

AGENDA

BOARD OF RETIREMENT

August 23, 2022

Boardroom

PLEASE NOTE EARLY START TIME 11:00 a.m.**832 12th Street Suite 600 Modesto, CA 95353**

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

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

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

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

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

Pursuant to California 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 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

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 July 26, 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. Legislative Update
Agenda Item [View](#) Attachment 1 [View](#)
 - d. Investment Matrix [View](#)
 - e. Information Technology Solutions (ITS) Project [View](#)
8. NEPC – Investment Consultant
 - a. July Flash Report
 - b. Quarter 2 Investment Report as of June 30, 2022
9. Investment
 - a. Sixth Street TAO Global Fund Commitment [View](#)
 - b. Annual Liquidity Funding Plan Review [View](#)

10. Administrative

NONE

11. Closed Session

Government Code Section 54957(b)(1)—RED Committee update re:
Executive Director Search Status

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

13. Adjournment

August 23, 2022

Retirement Board Agenda Item

TO: Retirement Board

FROM: Fred Silva, 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 August 27, 2022 until the earlier of September 26, 2022 or the date of termination of the COVID-19 State of Emergency in California; discussion regarding procedure for returning to regular meetings according to normal Brown Act requirements at a future date.

II. ITEM NUMBER: 6.a.

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

- A. Approve a 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 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 August 27, 2022 until the earlier of September 26, 2022 or the date of termination of the COVID-19 State of Emergency in California.

V. MEETINGS VIA TELECONFERENCE:

A. BACKGROUND.

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 several times and remains in effect.

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 16, 2021 and went into effect immediately. 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 AUGUST 27, 2022 TO THE EARLIER OF SEPTEMBER 26, 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 several times. 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 July 28, 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, 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 July 28, 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 August 23, 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 July 26, 2022

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

Trustees Present

Donna Riley - Chair
Joshua Clayton
Michael O'Neal
Rhonda Biesemeier
Mandip Dhillon - Vice Chair
Jeff Grover

Trustees Absent:

Terry Withrow
Darin Gharat

Present by Conference Call:

Sam Sharpe
Mike Lynch

Others Present by Conference Call:

Lisa Fraser, Benefits Manager
Daniel Hennessy, NEPC Investment Consultant

Others Present:

Rick Santos, Executive Director
Stan Conwell, Retirement Investment Officer
Brittany Atkins-Smith, Fiscal Services Manager
Lisa Battista, General Legal Counsel
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 pandemic guidelines for this meeting. If you are joining the meeting today by teleconference as a member of the public your phone will be muted. When directed to do so please press 5* on your phone to alert the Chair you wish to make a public comment.

Trustee Grover, Chair of the RED Committee announced that the Directors search is going well and is on track to bring the finalists to the full board at our next scheduled meeting on August 23, 2022.

Rick Santos announced that StanCERA has asked its actuary to do an actuarial analysis to determine the impacts of the expected COLA increases by the County. The Director also announced that we are extending the lease with Raymond James to February 2024.

5. Public Comment

NONE

6. Emergency Declaration

a. AB-361

Motion was made by Trustee Grover and seconded by Trustee Clayton to approve the Emergency Declaration as presented.

Roll Call Vote was as follows:

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

Motion passed unanimously

7. Consent Items

- a. Approval of the June 28, 2022 Meeting Minutes
- b. Applications for Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810** See the agenda for details.
- c. Application for Service-Connected Disability – **Government Code 31724**
 1. Adam Hall – City of Ceres – Effective 07.27.2022
- d. Legislative Update
- e. Investment Matrix
- f. Information Technology Solutions (ITS) Project
- g. Auxiliary Investment Report as of March 31, 2022
 1. AB2833 Auxiliary Report
 2. Investment Fee Summary, Value Added and Cash Flow Reports
- h. 2022 Executive Director Goals Update - Quarter 2

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

Roll Call Vote was as follows:

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

Motion carried unanimously

8. NEPC – Investment Consultant

a. June Flash Report

2:05 pm Trustee Mike Lynch joined the meeting remotely

b. Asset class assumptions

9. Investment

NONE

10. Administrative

a. Quarterly Staff Update

b. Financial Reporting Software – Workiva

Motion was made by Trustee Dhillon and seconded by Trustee O'Neal to approve Staff's recommendation to enter into an agreement with Workiva and allocate an additional \$70,900 for Fiscal Year 2022-2023 to enhance and expand StanCERA's financial reporting capabilities.

Roll Call Vote was as follows:

Trustee Riley	NO	Trustee Grover	NO
Trustee O'Neal	YES	Trustee Lynch	NO
Trustee Sharpe	YES	Motion passed 4/3	
Trustee Clayton	YES		
Trustee Dhillon	YES		

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

Nothing to report

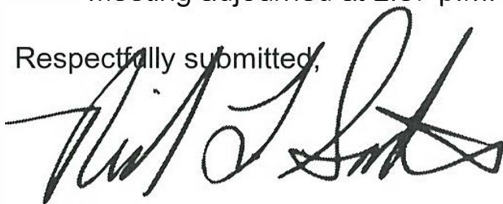
12. Closed Session

NONE

14. Adjournment

Meeting adjourned at 2:57 p.m.

Respectfully submitted,



Rick Santos, Executive

APPROVED AS TO FORM

By 
Fred Silva
Lisa E. Battista
GENERAL LEGAL COUNSEL

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

1. Chapman, David - Stanislaus County - Effective 08/13/2022
2. Confiac, Nathalie - Stanislaus County - Effective 08/20/2022
3. Gonzalez, Teresa - Stanislaus County - Effective 08/13/2022
4. Goulart, Cheryl - Stanislaus County - Effective 08/21/2022
5. Kiely, Brandon - Stanislaus County - Effective 08/13/2022
6. Marley, Melissa - Stanislaus County - Effective 08/27/2022
7. Meredith, Lynne - Stanislaus Superior Court - Effective 08/12/2022
8. SCOLA, RICHARD - City of Ceres - Effective 08/16/2022
9. Seng, Wutha - Stanislaus County - Effective 08/02/2022
10. Setliff, Shelley - Stanislaus County - Effective 08/13/2022

August 23, 2022
Retirement Board Agenda Item

TO: Retirement Board

FROM: Lisa Frazer, Member and Employer Services Manager

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

AB 2493: Act to add Section 31541.2 to Government Code, relating to county employees' retirement (disallowed compensation: benefit adjustments)
Read second time and amended. Ordered to third reading – June 30, 2022

AB 2647: Act to amend Government Code Section 54957.5, relating to local government (open meetings)
Read second time. Ordered to third reading. – August 8, 2022

AB 2449: Act to amend Government Code Section 54953, relating to local government (open meetings)
Read second time. Ordered to third reading. – August 9, 2022

AB 1824: Act to amend Government Code Sections 314527.7, 31641.4, 31663.25, 31663.26, 31726, 31726.5, 31761, 31762, 31763, 31764, and 31781
Read third time. Passed. Ordered to Assembly (Ayes 37, Noes 0.). In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 13 pursuant to Assembly Rule 77. – August 11, 2022

AB 1971: Act to amend Government Code Sections 31525, 31646, 31725.7, 31730, 31760 and 31838.5 and add Sections 31646.2 and 31680.16
Read third time. Passed. Ordered to Assembly. (Ayes 36, Noes 0.). In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 10 pursuant to Assembly Rule 77. – August 8, 2022

AB 826: Act to add Section 31461.7 to the Government Code, relating to compensation earnable (this section would apply to Ventura County only)
Read second time. Ordered to third reading. – August 4, 2022

- VI. RISK: None
- VII. STRATEGIC PLAN: None
- VIII. BUDGET IMPACT: None

AB 2493: Act to add Section 31541.2 to Government Code, relating to county employees' retirement

This bill would require a retirement system established under CERL, upon determining that the compensation reported for a sworn peace officer or firefighter is disallowed compensation, to require the employer, as defined, to discontinue reporting the disallowed compensation. The bill would require, for an active sworn peace officer or firefighter, the retirement system to credit all contributions made on the disallowed compensation against future contributions to the benefit of the employer that reported the disallowed compensation, and return any contribution paid by, or on behalf of, that member, to the member by the employer that reported the disallowed compensation, except in certain circumstances in which a system has already initiated recalculated compensation. The bill would require the system, for a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation to credit the contributions, to the benefit of the employer that reported the disallowed compensation, and to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation. The bill would establish other conditions required to be satisfied with respect to a retired sworn peace officer or firefighter, survivor, or beneficiary when final compensation was predicated upon disallowed compensation, including among others, requiring a specified payment to be made by the employer that reported contributions on the disallowed compensation to the retired member, survivor, or beneficiary, as appropriate. The bill would authorize a retirement system that has initiated a process prior to July 1, 2022, to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation to use that system in lieu of specified provisions that the bill would enact.

The bill would authorize an employer to submit to a retirement system for review a compensation item proposed to be included in an agreement, as specified, on and after January 1, 2022, that is intended to and form the basis of a pension benefit calculation and would require the system to provide guidance on the matter. The bill would prescribe a process in this regard. The bill would specify that it does not affect or otherwise alter a party's right to appeal any determination regarding disallowed compensation made by the system after July 30, 2022.

AB 2647: Act to amend Government Code Section 54957.5, relating to local government

This bill would require a local agency to make writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates or post *and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts* the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

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

This act generally requires posting an agenda at least 72 hours before a regular meeting that contains a brief general description of each item of business to be transacted or discussed at the meeting, and prohibits any action or discussion from being undertaken on any item not appearing on the posted agenda. The act

authorizes a legislative body to take action on items of business not appearing on the posted agenda under specified conditions. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health.

This bill would revise and recast those teleconferencing provisions and, until January 1, 2026, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. Under this exception, the bill would authorize a member to participate remotely under specified circumstances, including participating remotely for just cause or due to emergency circumstances. The emergency circumstances basis for remote participation would be contingent on a request to, and action by, the legislative body. *body, as prescribed. The bill, until January 1, 2026, would authorize a legislative body to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made.* The bill would define terms for purposes of these teleconferencing provisions.

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

- 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 31646, 31725.7, and 31760 and add Sections 31646.2 and 31680.16

- 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: Section (a) and (b) added: (a) Notwithstanding Section 31680, this section shall apply to a retired person who is receiving a retirement benefit from a county retirement system and is appointed or elected to either of the following: (1)

A county board or commission of the county that is a covered employer of the retirement system. (2) A board or commission operating under a participating agency of the county that is a covered employer of the retirement system. (b) A person who is retired under this chapter may serve as a nonsalaried member of a board or commission 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 appointment or election is a part-time board or commission. A retired person whose service without reinstatement is authorized by this subdivision shall not acquire benefits, service credit, or retirement rights with respect to the appointment or election, but may receive any per diem that is authorized to all members of the board or commission.

- 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.*
- 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.*

AB 826: Act to add Section 31461.7 to the Government Code, relating to compensation earnable (this section would apply to Ventura County only)

This bill, which would apply only in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan, as specified, if certain conditions are met. Among these conditions, the bill would require that the retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that the employer and employee continues to pay those contributions as the employee earns this allowance. The bill would apply these provisions to eligible members who retire on or before December 31, 2025. For members who retire after December 31, 2025, the bill would require the system to refund any contributions made by the member, and to credit any contributions made by the employer, that were made based on remuneration under these provisions but are excluded from the definition of compensation or compensation earnable in accordance with the requirements under the Internal Revenue Code. This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Ventura.

August 23, 2022

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

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

a) *Investment Program Activities:*

In July staff continued some ongoing projects including reviews and updates to both the NT performance reports and NEPC performance reports. Collaboration with the fiscal staff accelerated during the month and potential areas of process improvement and automation were identified. There are overlaps between the investment and fiscal departments particularly in the area of investment operations and financial data. Any enhancements in these areas can be leveraged by both sides of the organization. The Investment Due Diligence committee is scheduled to convene soon and the initial tasks to prepare for the committee have begun.

b) *Money Transfer Report:*

July

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
NT Russell 3000 Fund	Public Equity	\$-1,599,727.00	Gryphon Partners VI	Private Equity	\$1,599,727.00
BlackRock High Yield Bond Fund	Fixed Income	\$-2,000,000.00	Monroe Private Credit Fund IV	Private Credit	\$2,000,000.00
NT Russell 3000 Fund	Public Equity	\$-863,306.08	Genstar Capital Partners X	Private Equity	\$863,306.08
NT Russell 3000 fund	Public Equity	\$-1,515,986.93	Gryphon Partners VI	Private Equity	\$1,515,986.93

c) *Manager Meetings:*

Attucks Asset Management

Attucks Asset Management reached out to StanCERA to present their proposed portfolio reallocation to the small cap value equity portfolio they manage for the plan. There are currently four sub managers in the Attucks portfolio. Because of recent key person departures at Walthausen, they will be terminated from the portfolio and replaced with another high conviction manager selected by Attucks. Walthausen has been a part of the portfolio for 14 years and has performed very well during that time. Phocas Financial Corporation was selected to replace Walthausen. They are a small cap value equity manager based in Alameda, CA with approximately \$743 Million in AUM. The fund StanCERA will be investing in follows a quantitative analysis method followed up by qualitative assessments including quality of management, governance, and industry analysis. Phocas should add additional diversification to the program given their thorough analyst coverage of each sector. Staff and NEPC have no issue with the proposed reallocation to Phocas from Walthausen.

Dodge & Cox

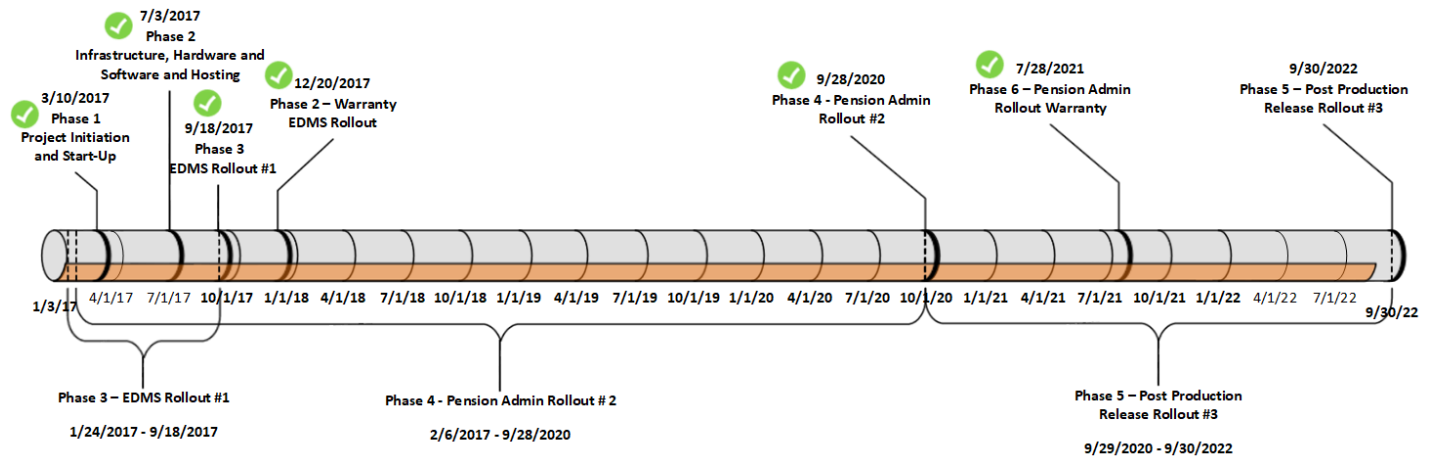
Staff met with the Dodge & Cox Stock Fund portfolio manager for StanCERA's account. As mentioned in prior meeting notes, StanCERA has a long relationship with the Dodge & Cox and have invested in their Stock fund since at least 1973. The fund is an important part of our domestic equity program. They follow a value investing style driven by individual security fundamental analysis and research. Dodge & Cox has a stable history with a well-developed recruitment and retention plan that leads to long-tenured employees and smooth secession planning. The investment committee team for the Stock fund had no turnover this year. Fund performance, performance attribution and portfolio structure were covered. The fund benefited from the relative overweight to the energy and information technology sector and stock selection within those sectors also generated positive performance. Communication services was a key detractor to the fund. The Stock fund finished slightly behind the Russell 1000 Value benchmark for the one year ending June 30, 2022 but has performed well year to date and over longer-term periods as well. Recession concerns and current portfolio purchases and sales were also discussed.

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

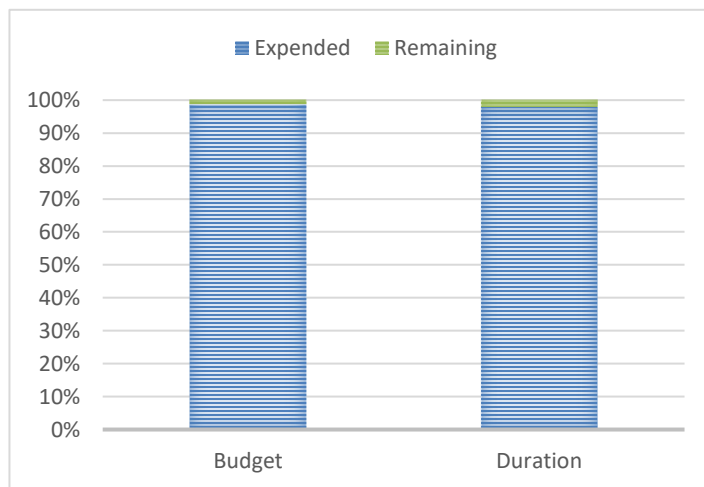
PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE



SPONSOR: Rick Santos **REPORT DATE:** 08-19-2022



Baseline 12/01/2016 **STATUS**



Linea Budget as of 07/31/2022

Risks & Issues:

There are currently not any significant project risks or issues. The project team is working to close out the formal project.

The project team continues monitoring the following:

- City of Ceres transmittal file changes.
- StanRTA may develop a transmittal file.

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

StanRTA has indicated they may implement a transmittal upload file as part of a new payroll system implementation.

Accomplishments:

- The project team continued work on functionality planned for the final project release, R30, including the Member Web Portal and Benefit Adjustment Workflow.
- The Project Planning Working Group continued to work toward closure of all initial project requirements.

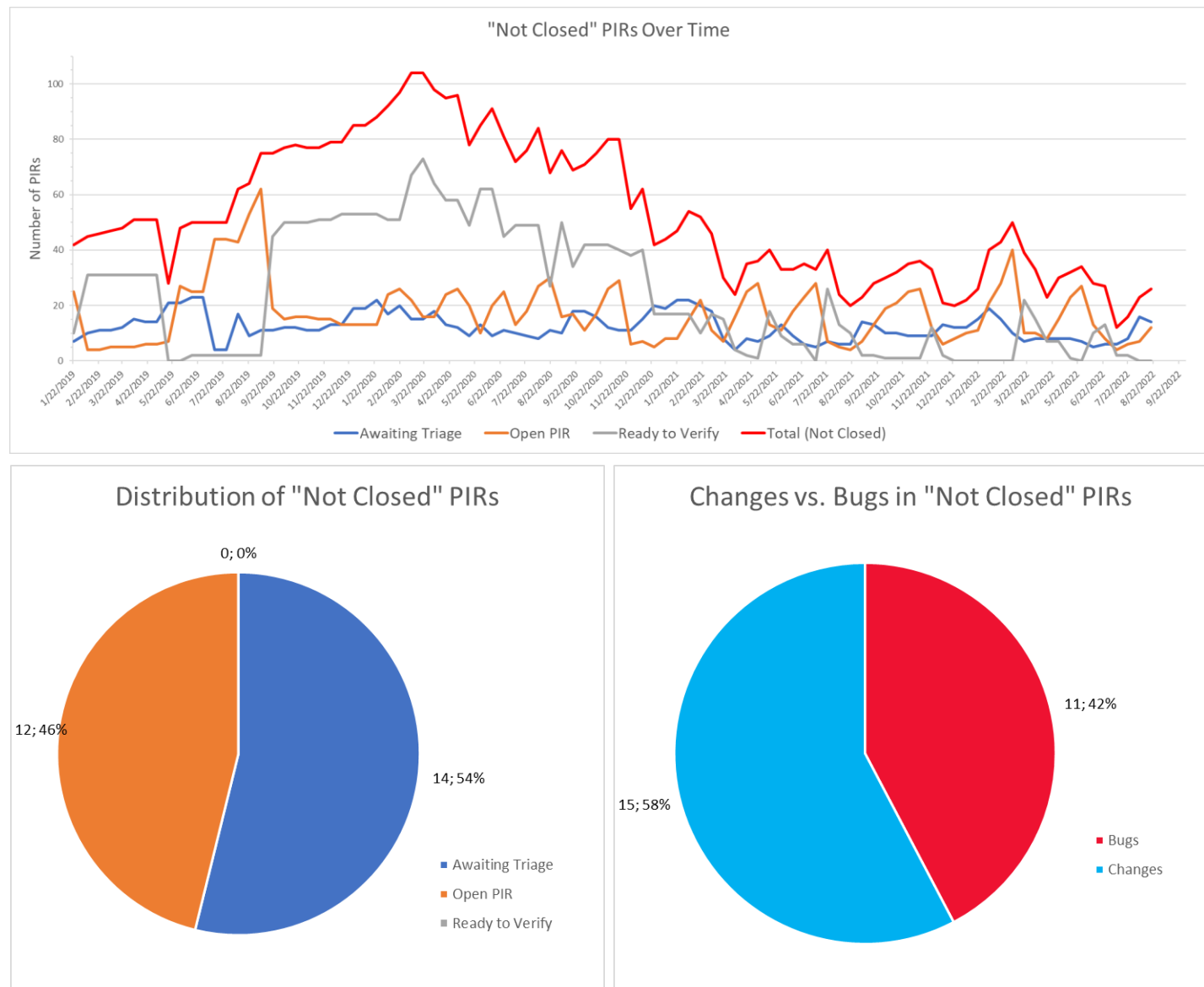
Upcoming:

- Completion of design sessions and further testing of new Member Web Portal features, plus planning for Portal rollout process and user registrations.
- The Project Planning Working Group will complete review and closure of all initial project requirements.
- Release R30 to UAT is planned for September 16, 2022.

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 (BSR081, BSR106).
- 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



August 23, 2022

Retirement Board Agenda Item

TO: Retirement Board

FROM: Stan Conwell, Retirement Investment Officer

I. SUBJECT: Sixth Street TAO Global Fund Commitment

II. ITEM NUMBER:9.a

III. ITEM TYPE: Discussion and Action

IV. STAFF RECOMMENDATION:

Allocate \$20 Million to Sixth Street TAO Global and authorize staff to negotiate and execute the final contract.

V. ANALYSIS:

The Sixth Street TAO Global fund is presenting to the Board today because it is only offered as an evergreen fund. An evergreen fund is an open-end fund, and StanCERA's Private Markets Investment Policy requires formal Board approval for all open-end funds. While the investment vehicle structure is an important consideration, so is the manager's ability to generate attractive risk-adjusted returns. A brief summary of Sixth Street and their capabilities are provided below.

Sixth Street is a global alternative investment firm founded in 2009 by a partner group spun out of Goldman Sachs' special situations group. The firm manages approximately \$60 Billion in assets and is led by 27 partners and has about 380 employees including 180 investment professionals. The TAO global fund is the flagship private credit fund at Sixth Street and is the largest strategy they offer and is meant to provide highly diversified exposure to the broader Sixth Street investment platform. TAO global is expected to follow a thematic investment approach and maintain an opportunistic and flexible strategy meant to invest in the best ideas without forcing an allocation to those segments when market conditions are out of favor.

The TAO global fund began in 2011 and has generated a good track record with a very low loss ratio demonstrating a strong focus on downside protection. Sixth Street has developed ten investment platforms that are expected to be represented in the TAO portfolio. These ten platforms include: Opportunities (Special Situations), Growth, Infrastructure, Fundamental Strategies, Specialty Lending, Credit Market Strategies, Structured Products, Insurance solutions, Agriculture, Adjacencies. The TAO partners that manage the fund have an average of 22 years of industry experience with most partners having worked together since Sixth Street was founded.

Given Sixth Street's broad investment platform, experienced team, and good track record with a focus on downside protection, Verus and Staff recommend a \$20 Million commitment to Sixth Street TAO Global fund. A \$20 Million commitment is in line with the most recent private credit pacing plan.

VI. RISK: None

VII. STRATEGIC PLAN: N/A

VIII. ADMINISTRATIVE BUDGET IMPACT: None

August 23, 2022

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director
Stan Conwell, Retirement Investment Officer

- I. SUBJECT: Annual Funding Plan for the Liquidity Shortfall Portfolio
- II. ITEM NUMBER: 9.b
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: N/A
- V. ANALYSIS:

Background

StanCERA follows a functionally focused investment policy. This policy divides the portfolio into three functional sub-portfolios: liquidity, growth, and diversifying. Each sub-portfolio addresses a separate objective of StanCERA's investment program. The liquidity sub-portfolio provides liquidity to meet current retiree benefit payments in a timely and efficient manner, the growth sub-portfolio seeks to provide long-term growth to meet future retiree payments and, the diversifying sub-portfolio is intended to offset some of the risks in the growth sub-portfolio. While the three sub-portfolios are aligned with the investment objectives individually, collectively they allow the investment program to provide appropriate risk and return characteristics to meet the overall objectives of StanCERA.

The liquidity sub-portfolio acts as a drawdown vehicle during the year and needs to be replenished annually. An annual funding plan is provided by staff on how best to replenish the liquidity sub-portfolio. In conjunction with the annual funding plan, the investment consultant, NEPC, will provide a review of the current capital market assumptions to the board and if necessary, recommend changes to the asset allocation. Last month, NEPC, did not recommend any changes to the strategic asset allocation targets.

Liquidity Sub-Portfolio Sizing

The liquidity sub-portfolio is composed of the cash-flow matched bond fund as well as a 1% strategic target to cash. The cash-flow matched bond portfolio, managed by Insight Investment, has a target measured in dollars rather than a fixed percentage of the total fund. The size of the cash-flow matched bond portfolio will vary based on the number of years of cash shortfalls that need to be funded and the current interest rates. The amount of cash shortfalls to fund is currently set to six years. The current market value of the cash-flow matched bond portfolio is \$127,534,620. Approximately \$97.2 Million will need to be added to the cash-flow matched bond portfolio to maintain 6 years of cash shortfalls. Part of the reason for this amount is simply due to the replenishment of the 6th year, which

occurs naturally every year. Overall, the amount of capital needed to fund 6 years of shortfalls has increased this year because of the downward trend in employer contribution rates. This downward trend in contribution rates, however, is offset somewhat by an overall increase in interest rates which ultimately lowers the cost to insure StanCERA's shortfalls. Finally, beginning with this valuation, StanCERA will reach out to its actuary each July for revised rate projections that incorporate the prior fiscal year return. In the past, staff has always used the rate projections from the previous actuarial valuation which do not incorporate the most recent investment returns (i.e. StanCERA now knows that its return for fiscal year 2021-2022 was approximately -7.5% which was not included in last year's actuarial valuation). As a percentage of the portfolio, the allocation to the liquidity sub-portfolio is estimated to change from 7% of the total fund to 8.5% of the total fund.

Rebalance plan

With the recent rally in the public markets, there are a few areas of the portfolio that are overweight their policy targets. We can redeem out of those funds to replenish the liquidity sub-portfolio. The Graham Proprietary Matrix fund has performed very well since we first funded it last November and is a good place to redeem capital. StanCERA's strategic cash allocation, the BlackRock US Real Estate fund, and domestic large cap equities, including the Dodge and Cox stock fund, are all currently overweight and will make up the rest of the funds needed to rebalance into the liquidity sub-portfolio. The proposed rebalance plan is detailed below:

From			To		
Manager	Asset Class	Amount	Manager	Asset Class	Amount
Graham Proprietary Matrix	Liquid Absolute Return	-\$14,000,000	Insight Investment	Short-term Bonds	\$97,210,933
BlackRock US Real Estate	Public Equity	-\$30,000,000			
BlackRock Russell 1000 Growth	Public Equity	-\$6,000,000			
Dodge & Cox Stock Fund	Public Equity	-\$14,000,000			
NT Russell 3000 Fund	Public Equity	-\$12,000,000			
StanCERA Cash	Cash	-\$21,210,933			

Summary

StanCERA's investment policy requires staff to provide an annual funding plan to the Board every year to replenish the liquidity sub-portfolio. The investment consultant will also review the current capital market assumptions with the Board and recommend asset allocation changes if needed. The cash-flow matched bond portfolio within the liquidity sub-portfolio is measured in dollars rather than a target percentage of the total fund. \$97.2 Million will be added to the liquidity sub-portfolio from other areas of the portfolio that are currently overweight their policy targets.

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