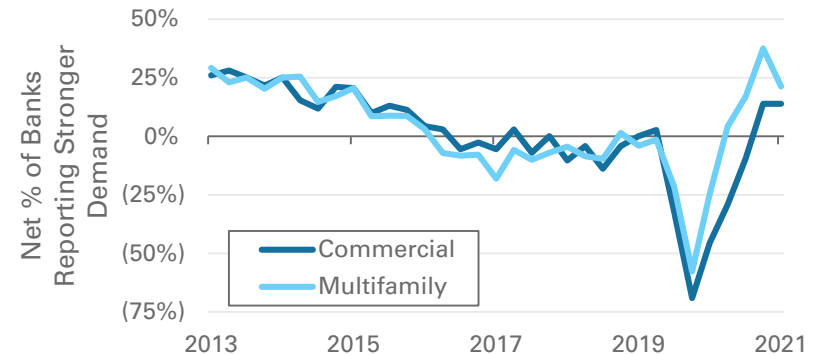
## Net CRE Loan Originations



## Real Estate Equity Markets Healthy



## Demand for Real Estate Loans by Type

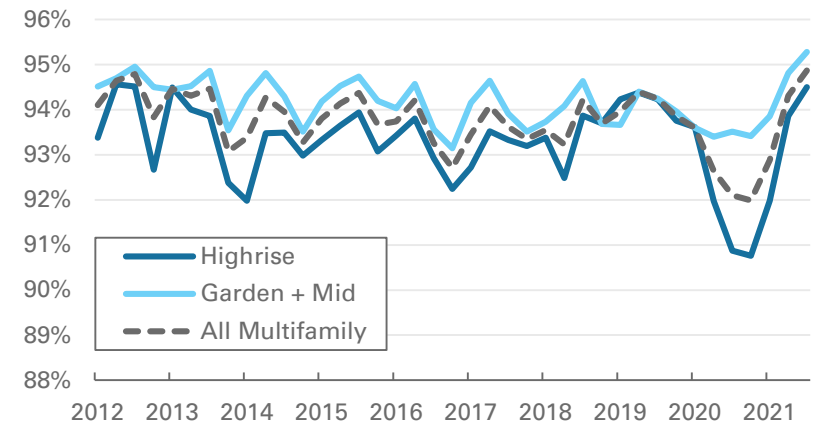


# RESIDENTIAL REAL ESTATE

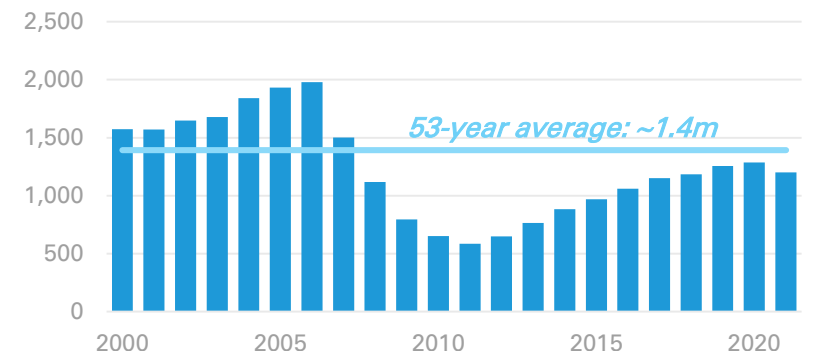
## More Demand Than Supply

- **Strong fundamentals**
  - Occupancy rebounding to pre-pandemic levels
- **Demographic tailwinds**
  - Since 2008 construction of single family and multifamily homes below long-term average
- **Real hard costs (material and labor) increased by 57%**
  - Land costs increased by 100%
- **Demographics continue to favor single-family rentals**
  - Millennials moving into family formation
- **46% of all renters struggled to afford rent**
  - Middle-income renters experienced the largest increase in cost-burdened households since 2000

## Multifamily Occupancy Has Rebounded



## New Housing Starts (2000 – 2021)

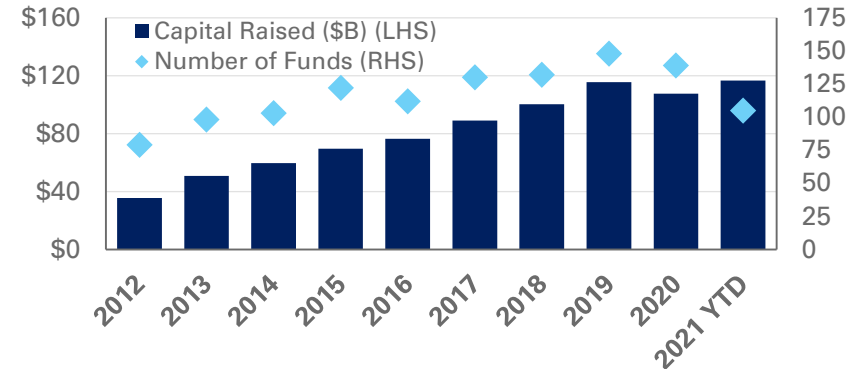


# PRIVATE INFRASTRUCTURE SNAPSHOT

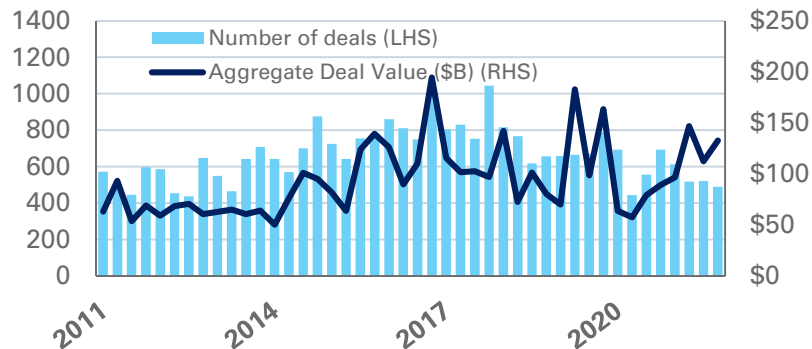
## Robust Fundraising Fuels Transaction Volume

- **Robust fundraising driven by demand from investors with low costs of capital and long term investment horizons**
- **Average deal size growing as dry powder reaches an all time high of ~\$300 billion**
- **Despite competitive market, significant capital needed to support existing infrastructure, as well as megatrends representing areas of new growth**

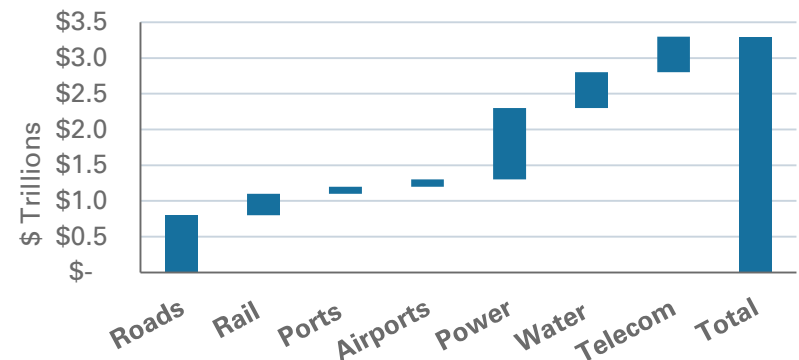
## Strong Fundraising Environment



## Transaction Activity Steady



## Annual Global Infra Investment Required 2016-2030E

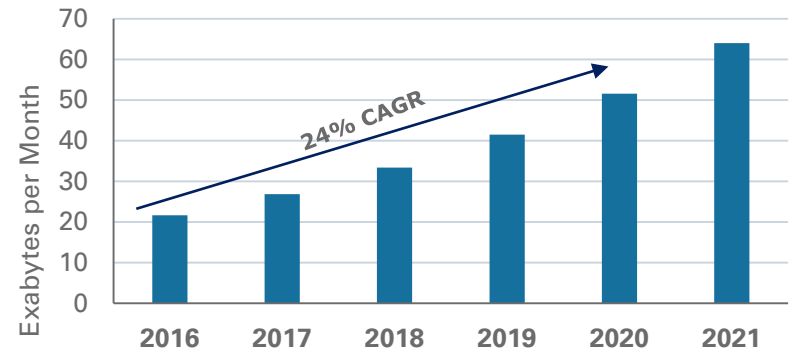


# DIGITAL INFRASTRUCTURE

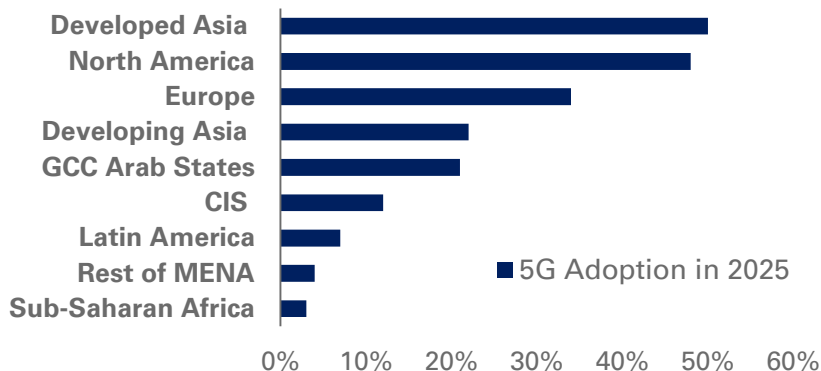
## Data, Data, and More Data!

- **Macro tailwinds persist**
  - Data traffic growth and transition to the cloud accelerate fiber buildout
- **5G rollout requires significant private capital investment**
  - Developed Asia and US will lead
- **Valuations frothy relative to historical averages**
  - Long-term growth likely justifies elevated entry-points

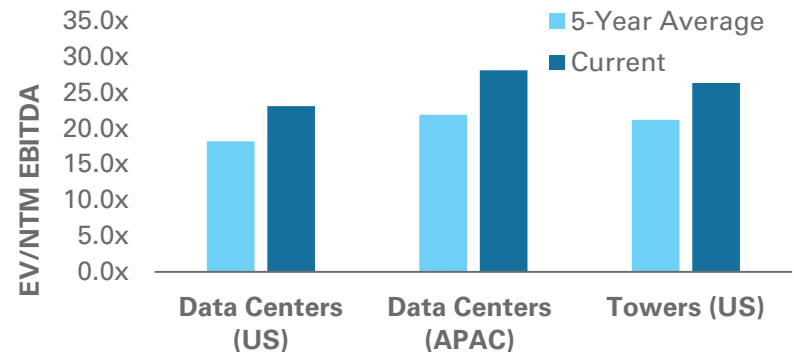
## Bandwidth Demand Growth



## 5G Adoption Forecast



## EV/NTM EBITDA Multiples

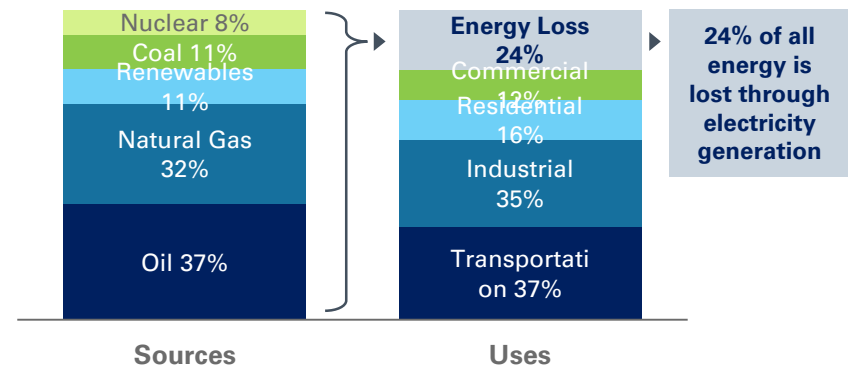


# ENERGY TRANSITION

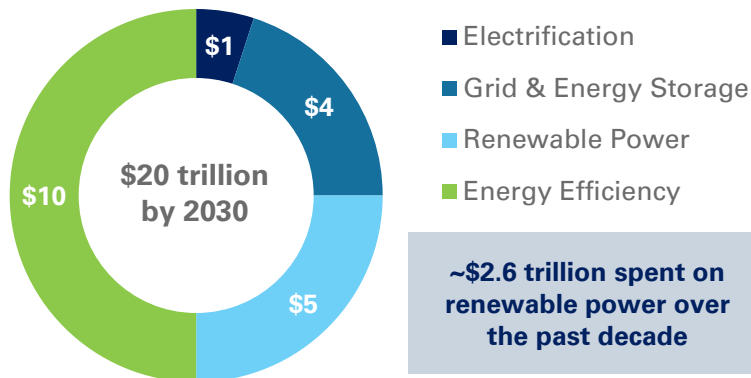
## Complex and Capital Intensive

- **Meaningful energy lost during process of electricity generation**
- **Energy transition is complex and requires significant capital investment**
- **More than just solar panels and wind turbines**
- **Natural gas is here to stay**

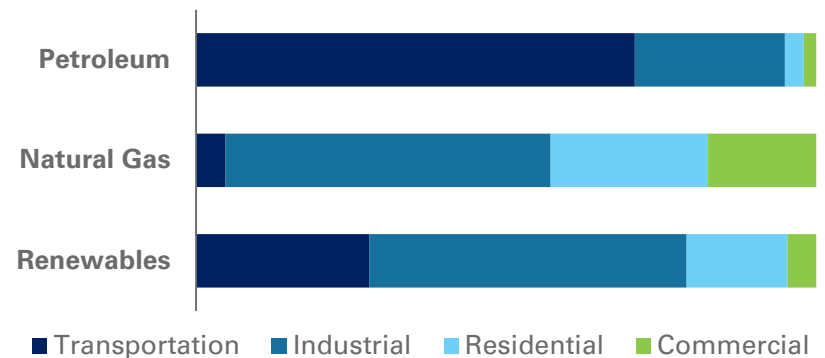
## Sources & Uses of Energy



## Energy Transition Global Investment



## Uses by Energy Type

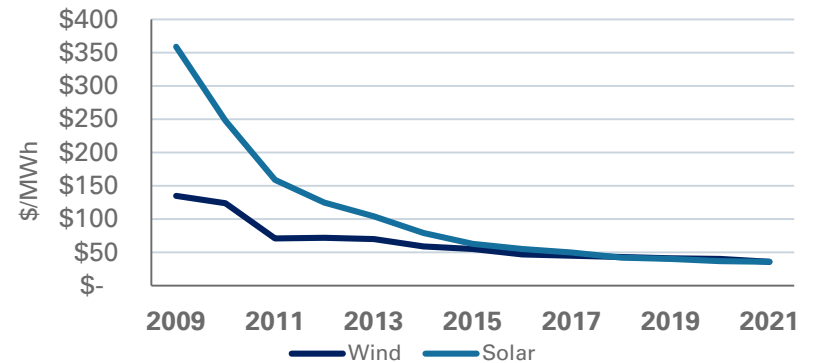


# POWER GENERATION

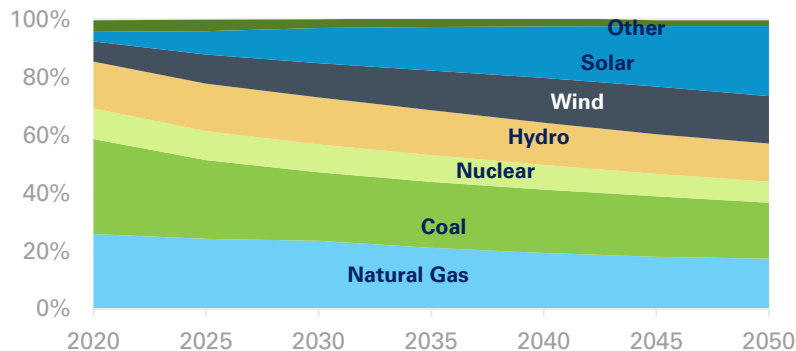
## Evolving Power Market

- **Renewable energy costs have declined substantially**
  - Attractive on an unsubsidized basis, but cost reductions have slowed
- **Renewables will take share over at increasing pace over next decade**
- **Highly competitive market for contracted renewable assets and low PPA rates impact returns**

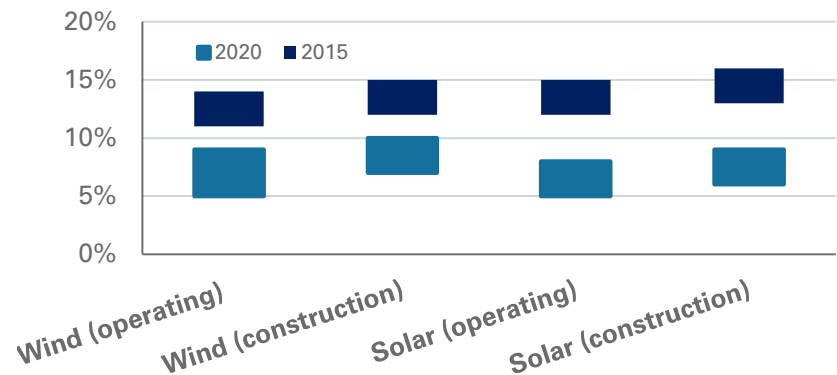
## Levelized Cost of Energy



## Share of Electricity Generation



## Return Expectations Moderating



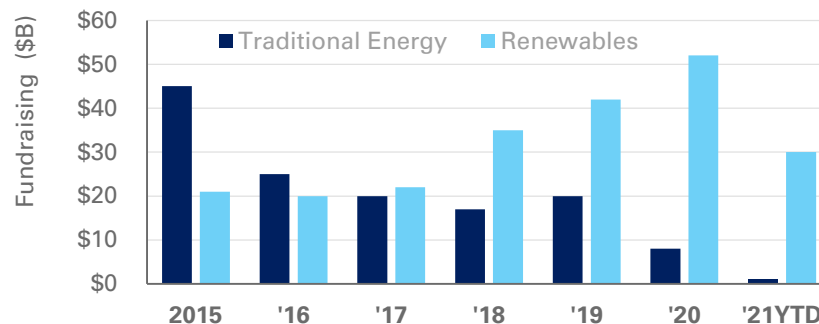


# TRADITIONAL ENERGY

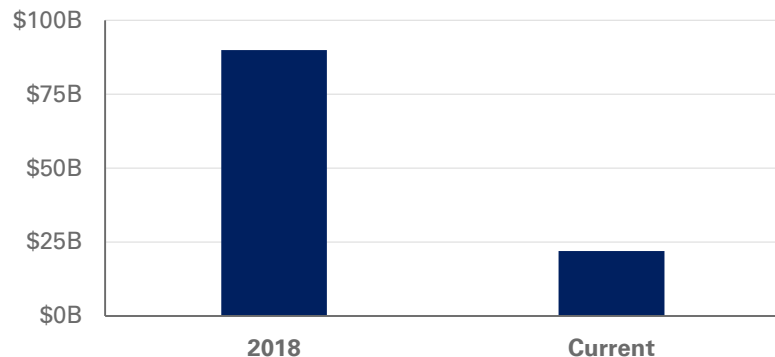
## The Case for New Investment

- Decreasing interest from banks, private equity, and generalist investors that have been reducing exposure to fossil fuel investments
- Poor returns and ESG concerns are among the factors leading to decline in energy valuations
- As distress increased and commodity prices improved, transaction activity picked up in 2021

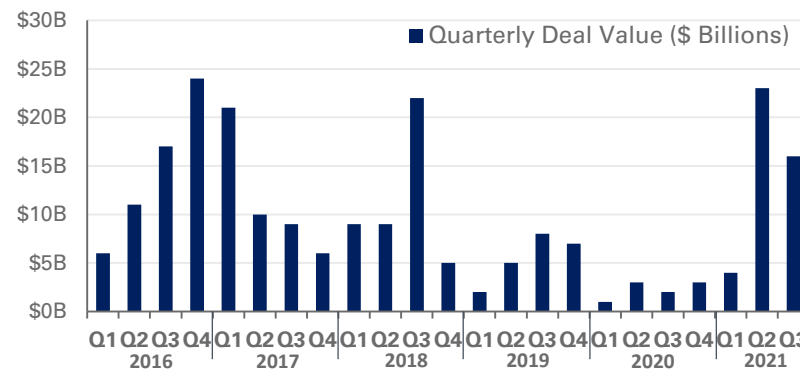
## Traditional Energy Private Equity Fundraising Has Slowed



## Private Equity Dry Powder

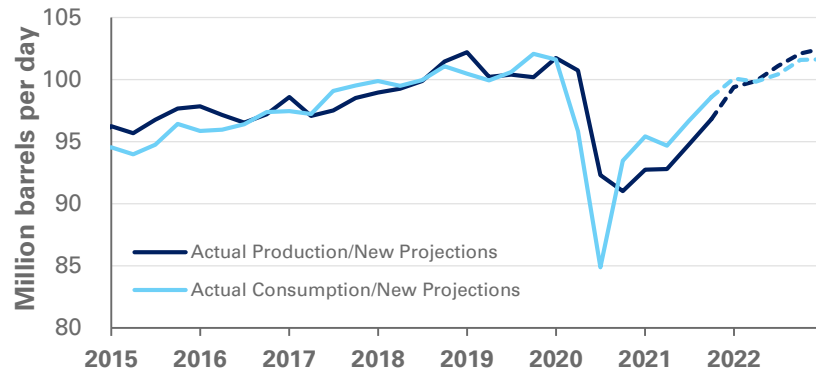


## Upstream Transaction Market Has Picked Up

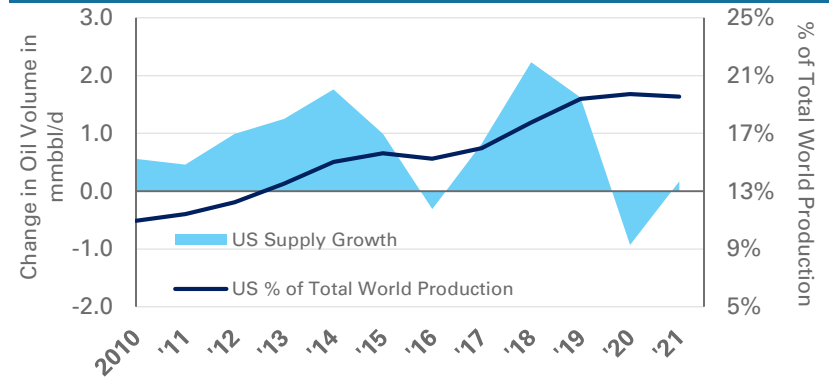


# ENERGY SUPPLY & DEMAND

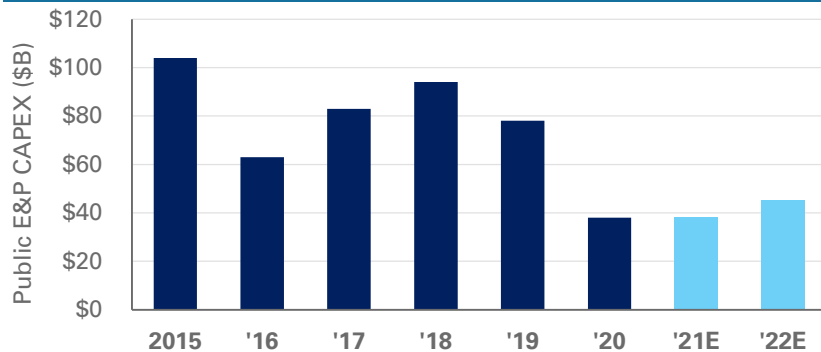
## Global Supply and Demand



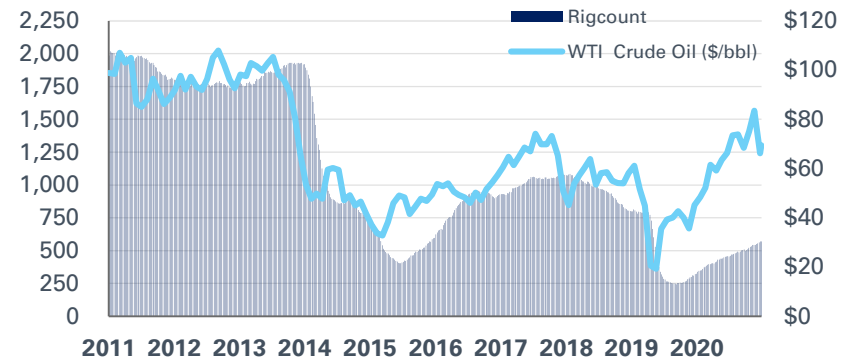
## Global Demand has bounced back from pandemic lows



## CAPEX Budgets Remain at Lows

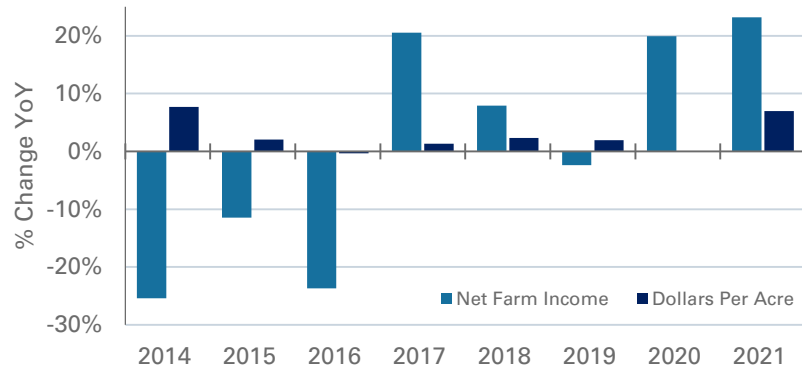


## Rig Count Reflects Constrained Capex Budgets

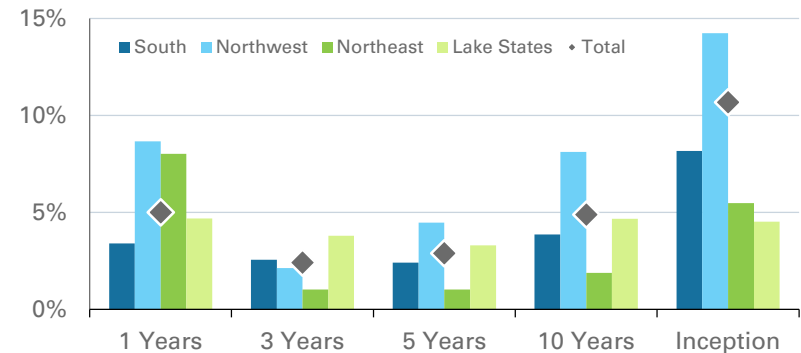


# NATURAL RESOURCES & HARD ASSETS

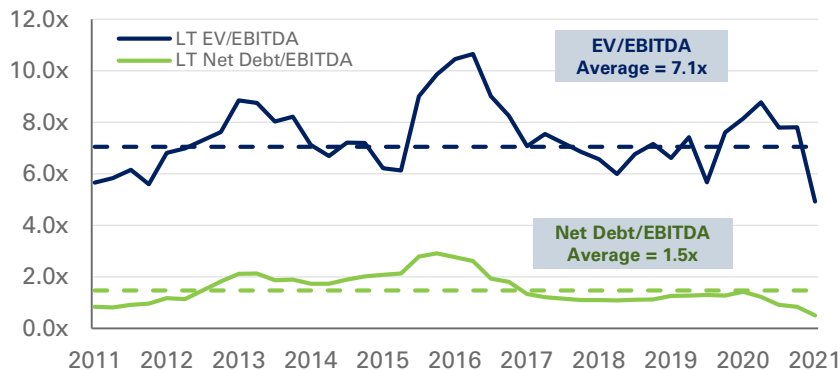
## Agriculture: Net Farm Income & Farmland Values



## Timber: NCREIF Timberland Property Index Annualized Total Return



## Mining: Valuation Multiples



## Key Takeaways

- **Agriculture:** Income levels have been volatile historically but tend to exhibit strength in inflationary environments
- **Timber:** Private strategies are illiquid with long lock-ups, however housing starts continue to improve as demand continues to outpace supply
- **Mining:** Healthy balance sheets and attractive valuations supported by supply/demand imbalance; implementation options limited

# APPENDIX



# APPENDIX

## Projection Summary

Description	Sep 2021	Sep 2022	Sep 2023	Sep 2024	Sep 2025	Sep 2026	Sep 2027	Sep 2028	Sep 2029	Sep 2030	Sep 2031
Net Asset Value (NAV)	\$293.9	\$419.3	\$468.4	\$513.9	\$559.9	\$610.9	\$665.8	\$719.4	\$767.4	\$807.7	\$842.4
Uncalled Capital	\$140.4	\$70.0	\$76.4	\$84.5	\$88.5	\$80.0	\$74.7	\$71.5	\$69.6	\$68.6	\$68.6
NAV + Uncalled Capital	\$434.3	\$489.4	\$544.9	\$598.4	\$648.4	\$690.9	\$740.6	\$790.9	\$837.0	\$876.3	\$911.1
Target NAV	\$561.3	\$584.1	\$607.9	\$632.7	\$658.5	\$685.4	\$713.3	\$742.4	\$772.6	\$804.1	\$836.9
OverCommitment Pace	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x
OverCommitment Target NAV	\$785.8	\$817.8	\$851.1	\$885.8	\$921.9	\$959.5	\$998.6	\$1,039.3	\$1,081.7	\$1,125.8	\$1,171.7
NAV (%)	10.5%	14.4%	15.4%	16.2%	17.0%	17.8%	18.7%	19.4%	19.9%	20.1%	20.1%
Uncalled Capital (%)	5.0%	2.4%	2.5%	2.7%	2.7%	2.3%	2.1%	1.9%	1.8%	1.7%	1.6%
NAV + Uncalled Capital (%)	15.5%	16.8%	17.9%	18.9%	19.7%	20.2%	20.8%	21.3%	21.7%	21.8%	21.8%
Target Allocation (%)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Plan NAV	\$2,806.3	\$2,920.7	\$3,039.7	\$3,163.6	\$3,292.6	\$3,426.8	\$3,566.5	\$3,711.9	\$3,863.2	\$4,020.7	\$4,184.5

# APPENDIX

## Existing Real Estate Funds included in this Pacing Study

Asset Class	Risk Proxy	Account Name	Vintage Year	Commitment Amount	Paid in Capital	Unfunded Commitment	Cumulative Distribution	Current NAV
Real Estate	Real Estate - Core	PGIM Real Estate US Debt Fund	2018	63,533,768	63,533,768	0	0	63,533,768
Real Estate	Real Estate - Core	Prime Property Fund	2015	88,108,597	88,108,597	0	0	88,108,597
Real Estate	Real Estate - Value-Add	American Strategic Value Realty	2015	82,616,313	82,616,313	0	0	82,616,313
Real Estate	Real Estate - Value-Add	Grandview Property Partners I	2018	44,000,000	29,058,207	14,941,793	12,458,979	31,505,190
Real Estate	Real Estate - Value-Add	Grandview Property Partners II	2021	20,000,000	0	20,000,000	0	0
Real Estate	Real Estate - Value-Add	Greenfield Acquisition Partners VII	2014	15,000,000	16,118,692	-1,118,692	26,951,068	2,927,571

## Existing Infrastructure Funds included in this Pacing Study

Asset Class	Risk Proxy	Account Name	Vintage Year	Commitment Amount	Paid in Capital	Unfunded Commitment	Cumulative Distribution	Current NAV
Real Assets	Private Real Assets - Infrastructure	IFM Global Infrastructure Fund	2021	50,000,000	0	50,000,000	0	0
Real Assets	Private Real Assets - Infrastructure	JPMorgan Infrastructure Investments Fund	2021	30,000,000	0	30,000,000	0	0
Real Assets	Private Real Assets - Infrastructure	Melody Infrastructure II	2021	20,000,000	0	20,000,000	0	0
Real Assets	Private Real Assets - Infrastructure	MS Infrastructure Partners II	2014	63,438,740	56,849,998	6,588,742	46,014,860	25,180,168

# PACING PLAN DISCLAIMERS

- **NEPC's private markets pacing analysis projects a potential level of future assets and cash flows for a single scenario based on a series of assumptions. This analysis is intended to help estimate future exposure levels. It is not a guarantee of future cash flows, appreciation or returns.**
- **The timing and amounts of projected future cash flows and market values of investments could vary significantly from the amounts projected in this pacing analysis due to manager-specific and industry-wide macroeconomic factors.**
- **Estimates of projected cash flows and market values for existing private markets commitments were made at the Fund level and do not incorporate any underlying portfolio company projections or analysis.**
- **The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
- **Data used to prepare this report was obtained directly from the investment managers and other third parties. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **This report may contain confidential or proprietary information and is intended only for the designated recipient(s). If you are not a designated recipient, you may not copy or distribute this document.**





# ALTERNATIVE INVESTMENT DISCLOSURES

**It is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds and private equity:**

- 1. Performance can be volatile and investors could lose all or a substantial portion of their investment**
- 2. Leverage and other speculative practices may increase the risk of loss**
- 3. Past performance may be revised due to the revaluation of investments**
- 4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms**
- 5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value**
- 6. These funds are not subject to the same regulatory requirements as registered investment vehicles**
- 7. Managers may not be required to provide periodic pricing or valuation information to investors**
- 8. These funds may have complex tax structures and delays in distributing important tax information**
- 9. These funds often charge high fees**
- 10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy**

**March 22, 2022**

Retirement Board Agenda Item

TO: Retirement Board

FROM: Brittany Smith-Atkins, Fiscal Services Manager

I. SUBJECT: Brown Armstrong Accountancy Corporation – Auditing Services Contract

II. ITEM NUMBER: 10.a.

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

Accept Staff's recommendation to extend Brown Armstrong Accountancy Corporation current contract for auditing services through fiscal year ending June 30, 2024.

V. ANALYSIS:

In 2015, StanCERA selected Brown Armstrong Accountancy Corporation as its CPA to provide auditing services for fiscal years ending 2015-2017. Since the initial agreement, StanCERA has extended its contract twice through fiscal year 2020-2021.

Staff comes to the Board today, to propose a three-year extension with Brown Armstrong Accountancy Corporation for auditing services. This extension would provide continuity in auditing services and support as StanCERA continues implementing its newer pension administration software as well as the transition to the Northern Trust Company for treasury services. Attachment 1 provides Brown Armstrong Accountancy Corporation's proposal which outlines the proposed cost structure and as well as the resume of the Audit Manager.

In Staff's assessment of the prior services rendered they have acknowledged the professionalism and ease of coordination during the audit and after. Additionally, there are non-monetary gains for continuing services such as efficiencies with familiarity amongst staff and StanCERA processes.

After much discussion and review, Staff recommends StanCERA to extend its auditing services contract with the Brown Armstrong Accountancy Corporation for fiscal years ended June 30, 2022, 2023, and 2024.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT:

Dependent on the election of a three- or one-year extension the auditing cost schedules are as follows:

Three-Year Extension:

Fiscal Year 2021/2022:	\$48,850
Fiscal Year 2022/2023:	\$49,827
Fiscal Year 2023/2024:	\$50,824

One-Year Extension:

Fiscal Year 2021/2022:	\$49,810
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These proposed costs are comparable with the most recent contract which provided services at \$47,895, for fiscal year 2020/2021.