

AGENDA
REGULAR BOARD MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA

April 14, 2021 – 9:00 a.m.

This meeting will be held via videoconference pursuant to Executive Order N-25-20, issued by Governor Newsom on March 12, 2020, Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and Executive Order N-35-20, issued by Governor Newsom on March 21, 2020.

Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available on the [Watch & Attend Meetings](https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings) page of MCERA's website. Please visit <https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings> for more information.

The Board of Retirement encourages a respectful presentation of public views to the Board. The Board, staff and public are expected to be polite and courteous, and refrain from questioning the character or motives of others. Please help create an atmosphere of respect during Board meetings.

EVENT CALENDAR 9 a.m. Regular Board Meeting

CALL TO ORDER

ROLL CALL

MINUTES

March 3, 2021 Board meeting

March 17, 2021 Investment Committee meeting

A. OPEN TIME FOR PUBLIC EXPRESSION

Note: The public may also address the Board regarding any agenda item when the Board considers the item.

Open time for public expression, from three to five minutes per speaker, on items not on the Board Agenda. While members of the public are welcome to address the Board during this time on matters within the Board's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

b. Staffing Update

c. Facility Use Report

d. Future Meetings

- April 21, 2021 Governance Committee
- April 27-28, 2021 Strategic Workshop
- May 5, 2021 Board

2. Standing Committee Reports

a. Finance and Risk Management Committee

1. Administrative Budget Fiscal Year 2020/21 Quarterly Review

Consider and review expenses for quarter ending December 31, 2020

2. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarter

3. Quarterly Checklist

Consider, review and updates on the following:

- a. MCERA educational and event-related expenses
- b. Continuing Trustee Education Log
- c. Other expenses per Checklist Guidelines
- d. Variances in the MCERA administrative budget in excess of 10%
- e. Vendor services provided to MCERA
- f. MCERA staffing status
- g. Internal controls, compliance activities and capital calls
- h. Audits, examinations, investigations or inquiries from governmental agencies
- i. Other items from the Administrator related to risk and finance

4. Custodial Services Request for Proposal Update

Update on candidates for custodial service provider

5. Budget Priorities for Fiscal Year 2021/22 (Action)

Consider and take possible action on recommendation to adopt budget priorities for fiscal year 2021/22

6. Annual Audit of Financial Statements Update

Update on audit process

b. Audit Committee

1. Annual Financial Audit Scope of Services & Process – Rosalva Flores, Brown Armstrong

Consider and discuss annual financial audit processes

2. Audit Committee 2021 Audit Schedule - Rosalva Flores, Partner, Brown Armstrong
Review and discuss schedule of audit activities for 2021

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

b. Other Comments

C. DISABILITY CONSENT AGENDA (TIME CERTAIN: 10:00 a.m.) (Action)

Any item that a Board member requests be pulled from the Disability Consent Agenda will be considered in Closed Session under the authority of Government Code section 54957(b), unless the applicant specifically waives confidentiality and requests that their application be considered in Open Session.

1. Gary Siegel Service-connected Marin County Sheriff

Adopt Administrative Recommendation to adopt Administrative Law Judge's proposed findings of fact and recommended decision to grant service-connected disability retirement application.

D. NEW BUSINESS

1. SACRS Voting Delegate (Action)

Select delegate and alternate delegate to vote on MCERA's behalf at the 2021 SACRS business meeting May 14, 2021

2. SACRS Business Meeting Agenda and Action Items (Action)

Consider and discuss items on the business meeting agenda that will be voted on by SACRS member systems and provide direction to the MCERA Voting Delegate

3. Future Meetings

Consider and discuss agenda items for future meetings.

E. OTHER INFORMATION

1. Training Calendar (Action)

F. CONSENT CALENDAR (Action)

Note on Process: Items designated for information are appropriate for Board action if the Board wishes to take action. Any agenda item from a properly noticed Committee meeting held prior to this Board meeting may be considered by the Board.

Note on Voting: As provided by statute, the Alternate Safety Member votes in the absence of the Elected General or Safety Member, and in the absence of both the Retired and Alternate Retired Members. The Alternate Retired Member votes in the absence of the Elected Retired Member. If both Elected General Members, or the Safety Member and an Elected General Member, are absent, then the Elected Alternate Retired Member may vote in place of one absent Elected General Member.



Agenda material is provided upon request. Requests may be submitted by email to MCERABoard@marincounty.org, or by phone at (415) 473-6147.

MCERA is committed to assuring that its public meetings are accessible to persons with disabilities. If you are a person with a disability and require an accommodation to participate in a County program, service, or activity, requests may be made by calling (415) 473-4381 (Voice), Dial 711 for CA Relay, or by email at least five business days in advance of the event. We will do our best to fulfill requests received with less than five business days' notice. Copies of documents are available in alternative formats upon request.

The agenda is available on the Internet at <http://www.mcera.org>

For consideration at April Board meeting

MINUTES

REGULAR BOARD MEETING

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

**One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA**

March 3, 2021 – 9:00 a.m.

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EVENT CALENDAR

9 a.m. Regular Board Meeting

CALL TO ORDER

Chair Silberstein called the meeting to order at 9:03 a.m.

ROLL CALL

PRESENT: Block, Given, Gladstern, Jones (alternate retired), Klein, Murphy, Poirier (alternate safety), Shaw (ex officio alternate), Silberstein, Thomas, Werby

ABSENT: Cooper

MINUTES

It was M/S Given/Thomas to approve the February 10, 2021 Board Meeting Minutes as submitted. The motion was approved by a vote of 9-0 as follows:

AYES: Block, Given, Gladstern, Klein, Murphy, Poirier, Silberstein, Thomas, Werby

NOES: None

ABSTAIN: None

ABSENT: Cooper

A. OPEN TIME FOR PUBLIC EXPRESSION

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taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

No members of the public provided comment.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Retirement Administrator Jeff Wickman reported that Marin County has established a point of distribution center at the Marin Center for the COVID-19 vaccine. All departments have been asked to help staff the effort for the month of March. Many MCERA team members have volunteered and will be working each day the operation is running during the month of March.

The Administrator and the Clerk to the Board were provided training last week on the new Institutional Shareholder Services (ISS) proxy voting platform. The platform allows for customizing ISS reports for the Governance Committee in a straightforward process. In addition alerts will be set up for specific proxy voting issues.

All construction at One McInnis is complete and the focus is on leasing Suites 150/175. Mr. Wickman and Scott Pritchard from Woodmont met with the brokers to get an idea of the current marketplace. Regular meetings with the broker will be held to get updates on all the leasing activities.

The CalAPRS General Assembly will be held half-days on Monday and Tuesday, March 8 and 9, with several trustees and the Administrator attending.

b. Staffing Update

Crystal Martinez, Benefits Technician, will be leaving to take a position as an Aide with the Board of Supervisors. Mr. Wickman said Crystal has been a valuable member of the benefits team and performing important work that will need to be reassigned within the benefits team.

c. Facility Use Report

No facility use in the period.

d. Future Meetings

- March 17, 2021 Investment Committee
- March 24, 2021 Finance and Risk Management Committee
- April 7, 2021 Audit Committee
- April 14, 2021 Board

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Mr. Wickman attended the CalAPRS Administrators' Round Table where discussions continued to be focused on how County systems are implementing the *Alameda* court decision. He indicated that some systems reported lowering investment return assumptions and others will be revisiting their assumptions in 2021. One CalAPRS member system reported triple the number of retirements than normal due to a retirement incentive program instituted by its plan sponsor.

The Administrator observed that a presentation on Form 700 filing requirements was similar to Counsel Dunning's Form 700 presentation at the February Board meeting. Mr. Wickman reported he serves on a newly formed subcommittee of the CalAPRS Board focusing on the how to expand diversity and inclusion within CalAPRS. Finally, Mr. Wickman noted that some systems had provided some creative training for their team members during the current pandemic. This included training sessions by Red Cross and Hospice which focused on how to support members who are going through stressful situations.

Ashley Dunning, Board Counsel, said the CalAPRS Attorneys' Round Table was well attended. There was a discussion on recent felony forfeiture cases that have been decided in terms of upholding the constitutionality of the PEPRA felony forfeiture statute. The focus is on making sure retirement systems have good due processes in place to handle these matters. MCERA has a related policy that complies with the process requirements the court talked about. The next topic was on the San Diego City Employees' Retirement System (SDCERS) and a local initiative, Proposition B, to close the defined benefit plan to everyone except for police officers. A challenge to this Proposition was upheld by the California Supreme Court, and a subsequent superior court decision invalidated the entire initiative. This decision will have impacts for other retirement systems if they share reciprocal members who came from the City of San Diego and are retroactively enrolled in that retirement system as a result of the invalidation of Proposition B. The next topic was about helping public retirement systems assess whether general partners are complying with the terms of investment agreements.

At the Round Table, Ms. Dunning and her Nossaman Partner Peter Mixon also discussed how a number of CERL systems are implementing PEPRA pay items as a result of the *Alameda* decision. Another discussion was the recent Court decision in the *Marquez* case. In this case the member was not eligible for a disability retirement due to the nature of the alleged injury. Because the case was not published, MCERA along with other CERL systems requested that it be published, but the court declined to do so. The group also discussed Form 700 compliance issues.

Michelle Hardesty, Assistant Retirement Administrator, reported benefit team members David Sousa, Todd Miller, and Crystal Martinez attended the CalAPRS Benefits Round Table. Ms. Hardesty said attendees highlighted a CalPERS presentation on how to access the My CalPERS website to obtain reciprocal member information. Ms.

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Hardesty stated this will be a much more efficient process for MCERA to receive validations for member reciprocity. There were lengthy discussions from pension systems having to adapt their processes as a result of the *Alameda* decision. Another discussion was about members' ability to terminate after 5 years of service, go to deferred status, and then after 10 years, retire. This has been in practice at MCERA, Ms. Hardesty said, and the discussion validated MCERA's current procedures.

Other topics including decedent processing and death audit reports. MCERA uses PBI Research Services for death audit reports, which ensures there are few month-of-death recovery overpayments. MCERA remains one of the few systems that is open to the public; most systems operate under COVID-19 stay-at-home orders and work remotely using technology to deliver services.

b. Other Comments

No other comments.

C. DISABILITY CONSENT AGENDA (TIME CERTAIN: 9:30 a.m.) (Action)

Any item that a Board member requests be pulled from the Disability Consent Agenda will be considered in Closed Session under the authority of Government Code section 54957(b), unless the applicant specifically waives confidentiality and requests that their application be considered in Open Session.

1. Cary Gloeckner Service-connected Southern Marin Fire District

Adopt Administrative Recommendation to grant service-connected disability retirement application.

Trustee Werby asked about the service time for the applicant. In response Mr. Wickman explained that Mr. Gloeckner has 6.61 years of service with MCERA and over 19 years of service with the Sausalito Fire District (Sausalito) before Sausalito merged with the Southern Marin Fire District. Trustee Thomas asked about the sub rosa investigation which Mr. Wickman said was one of the tools staff can use if there are questions about whether a permanent incapacity exist.

It was M/S Werby/Murphy to adopt the Administrative Recommendation to grant Cary Gloeckner's service-connected disability retirement application and the January 27, 2019 adjusted retirement date. The motion was approved by a vote of 9-0 as follows:

AYES: Block, Given, Jones, Klein, Murphy, Poirier, Silberstein, Thomas, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper, Gladstern

D. NEW BUSINESS

1. **Retirement Administrator Business Objectives (2020-2021) (Action)**

Receive and potentially confirm 2020-2021 Business Objectives for Retirement Administrator and receive and file Q1 update on same.

For consideration at April Board meeting

Mr. Wickman presented revised Business Objectives for 2020-2021 based on feedback he received from the Board during his mid-year evaluation.

In Benefit Administration additional details are provided on the employer audit process. There were no changes in Business Management. The biggest change was in the Investments area to add more information on activities related to onboarding new investment managers hired during the year and proxy voting. Under Communications and Education and Finance and Accounting there were no significant changes. In Human Resource Management there is added detail about implementing remote work and the COVID-19-specific site plan that was implemented when the MCERA office re-opened last June. The Administrator stated managing the combination of remote and in-person work is going well for all our team members. He said remote access will continue to be a business tool for MCERA in the future. This involves providing resources for those working remotely such as ergonomic setups, including chairs, computers, and monitors where necessary, and performing ergonomic assessments for home offices.

It was M/S Block/Murphy to confirm 2020-2021 Business Objectives for the Retirement Administrator and receive and file the first quarter update on same. The motion was approved by a vote of 9-0 as follows:

AYES: Block, Given, Gladstern, Klein, Murphy, Poirier, Silberstein, Thomas, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper

2. Future Meetings

Consider and discuss agenda items for future meetings.

No discussion.

E. OTHER INFORMATION

1. Training Calendar (Action)

It was M/S Murphy/Given to approve the Training Calendar as submitted. The motion was approved by a vote of 9-0 as follows:

AYES: Block, Given, Gladstern, Klein, Murphy, Poirier, Silberstein, Thomas, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper

F. CONSENT CALENDAR (Action)

It was M/S Gladstern/Murphy to approve the Consent Calendar as submitted. The motion was approved by a vote of 9-0 as follows:

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AYES: Block, Given, Gladstern, Klein, Murphy, Poirier, Silberstein, Thomas, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, March 3, 2021

February 2021

RETURN OF CONTRIBUTIONS

Allison Gervais	Full Refund - Termination	\$ 10,977.05
Crystal Kubala	Full Refund - Termination	\$ 53,168.79
Kristopher Neumann	Full Refund - Termination	\$ 2,882.38
Isobel Shaw	Full Refund - Termination	\$ 29,113.09

BUYBACKS

Thomas Vella	\$ 8,635.34
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NEW RETIREES

William Hernandez	County of Marin - Sheriff/Coroner
Edward Hofeditz	County of Marin - Sheriff/Coroner
Robert Kray	County of Marin - Department of Finance
Dennis Leader	Marin County Superior Court
Livia Lewin	County of Marin - Library
Inge Lundegaard	County of Marin - Community Development
Janet Minkiewicz	Marin County Superior Court
Janice Myers	City of San Rafael
Ignacio Navarro	County of Marin - Sheriff/Coroner
Barry Silveira	County of Marin - DRO
Kenneth Zepponi	County of Marin - Public Works

DECEASED RETIREES

James Gold	County of Marin - Library
Beverly Groginsky	County of Marin - Library
Lois Lindstrom	County of Marin - Health & Human Services
Monica Patenaude	County of Marin - Probation
Sandra Shafer	County of Marin - Beneficiary
Odell Williams	County of Marin - Public Works

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There being no further business, Chair Silberstein adjourned the meeting at 9:45 a.m.

Jeff Wickman, Retirement Administrator

On behalf of:
Steve Silberstein, Board Chair

Michelle Hardesty, Assistant Retirement Administrator

On behalf of:
Laurie Murphy, Secretary

DRAFT

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MINUTES

INVESTMENT COMMITTEE MEETING MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

**One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA**

March 17, 2021 – 9:00 a.m.

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CALL TO ORDER

Chair Klein called the meeting to order at 9:03 a.m.

ROLL CALL

PRESENT: Block, Given, Gladstern, Jones (alternate retired), Klein, Murphy, Poirier (alternate safety), Shaw (ex officio alternate), Silberstein, Thomas, Werby

ABSENT: Cooper

A. OPEN TIME FOR PUBLIC EXPRESSION

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No members of the public provided comment.

For consideration at April Board meeting

B. MANAGER REPORTS

1. Manager Overview – Jim Callahan, Callan LLC

Jim Callahan, President of Callan LLC, introduced the portfolio review for the TimesSquare International Small Cap Equity portfolio.

2. TimesSquare – International Small Cap Equity – Magnus Larsson, Jenny Chou

Jenny Chou, Senior Vice President and Product Manager with TimesSquare, introduced Magnus Larsson, Director and Portfolio Manager, for the international small cap equity portfolio review. Mr. Larsson stated TimesSquare specializes in the mid to small cap international equity space focusing on European small caps, with analysts specializing in remaining global markets. For Calendar year 2020, the TimesSquare international small cap equity portfolio returned 13.87% versus 12.34% for the EAFE Small Cap Index.

Mr. Larsson stated in assessing potential investments the focus is on consistent profitability, return on assets, and cash flow. Sustainable competitive advantage and good governance are additional important factors. For example, management should be aligned with shareholder interests, including pay that is commensurate with return.

Mr. Larsson reported that the average earnings growth per year for the approximately 75 portfolio holdings exceeds 20%. Turnover is approximately 40% per year. The portfolio is diversified across industries and geographically, with Japan being the strongest area of performance. The sell discipline is based on one or more objectives not being met.

Consumer spending is a current theme for investments, and the investment team capitalizes on market dislocations to improve the quality of the portfolio. In conclusion, Mr. Larsson stated the team is mindful of certain fundamental changes to economies around the world created by the pandemic. He said technology will increase efficiency and level access to education and knowledge.

C. NEW BUSINESS

1. Emerging Markets Manager Candidates (Action) – Jim Callahan, Alex Hoy, Callan LLC

Consider, discuss, and take possible action regarding potential candidates for managing the emerging markets portfolio

Mr. Callahan said Callan initiated a search for emerging markets equity managers following the direction of the Investment Committee. After quantitative and qualitative screens are used to narrow the list of candidates, specialists at Callan present the information to the Manager Search Committee which assesses candidates to form a final list to consider. Trustee Gladstern asked which candidates have a business relationship with Callan. Mr. Callahan said Artisan is not a Callan client, but the other four candidates are clients. Mr. Callahan introduced Alex Hoy, Vice President with the Global Research team, to review the emerging markets manager candidates.

Mr. Hoy compared types of emerging market strategies among the candidates. He distinguished the AQR Capital Management Emerging Markets Equity and the BlackRock Systematic Active Emerging Markets Alpha Tilts strategies as quantitative strategies as opposed to fundamental strategies. The AQR strategy is both top down and bottom up.

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The focus is on value and momentum, with a risk budget for stock, country, and currency selection.

The Artisan Partners Limited Partnership Sustainable Emerging Markets strategy focuses on bottom up analysis of companies with sustainable earnings and business models. Each company is assessed on Environmental-Social-Governance (ESG) factors. Artisan's is an all-cap strategy with a growth tilt that is historically underweight to China due to ESG concerns. Mr. Hoy stated the strategy has outperformed the benchmark MSCI Emerging Markets Index in each of the last six years. Attention to country risk has benefited returns.

The BlackRock strategy has robust risk management and achieves a high information ratio by combining top-down and bottom-up models, big data, and ESG factors. Mr. Hoy said the resulting portfolio is a risk-controlled, diversified portfolio with a low tracking error relative to the index.

The Fidelity Institutional Asset Management Select Emerging Equity strategy is based on both quantitative and fundamental analysis. Companies are rated according to fundamental factors and then quantitative factors optimize risk relative to the benchmark. The result is a core portfolio with a growth tilt.

The Wellington Management Company Emerging Markets Research Equity strategy employs bottom up research. The result is a sector and style neutral portfolio relative to the benchmark. Small caps are included at 5% of the portfolio. There is also a new Core vehicle that does not include small caps.

Mr. Hoy presented a list of investment fees for the candidates ranging from 0.60% to 0.76%. Artisan and Wellington are offering founders' fees, and BlackRock offers a performance-based fee. Mr. Callahan clarified Marin is still being offered the founders' fee for the Artisan portfolio. Trustee Werby asked how the performance fee works and Mr. Hoy replied it is performance relative to the benchmark.

Mr. Hoy stated the Artisan, Fidelity, and Wellington emerging markets strategies have outperformed over longer terms due to their growth tilt. Mr. Hoy reviewed up and down market capture for each strategy and compared returns during rising or declining market periods. He pointed out that quantitative strategies such as AQR lag during volatile market periods.

Trustee Silberstein was excused from the meeting at 10:14 a.m.

Trustee Gladstern inquired about the exposure to China in each strategy. In response Mr. Hoy stated the AQR strategy is overweight to China. The Artisan strategy is under-weight to China due to its ESG focus. BlackRock, Fidelity, and Wellington strategies are benchmark neutral to China. Chair Klein noted China is about 40% of the benchmark MSCI Emerging Markets Index. Mr. Callahan noted MCERA's current China exposure is considerably lower than the benchmark by design.

Trustee Gladstern observed that the Artisan, Fidelity, and Wellington strategies stand out as having better returns over 7 to 9 years. Chair Klein supported this view.

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Trustee Werby made a motion to interview Artisan Partners Limited Partnership, Fidelity Institutional Asset Management, and Wellington Management Company regarding their emerging markets strategies.

Trustee Block noted the potential candidates represent many different styles, including quantitative, and there is potential for using more than one manager. In response, Mr. Callahan discouraged the idea of picking multiple managers because the search was based on having a stand-alone manager for emerging markets. If the Committee is considering Wellington, he recommended interviewing both of Wellington's emerging markets strategies.

Trustee Gladstern seconded the motion, and the motion was approved by a vote of 8-0 as follows:

AYES: Block, Given, Gladstern, Klein, Murphy, Poirier, Thomas, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper, Silberstein

2. Capital Markets Projections and Asset Allocation Review – Jay Kloepper, Callan LLC

Mr. Callahan stated Callan will conduct a full Asset/Liability study which will be presented later this year. He introduced Jay Kloepper, Executive Vice President and Director of Capital Markets Research, to review the new capital market assumptions for the next ten years for major asset classes. Mr. Kloepper began by noting that Callan updates their ten-year capital market projections each year.

Mr. Kloepper noted last year's recession was the biggest in 75 years, a significant event that informed Callan's assessment of capital market projections. Callan lowered the inflation expectation to 2% and set the expected cash return at 1%. The core fixed income expected return is 1.75%, and the expected domestic equity return is near 6.5%. Other projected returns are 6.80% for global ex-U.S. equity, 8.00% for private equity, and 5.55% for real assets.

Mr. Kloepper reported early in 2020 the equity market declined 33% in a short time frame, bottoming in March 2020. Since then the market made a strong recovery. As of December 31, 2020, the 10 year return is 14% for the S&P 500, 7.64% for international equity, 4.44% for fixed income, over 8% for real estate, and close to 14% for private equity. Mr. Kloepper pointed out the 1.5 Sharpe ratio for the S&P 500 over the past 10 years was exceptional.

Mr. Kloepper said the growth forecast for U.S. markets is high for 2021 but GDP is expected to be subdued going forward, from 2 to 2.5%. He noted the U.S. personal savings rate is unusually high, as is cash as a percent of equity market capitalization. During 2020 stock market returns were widely dispersed and sector concentration peaked to 56.27%. Mr. Kloepper pointed out there are still 10 million lost jobs and he does not expect full recovery until 2022. Investors are looking past negative earnings for the S&P 500 in 2020, Mr. Kloepper said, and pricing in recovery. During 2021 earnings are

For consideration at April Board meeting

projected to be very strong at over 20%. He cautioned that fewer numbers of equities in the public markets is a headwind to returns going forward.

Mr. Kloepper presented projected returns for a range of efficient mixes of major asset classes. Mixes 1 through 5 have increasing percentages of equity and decreasing percentages of fixed income. Mix 3 represents the current portfolio with a projected return of 6.0%. Mr. Kloepper pointed out that even Mix 5 is not projected to reach MCERA's assumed rate of return of 6.75%. Ranges of projected returns over the next 10 years were presented. Mr. Kloepper suggested thinking longer term to reach the return objective instead of adding risk to the portfolio given current market conditions and expectations. Mr. Kloepper pointed out the wide variation in asset returns over the past 30 years.

Trustee Block said it would be interesting to understand how the 10-year expected returns turned out. In response Mr. Kloepper said on a total portfolio basis Callan's capital market projections have been reasonable, within one standard deviation, over historical ten year periods. Mr. Callahan said Jay is building a presentation for the April Strategic Workshop that includes this information.

Trustee Werby asked, since there is a 43% chance of hitting the 6.0% target return for Mix 3, if the 50% chance mix should be used. Mr. Kloepper replied no as there is still a reasonable chance of reaching the 6.75% return over 10 to 30 years. Mr. Callahan said the 10-year capital market projections are useful to set asset allocations but need not correlate with the discount rate. Mr. Wickman observed that over the next 10 years new annual capital market projections and three new Experience Studies will allow for the opportunity to adjust assets or assumptions along the way.

3. Investment Manager Personnel Updates

a. Colchester Global Investors

Anne Heaphy, Vice President with Callan, reported Vi-Minh Tran was added as a Senior Investment Officer to the Colchester investment team. Mr. Tran will focus on Asian markets which is his expertise.

b. UBS Realty Investors LLC

UBS Realty Investors added Portfolio Manager Jason Lewis to its investment team. Mr. Lewis' responsibilities include asset management, strategy, and dispositions. UBS has an \$8 billion exit queue and distributed about \$300 million last year. As market activity has picked up this year, distributions have increased. UBS is retaining long-term strategic assets and has about \$4 billion in assets remaining for disposition in retail, office, and multi-family properties.

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D. INVESTMENT CONSULTANT QUARTERLY REPORT

1. Summary Report as of December 31, 2020

Ms. Heaphy reported the total Fund value was \$2.9 billion as of December 31, 2020. The net-of-fee return for the quarter was 9.47% and for the calendar year, 12.84%. The Fund ranks in the top quartile of peers. The fiscal year-to-date return for the Fund is 15.9% net of fees as of December 31, 2020.

In the real estate portfolio rent collections have been strong for recent quarters and appreciation challenged. As of December 31, 2020 the domestic equity portfolio was up 17.85% net of fees for the year, slightly trailing the target, with small caps outperforming large caps in the 4th quarter. The international equity portfolio returned 10.8% net of fees for the past year, trailing the benchmark modestly. The Parametric emerging markets underweight to China detracted from performance for the calendar year.

The fixed income portfolio returned 11.5% net of fees for the past year, and all fixed income managers outperformed their benchmarks. In the real estate portfolio, UBS continues to struggle with asset dispositions which is affecting appreciation returns. Both UBS and AEW have strong income returns and MCERA is now receiving dividends from both real estate portfolios.

In the real asset portfolio, the BlackRock U.S. Treasury Inflation-Protected Securities (TIPS) portfolio returned 11.2% for the year; REITs had a challenging year and were down over 11% for the year. Both the Invesco commodities and KBIGI global resources portfolios had strong performance for the year.

As of September 30, 2020 the private equity program is 89% paid in. Distributions of \$261 million have been received and the Net Asset Value is \$333 million, resulting in a total value of \$594 million for the private equity program. The Total Value to Paid In capital (TVPI) is 1.67, ranking in the second quartile of the Thomson-Cambridge Private Equity Database, and the net Internal Rate of Return (IRR) is 13.7%.

2. Flash Performance Update

Ms. Heaphy reported on fiscal year net-of-fee returns from July 1, 2020 through February 28, 2021. The Dimensional small cap core portfolio returned 53.3% and the State Street Global Advisors S&P 500, 24.2%. The international equity portfolio return of 20% trailed the benchmark. Real assets returned 28.85% and the fixed income portfolio outperformed the benchmark with a return of 2.6%. The Total Fund returned 17.8% net of fees for the fiscal year to date, and the Fund value is over \$3 billion.

There being no further business, Chair Klein adjourned the meeting at 11:46 a.m.

Jeff Wickman
Retirement Administrator

Michelle Hardesty
Assistant Retirement Administrator

For consideration at April Board meeting

On behalf of:
Sara Klein
Investment Committee Chair

On behalf of:
Jeff Wickman
Retirement Administrator

DRAFT

B.1 Administrator's Report

This is a discussion with no backup.

B.2.a.1

	FY 19/20 Actual Expenses	FY 20/21 Approved Budget	October	November	December	2nd Qtr. Total	Percentage of Budget used	Notes
<i>Salaries and Benefits</i>		26 PP	3 PP	2 PP	2 PP	7 PP		QTD - Quarter-to-Date SL - Straight Line WCI - Workers' Comp Ins SAA - Sr. Accounting Asst. FTE - Full Time Equivalent PP - Payperiod GF - General Fund AA - Accounting Asst.
Regular Staff Salaries	1,540,503	2,000,684	216,010	131,857	132,981	480,848	24.0%	QTD actual is 1.0% under the SL budget. There are 7 PPs this quarter. The 1 PP expense increase offsets MCERA staff vacancy savings.
Extra-Hire	0	0	0	0	0	0	0.0%	
Overtime	60	0	0	0	0	0	0.0%	
Employee Benefits	217,721	258,143	29,459	19,171	19,171	67,801	26.3%	
Retirement Benefits	292,963	427,995	39,908	26,043	26,092	92,043	21.5%	
Retirement Benefits - OPEB	164,193	196,750	16,286	10,555	10,577	37,418	19.0%	
Ret POB Debt Svc. Misc.	80,706	97,866	10,961	7,105	7,119	25,185	25.7%	
Auto Allowance	9,227	9,950	1,108	738	738	2,584	26.0%	
Unused Fringe Benefits	18,621	0	1,953	1,171	1,171	4,295	0.0%	
Workers Comp. Insurance	32,026	71,003	9,820	6,034	6,050	21,904	30.8%	This QTR did not receive a WC refund.
Medicare	22,456	28,612	3,127	1,907	1,923	6,957	24.3%	
Total Salaries and Benefits	2,378,476	3,091,003	328,632	204,581	205,822	739,035	23.9%	QTD actual is 1.1% under SL budget due to vacancies; offset by 1 additional PP this quarter.
<i>Services and Supplies</i>								
Professional Services	57,395	52,000	11,877	2,028	11,829	25,734	49.5%	QTD actual is 24.5% over the SL budget due to Brown Armstrong providing services, billing and receiving payment at \$21.2K or 43% of the annual \$49.0K contract.
Innovest - Retiree Payroll Processing	41,572	38,000	2,784	2,769	5,359	10,912	28.7%	
Records Retention	3,789	3,800	255	255	255	765	20.1%	
Bank Charges	2,770	6,000	1,742	0	554	2,296	38.3%	QTD actual is 13.3% over the SL budget due to the BoFA Bank Analysis fees trending higher. Budgeted at \$500 per month. Actual is averaging \$926 per month through Oct 2020 service period.
Insurance Premiums	76,599	77,000	0	0	0	0	0.0%	
Utilities (1 McInnis Owner Allocation)	171,484	191,090	31,898	0	31,848	63,746	33.4%	
Memberships & Dues	16,539	15,000	0	510	7,200	7,710	51.4%	QTD actual is 26.4% over the SL budget due to the one-time annual 2021 membership payments in Dec 2020 at (1) \$2.0K to CalAPRS and (2) \$5.0K to Council of Institutional Investors.
Subscriptions	7,136	7,500	192	1,169	101	1,462	19.5%	
Conferences/Training	18,974	26,000	100	200	7,310	7,610	29.3%	
Travel and Mileage	16,554	30,000	0	0	0	0	0.0%	
Document Reproduction Costs	32,771	32,200	1,819	1,873	3,542	7,234	22.5%	
Medical Examinations	9,263	12,000	148	0	0	148	1.2%	
Investigations	912	2,000	0	474	0	474	8.3%	Combined Investigations, Transcribing, Medical Record Review and Hearing utilization is trending lower than anticipated. Budgeted at \$49.3K per quarter.
Transcribing/Medical Record Review	96,614	130,000	37	1,866	4,114	6,017		
Hearings	48,555	65,000	1,125	239	8,427	9,791		
Board Election Fees	550	1,000	0	0	0	0	0.0%	
Board Remuneration (Gross Pay)	7,860	8,480	1,000	800	1,200	3,000	34.5%	
Board Payments (ER Liab., ADP & Bank fees)	2,045	2,120	278	169	208	655		
Office Expenses and Supplies	11,336	8,600	424	276	162	862	10.0%	QTD actual is 15.0% under the SL budget due to less department demand for Office Expense and Supplies.
Office Expenses - Phone	2,743	2,500	487	600	448	1,535	61.4%	QTD actual is 36.4% over the SL budget due to (1) 1 additional month's FY 20/21 service payment to become current and (2) \$300 of unbudgeted Staff phone allowance payments.
Electronic Supplies	10,268	5,300	106	562	0	668	12.6%	QTD actual is 12.4% under the SL budget due to less department demand for Electronic Supplies.
Ergonomic Supplies	0	1,000	0	54	0	54	5.4%	QTD actual is 19.6% under the SL budget due to less department demand for Ergonomic Supplies.
Office Supplies - Postage	1,439	2,000	113	63	106	282	14.1%	QTD actual is 10.9% under the SL budget due to less department demand for Office Supplies - Postage.
Miscellaneous - Food	6,612	8,000	0	0	0	0	0.0%	
Depreciation Expense	479,930	477,571	0	0	139,367	139,367	29.2%	Actual through December 2020.
Total Services and Supplies	1,123,710	1,204,161	54,385	13,907	222,030	290,322	24.1%	QTD actual is 0.9% under SL budget due to Services & Supplies category trending slightly lower than anticipated.
<i>Interdepartmental Charges</i>								
Telephone Charges	12,950	25,900	0	0	6,475	6,475	25.0%	QTD accrual at 25% of annual FY budget.
Cost Allocation Plan (Inter-fund Charges)	307,896	307,895	0	0	76,974	76,974	25.0%	QTD accrual at 25% of annual FY budget.
Total Interdepartmental Charges	320,846	333,795	0	0	83,449	83,449	25.0%	QTD accrual at 25% of annual FY budget.
TOTAL	3,823,032	4,628,959	383,017	218,488	511,301	1,112,806	24.0%	QTD actual is 1.0% under the SL budget.

B.2.a.1

	FY 19/20 Actual Expenses	FY 20/21 Approved Budget	1st Qtr. Total	2nd Qtr. Total	FYTD	Percentage of Budget used
<i>Salaries and Benefits</i>		26 PP	6 PP	7 PP	13 PP	
Regular Staff Salaries	1,540,503	2,000,684	432,856	480,848	913,704	45.7%
Extra-Hire	0	0	0	0	0	0.0%
Overtime	60	0	0	0	0	0.0%
Employee Benefits	217,721	258,143	69,170	67,801	136,971	53.1%
Retirement Benefits	292,963	427,995	85,674	92,043	177,717	41.5%
Retirement Benefits - OPEB	164,193	196,750	39,720	37,418	77,138	39.2%
Ret POB Debt Svc. Misc.	80,706	97,866	23,557	25,185	48,742	49.8%
Auto Allowance	9,227	9,950	2,214	2,584	4,798	48.2%
Unused Fringe Benefits	18,621	0	4,295	4,295	8,590	0.0%
Workers Comp. Insurance	32,026	71,003	6,469	21,904	28,373	40.0%
Medicare	22,456	28,612	6,279	6,957	13,236	46.3%
Total Salaries and Benefits	2,378,476	3,091,003	670,234	739,035	1,409,269	45.6%
<i>Services and Supplies</i>						
Professional Services	57,395	52,000	18,799	25,734	44,533	85.6%
Innovest - Retiree Payroll Processing	41,572	38,000	5,489	10,912	16,401	43.2%
Records Retention	3,789	3,800	765	765	1,530	40.3%
Bank Charges	2,770	6,000	1,407	2,296	3,703	61.7%
Insurance Premiums	76,599	77,000	8,673	0	8,673	11.3%
Utilities (1 McInnis Owner Allocation)	171,484	191,090	42,153	63,746	105,899	55.4%
Memberships & Dues	16,539	15,000	200	7,710	7,910	52.7%
Subscriptions	7,136	7,500	261	1,462	1,723	23.0%
Conferences/Training	18,974	26,000	(2,130)	7,610	5,480	21.1%
Travel and Mileage	16,554	30,000	0	0	0	0.0%
Document Reproduction Costs	32,771	32,200	5,080	7,234	12,314	38.2%
Medical Examinations	9,263	12,000	1,002	148	1,150	9.6%
Investigations	912	2,000	0	474	474	23.7%
Transcribing/Medical Record Review	96,614	130,000	15,564	6,017	21,581	16.6%
Hearings	48,555	65,000	12,725	9,791	22,516	34.6%
Board Election Fees	550	1,000	0	0	0	0.0%
Board Remuneration (Gross Pay)	7,860	8,480	2,300	3,000	5,300	62.5%
Board Payments (ER Liab., ADP & Bank fees)	2,045	2,120	402	655	1,057	49.9%
Office Expenses and Supplies	11,336	8,600	9,278	862	10,140	117.9%
Office Expenses - Phone	2,743	2,500	2,218	1,535	3,753	150.1%
Electronic Supplies	10,268	5,300	2,705	668	3,373	63.6%
Ergonomic Supplies	0	1,000	0	54	54	5.4%
Office Supplies - Postage	1,439	2,000	260	282	542	27.1%
Miscellaneous - Food	6,612	8,000	0	0	0	0.0%
Depreciation Expense	479,930	477,571	119,393	139,367	258,760	54.2%
Total Services and Supplies	1,123,710	1,204,161	246,544	290,322	536,866	44.6%
<i>Interdepartmental Charges</i>						
Telephone Charges	12,950	25,900	6,475	6,475	12,950	50.0%
Cost Allocation Plan (Inter-fund Charges)	307,896	307,895	76,974	76,974	153,948	50.0%
Total Interdepartmental Charges	320,846	333,795	83,449	83,449	166,898	50.0%
TOTAL	3,823,032	4,628,959	1,000,227	1,112,806	2,113,033	45.6%

MCERA Non-Budgeted Expenses
FY 20/21 Quarter Ending December 31, 2020, by month

B.2.a.2

	October	November	December	2nd Qtr. Expenses
Retiree Payroll	13,649,069	13,701,049	13,681,732	41,031,850
Retiree Death Benefit Paid	25,000	35,000	5,000	65,000
Active Member Death Benefit	0	0	0	0
Refund of Contributions	33,645	127,853	76,075	237,573
Total Retirement Member Expense	13,707,714	13,863,902	13,762,807	41,334,423
Personal Computer Lease (Accrual)	0	0	0	0
CPAS	0	0	0	0
Business Systems (Accountmate)	0	0	2,125	2,125
IBM - Cognos systems	0	0	0	0
Oracle America	0	0	0	0
Total Computer Expense	0	0	2,125	2,125
Linea Secure, LLC (Cybersecurity)	0	0	0	0
Insight Public Sector, Inc.	8,150	0	16,300	24,450
Total Security Services Expense	8,150	0	16,300	24,450
Legal	(30,906)	16,629	209,989	195,712
County Counsel	(23,282)	16,629	18,617	11,964
Ice Miller LLP	0	0	560	560
Nossaman	(7,624)	0	190,812	183,188
Cheiron Inc. (Actuary)	0	0	99,107	99,107
Appraisals (1 McInnis)	0	0	3,000	3,000
Investment Managers	247,758	250,712	2,530,393	3,028,863
Callan (Investment Consultant)	0	0	92,250	92,250
State Street (Custodian)	0	0	104,825	104,825
Woodmont Consulting Services	0	1,000	23,594	24,594
Investment Education Expense	0	0	0	0
Total Legal, Actuary & Investment Expense	216,852	268,341	3,063,158	3,548,351
Total Fund Expenses	13,932,716	14,132,243	16,844,390	44,909,349
Nossaman				
General Counsel	(2,745)	0	71,767	69,022
1 McInnis Parkway Leasing	(4,879)	0	824	(4,055)
Investment	0	0	112,248	112,248
MAPE	0	0	5,973	5,973
Greene	0	0	0	0
Brown	0	0	0	0
Rose	0	0	0	0
Total Nossaman Expense	(7,624)	0	190,812	183,188
Reimbursement from Hudson Ins. Regarding V. Greene	0	0	0	0
D. Brown	0	0	0	0
MAPE vs. MCERA	0	0	(59,439)	(59,439)
Total Legal Reimbursement	0	0	(59,439)	(59,439)

B.2.a.2

MCERA Non-Budgeted Expenses

FY 20/21 Quarter Ending December 31, 2020, by quarter

	FY 19/20 Actual Expenses	1st Qtr. Expenses	2nd Qtr. Expenses	FYTD Total
Retiree Payroll	156,896,425	40,749,418	41,031,850	81,781,268
Retiree Death Benefit Paid	250,000	110,000	65,000	175,000
Active Member Death Benefit	324,104	0	0	0
Refund of Contributions	931,012	511,341	237,573	748,914
Total Retirement Member Expense	158,401,541	41,370,759	41,334,423	82,705,182
Personal Computer Lease (Accrual)	0	0	0	0
CPAS	180,441	12,960	0	12,960
Business Systems (Accountmate)	2,351	0	2,125	2,125
IBM - Cognos systems	19,315	19,916	0	19,916
Oracle America	4,910	0	0	0
Total Computer Expense	207,017	32,876	2,125	35,001
Linea Secure, LLC (Cybersecurity)	66,500	10,000	0	10,000
Insight Public Sector, Inc.	57,357	24,450	24,450	48,900
Total Security Services Expense	123,857	34,450	24,450	58,900
Legal	452,056	76,188	195,712	271,900
County Counsel	93,126	23,282	11,964	35,246
Ice Miller LLP	4,164	0	560	560
Nossaman	354,766	52,906	183,188	236,094
Cheiron Inc. (Actuary)	152,679	21,088	99,107	120,195
Appraisals (1 McInnis)	3,000	0	3,000	3,000
Investment Managers	11,507,860	2,890,371	3,028,863	5,919,234
Callan (Investment Consultant)	355,250	75,500	92,250	167,750
State Street (Custodian)	415,297	103,374	104,825	208,199
Woodmont Consulting Services	30,929	26,675	24,594	51,269
Investment Education Expense	9,850	7,500	0	7,500
Total Legal, Actuary & Investment Expense	12,926,921	3,200,696	3,548,351	6,749,047
Total Fund Expenses	171,659,336	44,638,781	44,909,349	89,548,130
Nossaman				
General Counsel	240,036	38,576	69,022	107,598
1 McInnis Parkway Leasing	64,165	5,593	(4,055)	1,538
Investment	1,952	905	112,248	113,153
MAPE	390	7,832	5,973	13,805
Greene	12,067	0	0	0
Brown	31,845	0	0	0
Rose	4,311	0	0	0
Total Nossaman Expense	354,766	52,906	183,188	236,094
Reimbursement from Hudson Ins. Regarding V. Greene	(2,933)	0	0	0
D. Brown	(30,772)	(360)	0	(360)
MAPE vs. MCERA	0	0	(59,439)	(59,439)
Total Legal Reimbursement	(33,705)	(360)	(59,439)	(59,799)

B.2.a.2

Investment Manager's Fees
FY20/21 Quarter Ending December 31, 2020

Fees:

<u>Investment Manager</u>	<u>Market Value</u>	<u>Annualized %</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Quarter Total</u>	<u>FY 19/20 IM fees</u>
AEW Core Property	104,953,320	0.8932%	0	0	234,367	234,367	932,369
Abbott Fund VI	50,294,757	0.8982%	37,644	37,644	37,644	112,932	501,912
Abbott Fund VII	43,862,201	0.7751%	28,333	28,333	28,333	84,999	339,996
Abbott Investors 2016	44,474,631	0.5958%	22,083	22,083	22,083	66,249	264,996
Abbott Investors 2017	10,235,684	0.7327%	6,250	6,250	6,250	18,750	65,628
Artisan International Growth Fund	211,859,763	0.7635%	0	0	404,403	404,403	1,445,669
BlackRock TIPS	42,864,081	0.0298%	0	0	3,196	3,196	13,460
BlackRock US Real Estate	39,671,548	0.0569%	0	0	5,647	5,647	26,878
Colchester Global Investors	154,389,122	0.4069%	52,003	51,245	53,793	157,041	562,014
DFA Small Cap Core	280,083,599	0.2996%	0	0	209,785	209,785	768,730
Eaton Vance Structured	112,479,930	0.7166%	0	0	201,522	201,522	746,347
Invesco	49,196,852	0.6426%	25,428	25,536	28,073	79,037	262,030
KBI Global Resources Solutions	61,840,368	0.7733%	0	0	119,546	119,546	367,330
Morgan Stanley	199,287,471	0.5054%	0	0	251,823	251,823	950,572
Parametric (overlay program)	23,272,194	0.6351%	0	0	36,949	36,949	147,721
Pathway Fund 2008	64,211,022	0.8318%	0	0	133,533	133,533	583,533
Pathway I7-3	40,426,842	0.7792%	0	0	78,750	78,750	315,000
Pathway I8-9	53,447,480	0.7550%	0	0	100,887	100,887	403,548
Pathway I9-3	8,763,488	1.3123%	0	0	28,751	28,751	93,203
SSgA S&P 500 Index Strategy	657,541,097	0.0266%	0	0	43,750	43,750	193,750
TimesSquare	129,805,181	0.7301%	76,017	79,621	81,284	236,922	790,584
UBS Realty Investment	114,726,248	0.6520%	0	0	187,003	187,003	913,825
Wellington	279,484,501	0.1990%	0	0	139,054	139,054	466,555
Western Asset	151,417,063	0.2482%	0	0	93,967	93,967	352,214
Total	\$2,928,588,443	0.4137%	\$247,758	\$250,712	\$2,530,393	\$3,028,863	\$11,507,864

MCERA Education and Due Diligence Expense Summary
FY 20/21 Quarter Ending December 31, 2020

B.2.a.3.a

<u>Trustee</u>	<u>Date</u>	<u>Conference</u>	<u>Location</u>	<u>1st quarter</u>	<u>2nd quarter</u>	<u>Year to Date</u>
D. Jones	11/10-13/2020	SACRS 2020 Fall Conference	Virtual		120.00	\$ 120.00
L. Murphy	10/23/2020	CALAPRS Trustee Roundtable	Virtual		50.00	\$ 50.00
S. Klein	10/23/2020	CALAPRS Trustee Roundtable	Virtual		50.00	\$ 50.00
S. Silberstein	11/10-13/2020	SACRS 2020 Fall Conference	Virtual		120.00	\$ 120.00
Trustee expense				\$0.00	\$340.00	\$340.00
<u>Administrator</u>	<u>Date</u>	<u>Conference</u>	<u>Location</u>	<u>1st quarter</u>	<u>2nd quarter</u>	<u>Year to Date</u>
J. Wickman	9/24/2020	Administrators Institute 2020	Virtual	500.00		\$ 500.00
	11/10-13/2020	SACRS 2020 Fall Conference	Virtual		120.00	\$ 120.00
	2/12/2021	CALAPRS Administrator Roundtable	Virtual		50.00	\$ 50.00
	03/08-09/2021	CALAPRS General Assembly	Virtual		250.00	\$ 250.00
Assistant Administrator						
M. Hardesty	9/10/2020	CALAPRS Benefits Roundtable	Virtual		50.00	\$ 50.00
Employee						
D. Sousa	8/13/2020	CALAPRS Benefits Roundtable	Virtual	50.00		\$ 50.00
K. Hawkins	8/13/2020	CALAPRS Benefits Roundtable	Virtual	50.00		\$ 50.00
L. Detwiler	9/10/2020	CALAPRS Benefits Roundtable	Virtual		50.00	\$ 50.00
L. Jackson	8/27/2020	CALAPRS Accountants Roundtable	Virtual	50.00		\$ 50.00
L. Marshall	7/15/2020	CALAPRS Management Academy <i>Refund</i>	n/a	(3,000.00)		\$ (3,000.00)
	8/27/2020	GFOA Internet Training	Virtual	85.00		\$ 85.00
	8/27/2020	GFOA Internet Training	Virtual	85.00		\$ 85.00
	9/17/2020	CALAPRS Accountants Roundtable	Virtual	50.00		\$ 50.00
	12/02-04/2020	CALAPRS Advanced Course in Retirement Plan Administration	Virtual		200.00	\$ 200.00
L. Martinez	11/20/2020	CALAPRS Retirement Disability Administration	Virtual		100.00	\$ 100.00
L. Shamrock	9/10/2020	CALAPRS Benefits Roundtable	Virtual		50.00	\$ 50.00
V. Matyurin	10/30/2020	CALAPRS Information Technology Roundtable	Virtual		50.00	\$ 50.00
Administrator and Employee expense				(\$2,130.00)	\$920.00	(\$1,210.00)
<u>Counsel/Other</u>	<u>Date</u>	<u>Conference</u>	<u>Location</u>	<u>1st quarter</u>	<u>2nd quarter</u>	<u>Year to Date</u>
Cortex	10/31/2020	Cortex on-site education session and off-site professional services	Virtual		6,350.00	\$ 6,350.00
Counsel/Other expense				\$0.00	\$6,350.00	\$6,350.00
TOTAL MCERA Education and Due Diligence Expense				(\$2,130.00)	\$7,610.00	\$5,480.00

B.2.a.3.b

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CONTINUING TRUSTEE EDUCATION SUMMARY
Thursday, December 31, 2020**

24 hours required by November 1, 2020

Trustee Thomas 77.24

24 hours required by December 31, 2020

Trustee Cooper 48.50

Trustee Given 28.17

Trustee Shaw 27.17

24 hours required by January 24, 2021

Trustee Silberstein 30.12

24 hours required by August 25, 2021

Trustee Murphy 30.17

24 hours required by October 17, 2021

Trustee Klein 14.67

24 hours required by November 1, 2021

Trustee Block 10.17

Trustee Gladstern 7.67

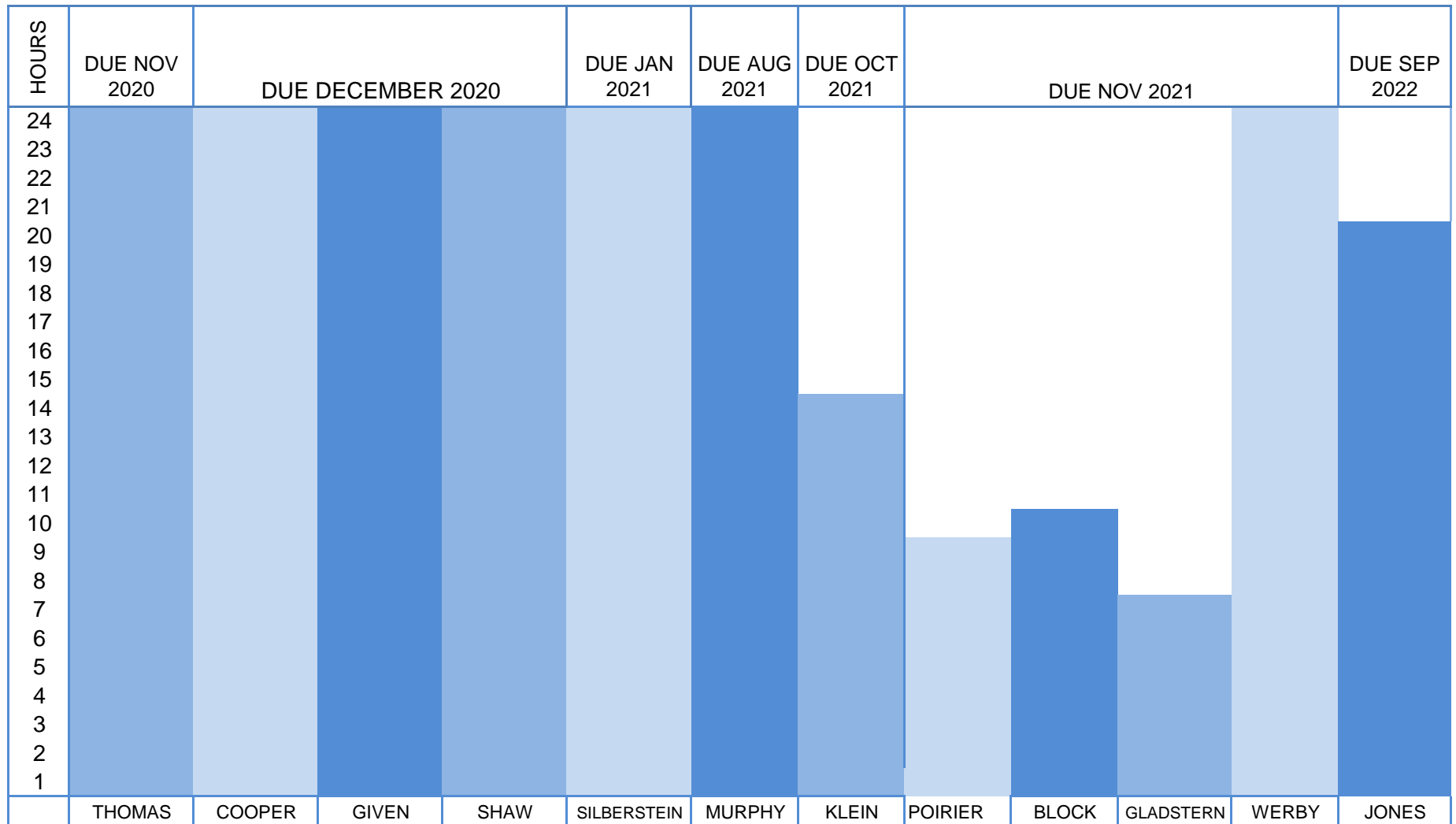
Trustee Poirier 9.67

Trustee Werby 30.67

B.2.a.3.b

CONTINUING TRUSTEE EDUCATION QUARTERLY SUMMARY CHART

Thursday, December 31, 2020



B.2.a.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG												
TRUSTEE Master Log				TOPIC								
HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT ASSET ALLOCATION AND INVESTMENT MANAGEMENT ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES			
24.00	The later of December 31, 2014, or two years after assuming office, and biannually thereafter.											
			See prior reports by date for earlier data.									
		SACRS	PUBLIC PENSION INVESTMENT MANAGEMENT PROGRAM									
1.50	7/15/2018	SACRS	Pension Fund and Investment Basics			X						
1.50	7/15/2018	SACRS	Return, Risk and Diversification			X						
1.50	7/15/2018	SACRS	Practical Mean-Variance Analysis			X						
1.50	7/15/2018	SACRS	CAPM and Luck vs. Skill			X						
1.75	7/16/2018	SACRS	Financial Economics for Pensions: Forecasting Assets Cook County Case			X						
1.50	7/16/2018	SACRS	Forecasting Liabilities: Actuarial Science				X					
1.50	7/16/2018	SACRS	Portfolio Management and Performance Measurement		X							
1.50	7/16/2018	SACRS	Systematic Risk and Luck vs. Skill: DFA Case Discussion			X						
1.25	7/17/2018	SACRS	Disruptive Technologies: Transforming the Future of Investment			X						
1.00	7/17/2018	SACRS	Keynote Speaker - Robert Reich			X						
1.50	7/17/2018	SACRS	Real Assets			X						
1.25	7/17/2018	SACRS	Alternative Investment Strategies: PE Case Discussion			X						
1.50	7/17/2018	SACRS	Alternative Investment Strategies: Hedge Funds			X						
1.25	7/18/2018	SACRS	ESG Case Discussion: Norway SWF and Walmart Case			X						
1.75	7/18/2018	SACRS	Pension Fund Governance Panel						X			
1.00	7/18/2018	SACRS	Behavioral Finance: Overconfidence and Expertise						X			
1.50	7/18/2018	SACRS	Leadership and the Role of the Trustee						X			
2.00	8/9/2018	FPPC	Certified Public Service Ethics Education						X			
1.25	9/10/2018	Committee on Workers' Capital	Roundtable Discussion: Addressing labour Issues in Your Investments: Recent Trustee Experiences						X			
1.25	9/10/2018	Committee on Workers' Capital	Asset Manager Accountability: Moving Managers from Talk to Action						X			
28.75	Hours for Quarter Ending September 30, 2018											
2.00	10/5/2018	FPPC	Certified Public Service Ethics Education						X			
0.75	10/15/2018	CRCEA	Public Employee Pension Rights Under Judicial Attack - Will the "California Rule" Survive?	X								
2.00	10/18/2018	Nossaman	Fiduciaries' Forum: Key Pension Litigation Nationally with a Focus on California, etc.	X								

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MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log

				TOPIC									
HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES		
1.00	10/24/2018	CII	Addressing Portfolio ESG Risk Through Active Stewardship							X			
1.00	10/24/2018	CII	The Growing Risk of Sexual Harassment in the Workplace							X			
1.00	10/24/2018	CII	Understanding Climate Change-related Risks and Opportunities with Portfolio Holdings			X							
1.00	10/25/2018	CII	Shareholder Activism Abroad							X			
1.33	10/25/2018	CII	Promoting Racial and Ethnic Diversity on Public Company Boards & Shareholder Initiatives							X			
1.00	10/26/2018	CalAPRS	Trustee Roundtable: Leveraging Your Manager's Best Ideas - Managed Custody Accounts and the Role of Partnership in Dynamic Portfolio Management			X							
1.25	10/26/2018	CalAPRS	Trustee Roundtable: Cybersecurity for Trustees - What to Know, What to Ask, What to Do							X			
1.00	10/26/2018	CalAPRS	Trustee Roundtable: Cryptocurrency, Blockchain and how Blockchain is being applied in the Real Estate Industry			X							
1.00	10/30/2018	MCERA	Strategic Workshop: Board Governance at MCERA							X			
1.00	10/30/2018	MCERA	Strategic Workshop: Fat Tails and Black Swans - Risk Mitigation Strategies			X							
1.00	10/30/2018	MCERA	Strategic Workshop: Asset Allocation Case Study - Functionally Focused Portfolio			X							
1.50	10/30/2018	MCERA	Strategic Workshop: Quantitative and Qualitative Factors for Hiring Investment Managers			X							
1.00	10/31/2018	MCERA	Strategic Workshop: Corporate Governance - General Education and Legal Requirements							X			
1.00	10/31/2018	MCERA	Strategic Workshop: Corporate Governance - Pension System View of Good Governance							X			
1.00	10/31/2018	MCERA	Strategic Workshop: A Private Equity Primer on the Beginning, the Middle and the End			X							
			FALL SACRS CONFERENCE										
2.00	11/13/2018	SACRS	Advanced Trustee Training							X			
2.00	11/13/2018	SACRS	Disability-Ops - The Heart, Cancer, Blood-borne Infectious Diseases, and Biochemical Substances Presumptions Under CERL						X				
1.00	11/14/2018	SACRS	General Session - Navigating Global Economic Uncertainty: An Unconventional Approach			X							
1.00	11/14/2018	SACRS	General Session - Midterm Elections	X									
3.00	11/14/2018	SACRS	Concurrent Session - Ops-Benefits Breakout and Disability Breakout					X					
3.00	11/14/2018	SACRS	Concurrent Session - Trustee Breakout - How Boards Can Work Through Challenging Meetings Together							X			
3.00	11/14/2018	SACRS	Concurrent Session - Safety Breakout					X					

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MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log

				TOPIC									
HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION	BUDGET & AUDIT	PROCEDURES
0.50	3/4/2019	CII	Spring Conference - Interview with Sarah Williamson: Focusing Capital on the Long Term			X							
1.00	3/4/2019	CII	Spring Conference - Human Capital Management Risks in the Gig Economy							X			
0.50	3/5/2019	CII	Spring Conference - Blockchain and Securities Trading			X							
0.50	3/5/2019	CII	Spring Conference - SEC Commissioner Hester Peirce							X			
0.75	3/5/2019	CII	Spring Conference - Panel: Pay Pioneers							X			
0.50	3/5/2019	CII	Spring Conference - Focusing on the "S" in ESG							X			
0.75	3/5/2019	CII	Spring Conference - Engaging in Market Policy Reform to Enhance Long-Term Performance							X			
1.50	3/5/2019	CII	Spring Conference - Luncheon Keynote: Leadership							X			
1.00	3/5/2019	CII	Spring Conference - Corporate Governance in Emerging Markets: What Matters Most?							X			
0.83	3/6/2019	CII	Spring Conference - Drivers of EM Capital Flows - Global Governance Developments							X			
0.67	3/6/2019	CII	Spring Conference - Investor Sentiment on Executive Pay Design							X			
1.00	3/6/2019	CII	Spring Conference - Investors Engage on #MeToo - CII Member Proxy Season Initiatives							X			
27.25	Hours for Quarter Ending March 31, 2019												
0.50	4/9/2019	Pension Bridge	Keynote Speaker - Macroeconomic View			X							
0.83	4/9/2019	Pension Bridge	The Deepening Crisis of Unfunded Pension Plans and its Far Reaching Effects of Fiscal Distress				X						
0.75	4/10/2019	Pension Bridge	Real Estate			X							
0.25	4/10/2019	Pension Bridge	Investing in Farmland			X							
0.25	4/10/2019	Pension Bridge	Investing in Water			X							
1.00	4/16/2019	MCERA	Strategic Workshop: Capital Markets Update			X							
1.50	4/16/2019	MCERA	Strategic Workshop: Asset Liability Review and Discussion			X							
1.50	4/16/2019	MCERA	Strategic Workshop: Fixed Income Role of Central Banks			X							
1.00	4/16/2019	MCERA	Strategic Workshop: Domestic Relations Orders Processing					X					
1.00	4/17/2019	MCERA	Strategic Workshop: Actuarial Assumptions - How Changes Impact the Plan's Liabilities				X						
1.00	4/17/2019	MCERA	Strategic Workshop: Cybersecurity Considerations					X					
1.00	4/17/2019	MCERA	Strategic Workshop: Public Retirement System Trustee Do's and Don'ts							X			
2.00	5/2/2019	MCERA	Sexual Harassment Prevention Training							X			
		SACRS	Spring Conference										
2.00	5/7/2019	SACRS	Sexual Harassment Prevention Training							X			
2.00	5/7/2019	SACRS	Ethics Training for Public Officials							X			

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MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log

TOPIC

				PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
HOURS	DATE	SPONSOR	EVENT/SEMINAR								
1.00	5/8/2019	SACRS	General Session - Retirement Readiness for Life After Full-Time Work					X			
1.00	5/8/2019	SACRS	General Session - Risks and Opportunities in the Current Macro Environment			X					
1.00	5/8/2019	SACRS	General Session - China - The Great Disruptor			X					
1.00	5/8/2019	SACRS	General Session - The Enterprise Risks Facing California's Pension Systems			X					
1.75	5/8/2019	SACRS	Ops/Benefits & Disability Breakout						X		
1.75	5/8/2019	SACRS	Investment Breakout		X						
1.75	5/8/2019	SACRS	Trustee Breakout							X	
1.75	5/8/2019	SACRS	Safety Breakout							X	
1.00	5/9/2019	SACRS	General Session - General Wesley Clark			X					
1.00	5/9/2019	SACRS	General Session - A Q&A with Robert Smith of Vista Equity Partners							X	
1.00	5/9/2019	SACRS	General Session - An Insiders View of Washington D.C.			X					
1.00	5/9/2019	SACRS	Concurrent Session A - The Case for Non-US Equities			X					
1.00	5/9/2019	SACRS	Concurrent Session B - Why Public Fund Investors Should Consider Renewable Energy			X					
1.00	5/9/2019	SACRS	Concurrent Session C - California Supreme Court to Decide: What's Next for the 'California Rule' and Public Employee Pensions as Vested Rights	X							
1.00	5/9/2019	SACRS	Concurrent Session A - Private Equity: Primary Investment Opportunities and Considerations			X					
1.00	5/9/2019	SACRS	Concurrent Session B - Legislative Update	X							
1.00	5/10/2019	SACRS	General Session - Investing in Infrastructure			X					
0.75	5/20/2019	NCPERS	Annual Conference - Five-Year Outlook: Strategic Themes & Tactical Opportunities			X					
0.75	5/20/2019	NCPERS	Annual Conference - Legal Panel: Securities Litigation	X							
0.50	5/20/2019	NCPERS	Annual Conference - Artificial Intelligence (AI) Made Easy			X					
1.00	5/20/2019	NCPERS	Annual Conference - Adverse Scenarios and Pension Plan Health				X				
1.00	5/20/2019	NCPERS	Annual Conference - Why Costs Matter		X						
1.00	5/20/2019	NCPERS	Annual Conference - Responsible Real Estate Investing: A Primer for Public Fund Trustees and Staff			X					
0.75	5/21/2019	NCPERS	Annual Conference - Legal Panel: Benefits, Tax & Regulations	X							
0.75	5/21/2019	NCPERS	Annual Conference - Investing in a Low Growth World			X					
0.75	5/21/2019	NCPERS	Annual Conference - The Future of Public Plans in Post-Janus Decision	X							
1.00	5/21/2019	NCPERS	Annual Conference - It's Much More Than Money							X	
1.00	5/21/2019	NCPERS	Annual Conference - Informed Opportunities with Multi-Asset Strategies			X					
1.00	5/21/2019	NCPERS	Annual Conference - Social Security and Retirement Planning App					X			
0.50	5/22/2019	NCPERS	Annual Conference - The Case for New Pension Accounting Standards	X							

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MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log

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HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION	BUDGET & AUDIT	PROCEDURES
0.50	5/22/2019	NCPERS	Annual Conference - ESG Integration: Expanding the Toolkit for Investment Research and Portfolio Management			X							
0.75	6/12/2019	MCERA	Actuarial Amortization and Funding Policy Review				X						
48.58	Hours for Quarter Ending June 30, 2019												
2.00	7/2/2019	MCERA	Sexual Harassment Prevention Training							X			
1.75	7/23/2019	Callan	Introduction to Investments - The Role of the Fiduciary and Investment Policy Statements			X							
1.50	7/23/2019	Callan	Introduction to Investments - Capital Market Theory and Asset Allocation			X							
1.50	7/23/2019	Callan	Introduction to Investments - Manager Structure - Defined Benefit			X							
0.75	7/23/2019	Callan	Introduction to Investments - Manager Structure - Defined Contribution			X							
1.50	7/24/2019	Callan	Introduction to Investments - Manager Search			X							
1.75	7/24/2019	Callan	Introduction to Investments - Performance Measurement		X								
2.00	8/2/2019	Marin County	Workplace Harassment Prevention							X			
2.00	9/4/2019	Nossaman	U.S. Pubic Pension Handbook: A Comprehensive Guide for Trustees and Staff					X					
0.83	9/5/2019	Nossaman	California Public Pension Litigation Update	X									
0.50	9/5/2019	Nossaman	Practical Considerations for Retirement System Trustees and Staff After the Supreme Court Rules in <i>Alameda</i>	X									
0.83	9/5/2019	Nossaman	Roles and Responsibilities of Consultants, Managers, and Investors/LPACs							X			
1.00	9/5/2019	Nossaman	Discussion of Institutional Limited Partners Association 3.0	X									
0.67	9/5/2019	Nossaman	Overview of Open-Ended vs. Close-Ended Funds	X									
0.50	9/5/2019	Nossaman	Alternative Investment Issues in PPMs, LPAs, and Subscription Agreements			X							
0.33	9/5/2019	Nossaman	Key Legal Considerations for Investments in Real Assets	X									
0.33	9/5/2019	Nossaman	Current Legal Issues in PAS System Administration and Privacy	X									
0.33	9/5/2019	Nossaman	Twists in Public Pension System Insurance Coverage for Fiduciaries	X									
0.92	9/5/2019	Nossaman	Roundtable: Top Fiduciary Issues for Public Plans							X			
2.00	9/16/2019	CII	Fall Conference - Master Class: Evaluating Pay for Performance							X			
0.75	9/16/2019	CII	Fall Conference - Dual Class Stock and the Future of Corporate Governance			X							
0.75	9/16/2019	CII	Fall Conference - Evolving the Board							X			
0.75	9/17/2019	CII	Fall Conference - Fiduciary Duty and ESG in Investment: CIO Perspectives							X			
0.50	9/17/2019	CII	Fall Conference - Public Company Accounting Oversight: Key Issues and Developments									X	
0.50	9/17/2019	CII	Fall Conference - Gender Pay Equity							X			
0.25	9/17/2019	CII	Fall Conference - Lessons from the front Lines: Challenges in Renewable Energy Deployment & Transitions			X							

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MCERA CONTINUING TRUSTEE EDUCATION LOG												
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HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT	PROCEDURES
1.00	9/17/2019	CII	Fall Conference - Member-Hosted Panel: Forced Arbitration Clauses & the Repercussions for Institutional Investors	X								
1.75	9/17/2019	CII	Fall Conference - Luncheon Keynote: The Secret and Benefits of Understanding Motivation at Work							X		
1.00	9/17/2019	CII	Fall Conference - Breakout: Auditing Issues and Proxy Voting							X		
30.24	Hours for Quarter Ending September 30, 2019											
2.00	10/4/2019	TalentQuest	Preventing Discrimination and Harassment - Supervisors							X		
1.00	10/25/2019	CalAPRS	Trustees' Roundtable - Evolving themes in Environmental, Social and Governance (ESG) investing			X						
0.50	10/25/2019	CalAPRS	Trustees' Roundtable - ESG performance and integration		X							
1.00	10/25/2019	CalAPRS	Trustees' Roundtable - Inside ESG, screening metrics, performance, opportunities and investment vehicles		X							
1.00	10/25/2019	CalAPRS	Trustees' Roundtable - Practical matters of ESG including innovations and integration			X						
		SACRS	SACRS FALL CONFERENCE									
2.00	11/12/2019	SACRS	Trustee Training							X		
1.00	11/13/2019	SACRS	General Session - Keynote Speaker Danny Glover			X						
1.00	11/13/2019	SACRS	General Session - Disruptive Technologies and Their Impact on Pension Plan Decisions			X						
1.00	11/13/2019	SACRS	General Session - Up in Smoke			X						
3.00	11/13/2019	SACRS	Safety Breakout					X				
3.00	11/13/2019	SACRS	Trustee Breakout							X		
3.00	11/13/2019	SACRS	Attorney Breakout	X								
1.00	11/14/2019	SACRS	General Session - Managing Hyper-Growth and Innovation			X						
1.00	11/14/2019	SACRS	General Session - Current Economic and Financial Outlook			X						
1.00	11/14/2019	SACRS	General Session - The What, Why and How of Diversity and Inclusion in the Public Pension Industry Workplace							X		
1.00	11/14/2019	SACRS	Concurrent Session A - Building a Private Credit Portfolio: Implementation Approaches, Considerations and Challenges			X						
1.00	11/14/2019	SACRS	Concurrent Session B - Pursuing What You're Due - One Retirement System's Experience Suing Its Carrier	X								
1.00	11/14/2019	SACRS	Concurrent Session C - 130-30 strategies are back. Exploring the benefits of active equity extension in today's investment landscape.			X						
1.00	11/14/2019	SACRS	Concurrent Session A - Changing Consumer Patterns - The Impact on Retail and Industrial Real Estate			X						

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MCERA CONTINUING TRUSTEE EDUCATION LOG

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HOURS	DATE	SPONSOR	EVENT/SEMINAR									
1.00	11/14/2019	SACRS	Concurrent Session C - CalPERS & SACRS - Reciprocity, Do I Get It? Part 1 of 2 - Legal, CalPERS Guest Panels at SACRS					X				
1.00	11/14/2019	SACRS	Concurrent Session B - Risk, Mortality and Other Things That Only an Actuary Can Love				X					
1.00	11/14/2019	SACRS	General Session - SACRS System Highlights & Key Takeaways					X				
2.00	11/16/2020	FPPC	Certified Public Service Ethics Training							X		
0.67	12/11/2019	MCERA	GASB 67-68 Report				X					
0.25	12/11/2019	MCERA	Audited Financial Statements								X	
0.50	12/11/2019	MCERA	Preliminary Valuation Results				X					
30.92	Hours for Quarter Ending December 31, 2019											
		Callan	CALLAN NATIONAL CONFERENCE									
1.25	1/28/2020	Callan	Keynote Speaker: Dr. Moyo			X						
1.25	1/28/2020	Callan	Vivek Wadhuaa on how technologies will change the world			X						
1.00	1/28/2020	Callan	Diversifying Strategies in Alternatives			X						
1.00	1/28/2020	Callan	Fee Study: What Institutional Investors are Actually Paying		X							
1.25	1/29/2020	Callan	Joseph Caughlin on how global demographics, technology and changing generational behaviors are transforming business and society			X						
1.25	1/29/2020	Callan	EDD Talk on Investment Theory and Design			X						
1.75	1/29/2020	Callan	Frank Abagnale on cybersecurity and fraud prevention					X				
1.00	1/28/2020	Callan	Diversifying Strategies in Alternatives			X						
1.00	1/28/2020	Callan	Market Intel Live!			X						
2.00	various	FPPC	Public Service Ethics Training							X		
2.00	2/4/2020	MCERA	Prevention of Sexual Harassment Training							X		
0.25	2/12/2020	MCERA	Annual Cost of Living Adjustment					X				
1.00	2/12/2020	MCERA	Actuarial Valuation Report as of June 30, 2019				X					
0.50	2/12/2020	MCERA	Form 700 Refresher							X		
		CalAPRS	GENERAL ASSEMBLY									
2.00	3/8/2020	CalAPRS	Ethics in Public Service							X		
0.75	3/8/2020	CalAPRS	Fund Governance War Stories							X		
1.25	3/8/2020	CalAPRS	6 Years Post-PEPRA - Are we getting the savings as promised?					X				
1.00	3/9/2020	CalAPRS	The Canadian Model			X						
1.00	3/9/2020	CalAPRS	Revisiting Simplicity in Investing			X						
1.00	3/9/2020	CalAPRS	Lessons from China			X						
1.00	3/9/2020	CalAPRS	Economic Outlook			X						
1.00	3/9/2020	CalAPRS	Updates About National Trends			X						

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MCERA CONTINUING TRUSTEE EDUCATION LOG

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1.00	3/10/2020	CalAPRS	Disaster Recovery: Lessons Learned from New Orleans and Sonoma Retirement Systems					X					
1.00	3/10/2020	CalAPRS	Governance Best Practices							X			
		CII	SPRING CONFERENCE										
2.00	3/9/2020	CII	Master Class: 31 Flavors of Stewardship - Proxy Voting, Engagement and Sustainability							X			
1.00	3/9/2020	CII	SDG Adoption on a Global Scale: A Case Study							X			
1.00	3/9/2020	CII	Panel: How to Hold BRT Members to Account on Business Purposes							X			
1.00	3/9/2020	CII	Panel: Engaging Private Fund Managers on ESG Issues							X			
1.00	3/9/2020	CII	Panel: The Scope of Rule 10b-5 after Lorenzo v. SEC	X									
0.75	3/9/2020	CII	The Future for IPOs			X							
0.67	3/9/2020	CII	Accounting for Climate Change Risks			X							
0.50	3/9/2020	CII	Human Capital and the Future of Work									X	
0.75	3/10/2020	CII	What's Next at the SEC							X			
0.75	3/10/2020	CII	How Boards are Grappling with Oversight of Human Capital Management									X	
0.75	3/10/2020	CII	What's Next at the PCAOB							X			
1.00	3/10/2020	CII	Panel: Is It Time for Employee Representatives on Company Boards?							X			
1.00	3/10/2020	CII	Panel: Global Trends in Ownership and Control							X			
1.00	3/10/2020	CII	Panel: Corporate Governance and Climate Action: What Should Shareowners Seek							X			
1.45	3/10/2020	CII	Keynote: Top 10 Trends of the 2020's							X			
1.00	3/10/2020	CII	Breakout Panel: Cyber Threats to Long-term Performance					X					
1.00	3/10/2020	CII	Breakout Panel: Exchange Innovations - Speed Bumps and Predictions							X			
1.00	3/10/2020	CII	Breakout Panel: U.S. Policy Impacts on Pension Fund Investments in China			X							
1.00	3/11/2020	CII	Global Perspectives on Executive Compensation & Corporate Purpose							X			
1.00	3/11/2020	CII	Perspectives of Faith-Based Investors			X							
1.50	3/11/2020	CII	Shareholder Advocacy Committee Plenary and Lightening Round							X			
48.62	Hours for Quarter Ending March 31, 2020												
			SACRS WEBINAR SERIES										
1.50	5/12/2020	SACRS	Operational Tools for Liquidity and Rebalancing during Market Volatility			X							
1.50	5/13/2020	SACRS	Don't Stop Thinking About Tomorrow - China A-share market & opportunities			X							
1.50	5/13/2020	SACRS	Private Markets Today vs. The Global Financial Crisis: What's the same, what's different, and where do we go from here?			X							
1.50	5/14/2020	SACRS	Cash Flows & Investment Management in the Time of COVID			X							
1.50	5/15/2020	SACRS	Has the Coronavirus Pandemic Changed the Outlook for ESG Investing?			X							

B.2.a.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log

				TOPIC									
HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES		
1.50	5/19/2020	SACRS	Private Market Investing in a Late-Cycle Market or Private Market Investing in the 8th Inning			X							
1.50	5/20/2020	SACRS	The Case for Investing with Small and Emerging Managers			X							
1.50	5/21/2020	SACRS	Litigation 101 & Current Cases	X									
1.50	6/23/2020	SACRS	The Ever-Changing Fixed Income Landscape: Where we were, where we are, and where are we going?			X							
1.50	6/24/2020	SACRS	Global market recovery in the face of a global pandemic—are we beyond the economic shocks?			X							
1.50	6/25/2020	SACRS	ESG Improvers: A New Alpha Enhancing Factor			X							
2.00	various	FPPC	Public Service Ethics Training							X			
18.50 Hours for Quarter Ending June 30, 2020													
1.50	7/1/2020	SACRS	Digging Into Inflation			X							
1.50	7/7/2020	SACRS	2020 Vintage Should Outperform			X							
2.00	7/30/2020	FPPC	Public Service Ethics Training							X			
1.25	8/12/2020	MCERA	Investment Opportunities - Distressed Investments			X							
1.50	8/18/2020	SACRS	Infrastructure Debt, an Attractive Alternative for Your Fixed Income Portfolio			X							
1.50	8/19/2020	SACRS	The Era After the Coronavirus			X							
1.50	8/20/2020	SACRS	Planning for the Pandemic			X							
2.00	9/30/2020	Nossaman	Public Pensions and Investments Fiduciaries' Forum - Litigation Impacting the Operation of Public Pension Plan Systems	X									
12.75 Hours for Quarter Ending September 30, 2020													
2.00	10/1/2020	Nossaman	Public Pensions and Investments Fiduciaries' Forum - Investment Considerations for Public Pension Plan Investment Officers		X								
2.00	10/2/2020	Nossaman	Public Pensions and Investments Fiduciaries' Forum - Administrative Issues Facing Fiduciaries					X					
3.00	10/23/2020	CalAPRS	Trustee Roundtable - What is the Role of Trustees in Choosing and/or Monitoring Money Managers							X			
2.00	10/23/2020	CalAPRS	Trustee Roundtable - What is the Role of Trustees on Corporate Policies							X			
		SACRS	FALL CONFERENCE										
2.00	11/10/2020	SACRS	Ethics Training for Trustees and Staff							X			
2.00	11/10/2020	SACRS	Sexual Harassment Prevention Training for Local Public Officials							X			
1.00	11/11/2020	SACRS	2020 Vision - The Consequences of the Presidential Election			X							
1.00	11/11/2020	SACRS	California Recovery/COVID-19					X					
2.25	11/11/2020	SACRS	Attorneys Breakout	X									
2.25	11/11/2020	SACRS	Trustee Breakout							X			

B.2.a.3.c
Receipt

October 18, 2020 - November 17, 2020

Posting Date	Transaction Date	Vendor	Amt. Charged	(Yes/No/Other)	For (dept.or area served)	Reason (or item purchased)
Kiana 8171						
10/20/2020	10/19/2020	Paypal - JoeCancilla Ebay	\$ 92.90	Yes	MCERA Staff	Webcam - Electronic Supplies
10/20/2020	10/19/2020	Paypal - JoeCancilla Ebay	\$ 92.90	Yes	MCERA Staff	Webcam - Electronic Supplies
10/20/2020	10/19/2020	Paypal - JoeCancilla Ebay	\$ 92.90	Yes	MCERA Staff	Webcam - Electronic Supplies
10/20/2020	10/19/2020	Paypal - JoeCancilla Ebay	\$ 92.90	Yes	MCERA Staff	Webcam - Electronic Supplies
10/20/2020	10/19/2020	Paypal - JoeCancilla Ebay	\$ 87.15	Yes	MCERA Staff	Webcam - Electronic Supplies
10/20/2020	10/20/2020	Amazon.com	\$ 103.50	Yes	MCERA Staff	Speakers - Electronic Supplies
11/9/2020	11/9/2020	Wall Street Journal	\$ 143.47	Yes	MCERA Staff	J. Wickman - Subscription
11/11/2020	11/10/2020	Amazon.com	\$ 54.49	Yes	MCERA Staff	Ergonomic Equipment
11/11/2020	11/10/2020	The Economist	\$ 69.00	Yes	MCERA Board	C. Cooper - Subscription
11/13/2020	11/11/2020	Office Depot	\$ 13.05	Yes	MCERA Staff	Office Supplies
11/16/2020	11/12/2020	Office Depot	\$ 231.06	Yes	MCERA Staff	Office Supplies
		Total:	\$ 1,073.32			
Jeff 3902						
11/5/2020	11/4/2020	Zoom.US	\$ 74.95	Yes	MCERA Board	Subscription
		Total:	\$ 74.95			
		Balance Total:	\$ 1,148.27			

B.2.a.3.c Receipt

November 18, 2020 -December 17, 2020

Posting Date	Transaction Date	Vendor	Amt. Charged	(Yes/No/Other)	For (dept.or area served)	Reason (or item purchased)
Kiana 8171						
12/2/2020	11/30/2020	Office Depot	\$ 61.01	Yes	MCERA Staff	Office Supplies
12/16/2020	12/14/2020	Office Depot	\$ 68.82	Yes	MCERA Staff	Office Supplies
		Total:	\$ 129.83			
Jeff 3902						
12/7/2020	12/4/2020	Zoom.US	\$ 74.95	Yes	MCERA Board	Subscription
12/16/2020	12/15/2020	Zoom.US	\$ 25.81	Yes	MCERA Board	Subscription
		Total:	\$ 100.76			
		Balance Total:	\$ 230.59			

B.2.a.3.c Receipt

December 18, 2020 - January 17, 2021

Posting Date	Transaction Date	Vendor	Amt. Charged	(Yes/No/Other)	For (dept.or area served)	Reason (or item purchased)
Kiana 8171						
12/18/2020	12/16/2020	Office Depot	\$ 46.42	Yes	MCERA Staff	Office Supplies
1/4/2021	1/3/2021	Wall Street Journal	\$ 116.97	Yes	MCERA Staff	Subscription
		Total:	\$ 163.39			
Jeff 3902						
1/7/2021	1/6/2021	Zoom.US	\$ 114.95	Yes	MCERA Board	Subscription
		Total:	\$ 114.95			
		Balance Total:	\$ 278.34			

B.2.a.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY20/21 Quarter Ending December 31, 2020

INVESTMENT: PRIVATE EQUITY

Abbott Fund VI							
Quarter				Since Inception			December 31, 2020
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			100,000,000				
8/18/2020	500,000	(2,000,000)					
9/30/2020	0	(1,500,000)					
11/10/2020	0	(5,000,000)					
12/29/2020	0	(6,484,568)					
Total	500,000	(14,984,568)	100,000,000	99,547,700	112,393,939	452,300	61,892,256

Abbott Fund VII							
Quarter				Since Inception			December 31, 2020
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			35,000,000				
8/19/2020	175,000	(525,000)					
10/22/2020	0	(875,000)					
12/30/2020	175,000	(2,275,000)					
Total	350,000	(3,675,000)	35,000,000	34,475,000	13,825,000	525,000	46,922,201

Abbott Investors 2016							
Quarter				Since Inception			December 31, 2020
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			50,000,000				
7/24/2020	991,250	0					
9/3/2020	2,000,000	(2,100,000)					
10/1/2020	1,203,750	0					
11/25/2020	700,000	0					
12/23/2020	2,162,500	(1,525,000)					
Total	7,057,500	(3,625,000)	50,000,000	36,888,752	4,900,000	13,111,248	41,999,631

Abbott Investors 2017							
Quarter				Since Inception			December 31, 2020
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			15,000,000				
7/10/2020	465,000	0					
9/4/2020	821,250	(915,000)					
9/28/2020	345,000	0					
11/11/2020	288,750	0					
12/8/2020	213,750	0					
12/24/2020	570,000	(343,125)					
Total	2,703,750	(1,258,125)	15,000,000	8,280,002	915,000	6,719,998	9,525,059

Total Abbott	10,611,250	(23,542,693)	200,000,000	179,191,454	132,033,939	20,808,546	160,339,147
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B.2.a.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY20/21 Quarter Ending December 31, 2020

INVESTMENT: PRIVATE EQUITY

Pathway Fund 2008							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			100,000,000				
8/31/2020	135,000	(332,720)					
9/30/2020	105,030	(2,842,397)					
10/30/2020	133,533	(1,183,756)					
11/30/2020	97,550	(1,621,858)					
12/31/2020	166,115	(2,612,128)					
Total	637,228	(8,592,859)	100,000,000	97,858,976	106,659,234	2,141,024	68,954,835

Pathway Fund I7-3							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			35,000,000				
7/31/2020	78,750	(107,287)					
8/31/2020	28,433	(341,867)					
9/30/2020	0	(502,090)					
10/30/2020	78,750	(351,646)					
11/30/2020	0	(587,083)					
12/31/2020	0	(605,250)					
Total	185,933	(2,495,223)	35,000,000	33,582,591	16,603,374	1,417,409	41,871,364

Pathway Fund I8-9							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			50,000,000				
7/1/2020	2,235,097	(556,347)					
7/31/2020	0	(65,513)					
8/31/2020	100,887	(168,811)					
9/30/2020	0	(171,122)					
10/30/2020	100,887	(223,216)					
11/30/2020	0	(36,893)					
12/31/2020	0	(250,921)					
Total	2,436,871	(1,472,823)	50,000,000	37,393,015	4,341,081	12,666,334	53,839,074

Pathway Fund I9-3							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			15,000,000				
9/4/2020	400,164	(15,614)					
9/30/2020	95,595	(247,929)					
11/12/2020	187,660	(15,415)					
12/28/2020	332,167	0					
Total	1,015,586	(278,958)	15,000,000	8,067,556	1,257,307	6,932,444	8,311,673
Total Pathway	4,275,618	(12,839,863)	200,000,000	176,902,138	128,860,996	23,157,211	172,976,946
Total Private Equity	14,886,868	(36,382,556)	400,000,000	356,093,592	260,894,935	43,965,757	333,316,093

B.2.a.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY20/21 Quarter Ending December 31, 2020

INVESTMENT: OPPORTUNISTIC

CarVal Credit Value V							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,500,000				
12/31/2020	3,350,000						
Total	3,350,000	0	33,500,000	3,422,955	0	30,077,045	3,350,000

Fortress Credit Opps Value V							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,000,000				
12/17/2020	1,650,000						
Total	1,650,000	0	33,000,000	1,650,000	0	31,350,000	1,650,000

Varde Dislocation Fund							
Quarter				Since Inception		December 31, 2020	
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,500,000				
11/9/2020	5,025,000						
Total	5,025,000	0	33,500,000	5,073,087	0	28,426,913	5,025,000
Total Opportunistic	10,025,000	0	100,000,000	10,146,042	0	89,853,958	10,025,000

OTHER TRANSFERS and PORTFOLIO REBALANCE

Transfers through December 31, 2020

MGRB - Parametric Overlay Program	
Date	Amount
8/28/2020	(30,000,000)
10/30/2020	(15,000,000)
Total	(45,000,000)

MCRG - STIF Account	
Date	Amount
8/28/2020	30,000,000
10/30/2020	15,000,000
Total	45,000,000

Note:

All amounts since inception as of September 30, 2020, as reported in Callan Quarterly Report as of December 31, 2020.



Phone 415 473-6147
Fax (benefits) 415 473-3612
Fax (admin) 415 473-4179
MCERA.org

Date: March 22, 2021

To: Finance and Risk Management Committee
Marin County Employees' Retirement Association (MCERA)

From: Jeff Wickman *JW*
Retirement Administrator

Subject: Custodial Services Request for Proposal Update

Background

In January 2020, MCERA issued a Request for Proposals (RFP) seeking bids for custodial services for the plan. Three companies, including the current incumbent, State Street Bank and Trust, provided timely and complete responses to the RFP. In March 2020, just as staff was preparing to schedule interviews with the RFP respondents, COVID-19 shelter in place orders were issued, and all of MCERA's business priorities at the time were rearranged.

RFP respondents were notified that interviews and any decisions about the selection of a custodian were being put on hold. In December 2020, after consulting with Callan it was agreed that the RFP process would resume in early 2021 using video conferencing to hold interviews and any remaining evaluations.

At the same time the custodial search project was preparing to restart, the Employer Audit Program was scheduled to begin. The new Employer Audit program was mandated by the passage of the Public Employees' Pension Reform Act (PEPRA) of 2013. A member of the benefits team was assigned to conduct the audits.

As I reported to the Board on March 3, one of our benefit team members accepted a position with the County of Marin and has left MCERA. The loss of this team member, who was performing critical work for the department, required us to re-evaluate current priorities and re-assign work to maintain our commitments, in particular the execution of the Employer Audit program.

Discussion

The administration of retirement benefits is the top priority for MCERA. In order to avoid any service gaps, the duties of the departing employee have been assigned to another member of the benefits team. Unfortunately, the additional tasks mean we can no longer utilize that member of the benefits team to perform the audits.

B.2.a.4


Because the audit program is ready to be executed and is mandated by the PEPPRA legislation, it is my assessment that the program cannot be put on hold. After considering the knowledge, skills and abilities needed to continue moving forward, I reassigned a resource from the accounting team to take over the audits. The accounting team will conduct a recruitment to fill the role of the reassigned staff member using an existing vacant position.

Impact

The accounting position reassigned to Employer Audits was critical to the custodial search project, and their knowledge of existing accounting processes and practices would be necessary if MCERA were to transition to a new custodian. The accounting team will need to fill this role and train the new employee before we can re-engage the custodial search. The recruitment and hiring process may take up to 4 months, and the new employee will also have an initial training and learning period. Because of these factors the custodial search project must be placed on hold. Depending on the recruitment process and training timeline it may be possible to restart the search process before the end of 2021. Also, because of the length of time that has passed from the issuance of the original RFP, it is likely that prospective vendors will be asked to submit new responses and bids. In the meantime, MCERA will continue to receive services from the current custodian.

Date: March 18, 2021

To: Finance and Risk Management Committee
Marin County Employees' Retirement Association (MCERA)

From: Jeff Wickman 
Retirement Administrator

Subject: 2021-22 Fiscal Year Budget Priorities

Background and Timing

The Board's Budget policy requires that a proposed budget for the new fiscal year be brought before the Finance and Risk Management Committee for discussion and deliberation during as many meetings as necessary for the Committee to recommend a budget to the Board. The budget that is recommended by the Finance and Risk Management Committee will be considered during at least one Board meeting.

For the past seven fiscal years the draft budget has been presented for review and discussion at the May Finance and Risk Management Committee meeting. This has been done to allow the budget to include as much information as is available from the County of Marin's overall proposed budget. This avoids the need to make amendments to the final MCERA budget. Staff recommends that the same budget approval process be followed for Fiscal Year (FY) 2021-2022.

Fiscal Year 2020/21 Budgetary Facts

- Expenses related to MCERA legal, actuarial and information technology work are excluded from the Administrative Budget. They are shown as non-Administrative budget expenses in the quarterly reports to the Finance and Risk Management Committee.
- The Administrative Budget is \$4,628,959. After adjustments for items reimbursed by the County of Marin for the administration of the post-retirement medical plans and investment related expenses which can be legally charged to the trust the amount is \$4,203,959.
- Administrative Budget expenditure cap for FY2020/21 is \$6,242,670 (21 bps of liability).
- Salaries and benefits comprise 67% of the total budget. The budgeted total cost of salaries and benefits increased by 0.1% from FY 2019/20.
- Services and Supplies (medical related services, supplies, travel and education) make up approximately 26% of the total budget. The budgeted total cost of Services and Supplies decreased by 0.3% from FY 2019/20.

B.2.a.5

- Interdepartmental Expenses make up the final 7% of the budget. The budgeted total cost of Interdepartmental Expenses decreased by 5.8% from FY 2019/20.
- All positions are budgeted at the top step as defined in the County salary schedules with a 2.5% cost of living adjustment added to salaries as of July 1, 2020 as negotiated.
- Employee benefits are budgeted as 54% of salary, a decrease of 5% from FY 2019/20.

Fiscal year 2021/22 Budgetary Considerations

- Set benefit multiplier to align with County expectations: 53%-54% of pay.
- Do not include a cost of living adjustment for all County employees for the fiscal year.
- Reallocate a vacant Accounting Assistant position to Senior Accountant to maintain current resources in the Accounting Unit.
- Revise medical expenses for disability benefit processing based on FY 2020/21 data.
- Adjust storage costs for moving paper member files to offsite storage.
- Modify Board Conference room in anticipation of holding in person and video conference Board and Committee meetings.

B.2.a.6 Annual Audit of Financial Statements Update

This is a discussion with no backup.



Marin County Employees' Retirement Association

Scope of Services Presentation – Proposed Audit Plan to the Audit Committee for the Fiscal Year Ended June 30, 2021

Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue, Suite 300, Bakersfield, CA 93309

1919 Grand Canal Blvd., Suite C6, Stockton, CA 95207

Telephone: (661) 324-4971 Fax: (661) 324-4997 www.bacpas.com

Contact: Rosalva Flores, CPA, Colin Lo, CPA

Email: rflores@bacpas.com, clo@bacpas.com

BROWN
ARMSTRONG
—
CERTIFIED
PUBLIC
ACCOUNTANTS

April 7, 2021

The Audit Committee
Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

We are pleased to have the opportunity to present to you our plan for the audit of Marin County Employees' Retirement Association (MCERA) for the fiscal year ended June 30, 2021.

This presentation has been prepared to discuss the scope of the audit.

We look forward to presenting this information, addressing your questions, and discussing any other matters of interest to the management of MCERA and the Audit Committee.

Sincerely,

Rosalva Flores, Audit Partner
Colin Lo, Audit Manager
Brown Armstrong Accountancy Corporation

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ACCOUNTANTS

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➤ Proposed Changes in Audit Plan from Prior Year	18
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➤ Questions	23

Summary

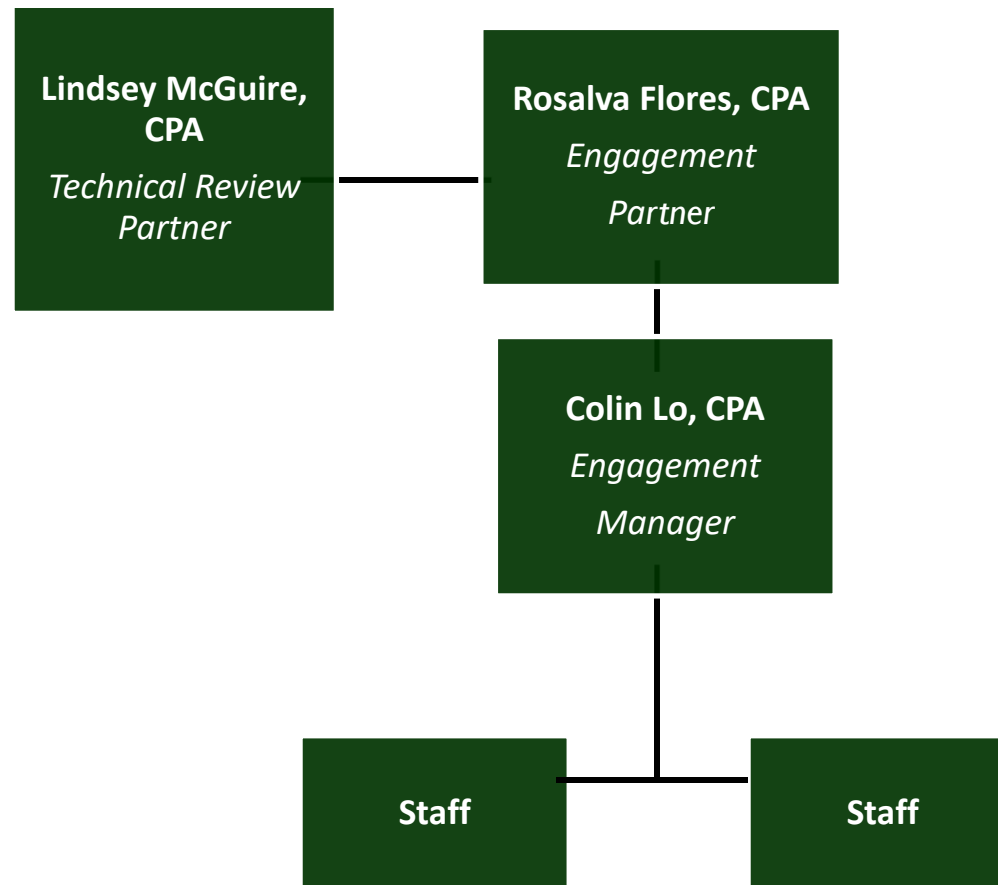
This document outlines our audit strategy and approach for the June 30, 2021 audit of MCERA and gives the Audit Committee the opportunity to review, discuss, and comment on our plan.

This document provides:

- The engagement team and the proposed audit timeline.
- An overview of our audit approach.
- Plan for continuous, two-way communication and reporting to the Audit Committee and management.
- Management's responsibilities in relation to the audit.
- The reports that will be issued.

Some modifications of the scope of our plan may be required as we execute our audit. We will advise the Audit Committee of any significant changes.

The Engagement Team



2021 Audit Timeline/Critical Dates List

Item	Due Date	Status
PLANNING		
AUDITOR to provide MCERA with populations request	Monday, May 10, 2021	
AUDITOR to provide MCERA with the interim information request and Proforma Financial Statements	Friday, May 21, 2021	
MCERA to provide AUDITOR with Active and Retired populations for confirmations	Friday, May 21, 2021	
AUDITOR to provide MCERA with sample selections for confirmations	Wednesday, May 26, 2021	
Active and Retired Participant, Actuary, and Employer Payroll Confirmations returned to AUDITOR for mailing	Friday, June 4, 2021	
AUDITOR to send out second requests for Participant, Actuary, and Employer Payroll Confirmations	Friday, June 25, 2021	
MCERA to provide AUDITOR with other populations for participant testing	Friday, June 25, 2021	
MCERA to provide AUDITOR with March 31, 2021 Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	Friday, June 25, 2021	
MCERA to provide updates to walkthroughs for significant transaction classes (Contributions, Benefit Payments, Investments, Participant Data, Actuarial, Financial Close, and Reporting)	Thursday, July 1, 2021	
INTERIM FIELDWORK		
Beginning of interim audit fieldwork. Please have all interim information requested provided to us by this date in electronic format.	Monday, July 5, 2021	
Custodian, Investment Consultant, Investment Manager, Real Estate, Private Equity, Legal, and Securities Lending confirmations returned to AUDITOR for mailing	Monday, July 5, 2021	
AUDITOR to provide MCERA with year-end information request, general questions, and investment inquiries	Friday, July 9, 2021	



2021 Audit Timeline/Critical Dates List

(continued)

Item	Due Date	Status
Interim Exit conference with MCERA management	Friday, July 16, 2021 Time TBD	
Cash and Contribution confirmations returned to AUDITOR for mailing	Wednesday, August 4, 2021	
MCERA to provide changes to the Proforma Financial Statements	Wednesday, August 4, 2021	
FINAL FIELDWORK PLANNING		
Confirmation replies due to the AUDITOR for the following: Custodian, Investment Manager, Terminated Investment Manager, Investment Consultant, Securities Lending, Real Estate, and Private Equity Investments	Friday, August 13, 2021	
MCERA to provide June 30, 2021 trial balance in electronic format and draft of Statement of Fiduciary Net Position and Statement Changes to AUDITOR and Actuary	Monday, August 16, 2021	
Beginning of final fieldwork at Brown Armstrong's offices. Please provide all final information requested provided to us by this date in electronic format.	Monday, August 16, 2021	
MCERA Audit Committee Meeting – Audit Status Fieldwork Phase	Wednesday, August 18, 2021 12:00 PM	
Confirmation replies due to the AUDITOR for the following: Cash and Contributions	Friday, August 20, 2021	
FINAL FIELDWORK		
Beginning of final fieldwork at MCERA's office. Please provide space for 4 auditors.	Monday, August 23, 2021	
Investment Questionnaire responses due to AUDITOR	Thursday, August 26, 2021	

2021 Audit Timeline/Critical Dates List

(continued)

Item	Due Date	Status
General Questionnaire responses due to AUDITOR	Thursday, August 26, 2021	
Auditor approval for release of final values to the Actuary	Friday, August 27, 2021	
AUDIT WRAP-UP & PRESENTATION		
Audit update conference call with MCERA Management	Friday, September 3, 2021 Time TBD	
MCERA to provide AUDITOR with draft of financial statements, including MD&A and Notes	Thursday, September 16, 2021	
AUDITOR to provide suggested changes or revisions to financial statements	Friday, September 24, 2021	
MCERA to provide AUDITOR with draft of financial statements and supporting notes	Wednesday, September 29, 2021	
AUDITOR to provide suggested changes or revisions to financial statements	Wednesday, October 6, 2021	
MCERA to provide AUDITOR with draft of financial statements	Wednesday, October 13, 2021	
AUDITOR to provide drafts of the following reports to MCERA: Report on Compliance and Internal Control Audit Committee Report (SAS 114 Letter) Letter to Management	Friday, October 15, 2021	
AUDITOR to provide clean draft of Financial Statements prior to GASB 67/68	Wednesday, October 20, 2021	

2021 Audit Timeline/Critical Dates List

(continued)

Item	Due Date	Status
Audit Committee discussion and review of draft financial statements	Wednesday, October 27, 2021 12:00 PM	
MCERA to provide changes on review of draft reports and responses to findings, if any	Friday, October 29, 2021	
MCERA to receive Draft Actuary GASB 67/68 Report	Friday, October 29, 2021	
MCERA to provide AUDITOR with revisions to financial statements to include GASB 67/68 and comments from the Audit Committee Meeting	Friday, November 5, 2021	
AUDITOR to provide suggested changes or revisions to financial statements with GASB 67/68	Wednesday, November 10, 2021	
Confirmation replies due to the AUDITOR for the following: Legal	Monday, November 15, 2021	
MCERA to provide approval of AUDITOR Financial Statement suggestions and any further changes for Draft to be presented at Audit Committee and Quality Control Internal Review	Monday, November 15, 2021	
AUDITOR presentation to MCERA Audit Committee	TBD	
AUDITOR to provide final copies (in email PDF version) of the following reports to MCERA: June 30, 2021 Financial Statements Report on Compliance and Internal Control Audit Committee Report (SAS 114 Letter) Letter to Management	TBD	
AUDITOR to provide 13 "hard copy packets" of the above reports for board meeting and 7 additional bound Financial Statements	Friday, December 3, 2021	
MCERA Board of Retirement acceptance of Audit Reports	Wednesday, December 8, 2021	

Our Audit Objectives

As the auditor for MCERA, we are responsible for reporting on the financial statements of MCERA for the fiscal year ended June 30, 2021. Our engagement is focused on delivering our services at three levels.

For the public and MCERA	Independent opinions and reports that provide assurance on the financial information released by MCERA.
For the Audit Committee/Board of Retirement	Assistance in discharging their fiduciary responsibilities.
For management	Observations and advice on financial reporting, accounting, and internal control issues from our professionals.

Our primary objective is the expression of an opinion on MCERA's financial statements and internal control over financial reporting in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, which includes:

- Obtaining reasonable assurance as to whether the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and are free of material misstatements, whether caused by error or fraud; and
- Obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Audit Strategy

Phase I	Phase II	Phase III	Phase IV
Planning	Interim Field Work	Final Field Work	Completion
Familiarize ourselves with operating environment	Assess internal control environment and identify strengths and weaknesses	Plan and perform substantive audit procedures substantiating all amounts and disclosures in the financial statements	Perform completion procedures, including manager, partner, and technical reviews
Perform risk assessment procedures	Perform SAS 99 (fraud evaluation) procedures	Conduct final analytical review	Obtain GASB Statements No. 67 and No. 68 valuation performing completion procedures
Determine planning materiality	Perform walkthroughs of significant audit areas	Consider audit evidence sufficiency	Obtain legal confirmations
Perform preliminary analytical review	Evaluate design and implementation of selected controls	Conclude on critical accounting matters	Draft reports to be issued
Develop the audit plan	Test controls over financial reporting and participant data	Test valuations of fair value investments	Draft and obtain signed management representation letter
Identify significant audit areas and confirmation procedures	Understand accounting and reporting activities	Continually educate staff about upcoming GASB standards/audit regulations that will need to be implemented	Issue auditor's reports and management letter
Determine nature and extent of audit procedures	Conduct exit conference with management to discuss preliminary results based on the test of controls performed	Conduct Exit Conference with management, including a discussion of proposed audit adjustments, internal control and compliance findings, and management letter	Board of Retirement or Audit Committee meeting; Presentation of Audit and Compliance Reports
Audit Committee meeting; Presentation of Scope of Services and Engagement Letter	Reevaluate the progress of the audit and make any changes on audit approach and procedures, if necessary		

Audit Areas of Focus

Significant Risk Areas	Brown Armstrong's Response
Revenue recognition	<ul style="list-style-type: none"> • Test of controls will be performed over contribution amounts as part of participant data • Confirmations from third parties • Other substantive analytics will also be performed
Management override of controls	<ul style="list-style-type: none"> • An understanding of controls over journal entries will be obtained and a sample of individual journal entries will be tested • Inquiries will be performed with individual(s) involved in the financial reporting process, and ensure no inappropriate or unusual activity relating to journal entry processing • Perform walkthroughs of significant audit areas to review adequate segregation of duties

Audit Areas of Focus (continued)

Significant Audit Areas	Brown Armstrong's Response
Investments and related earnings	<ul style="list-style-type: none"> • Walkthrough of controls to be performed • High level analytics to be performed on investment income • Confirmation with custodian, managers, and consultants • Review GASB Statement No. 72 valuation inputs and testing of Level determinations • Obtain audited financial statements and SOC reports
Participant data and actuary	<ul style="list-style-type: none"> • Walkthrough and test of controls • Test participant data, including active and terminated members, and employer payroll <ul style="list-style-type: none"> • Confirm with individual participants, actuary, and employers • GASB Statements No. 67/68 <ul style="list-style-type: none"> • Money-weighted return • Required Supplementary Information (RSI) and Other Information schedules
Employer and employee contributions	<ul style="list-style-type: none"> • Walkthrough and test of controls • Confirm with employers • High level analytics
Benefit payments	<ul style="list-style-type: none"> • Walkthrough and test of controls • Test benefit payments • High level analytics

Planned Audit Approach

- **Investments and Related Earnings**

- **Investments in General**

- Identify all investment accounts and portfolios
- Document our understanding of MCERA's internal controls over investments, including the following:
 - ❖ Establishment of investment policies and guidelines, including asset allocation and securities lending
 - ❖ Hiring and monitoring of asset managers, custodian banks, and other investment consultants
 - ❖ Determining fair values of investments
 - ❖ Account reconciliations and performance reviews
- Review MCERA's investment reconciliations
- Confirm year-end balances, including securities lending activities, with master custodian and asset managers (including trade receivables and payables)
- Select a sample of publicly traded investments and test fair values based on quoted market prices
- Verify accurate identification and financial reporting of deposit and investment risk
- GASB Statement No. 72
 - ❖ Obtain an understanding of management's methodology for classifying investments to comply with GASB Statement No. 72
 - ❖ Obtain investment schedules and disclosures from management and review for adequacy and compliance with GASB Statement No. 72

- **Investments in Derivatives**

- Review investment reports and third-party statements to substantiate the existence of derivatives, if any
- Determine the appropriateness of the methodology used to value derivative investments
- Compare fair values to quoted market prices, if available
- Perform tests of underlying data to determine the reasonableness of fair values for which quoted market prices are not available

Planned Audit Approach (continued)

- **Investments in Real Estate**
 - Review supporting documentation to substantiate the existence of real estate investments
 - Assess the qualifications and nature of the work performed by external appraisal firms in accordance with SAS 73
 - Determine the appropriateness of the methodology used to value real estate investments
 - Compare the most recent real estate appraisals to reported real estate investments
 - Analytically review fair values as compared to prior periods and determine the reasonableness of valuations based on known trends and market conditions
 - Read interim investment reports and inquire of management to determine that outstanding commitments have been properly disclosed in the financial statements
- **Alternative Investments (Direct Investments and Partnerships)**
 - Review supporting documentation, such as partnership agreements, to substantiate the existence of alternative investments
 - Determine the appropriateness of the methodology used to value alternative investments
 - Compare the most recent audited financial statements and other investment reports to reported alternative investments
 - ❖ Consider fair value changes resulting from timing issues, including subsequent contributions and distributions, and propose adjustments as necessary
 - ❖ Analytically review fair values as compared to prior periods and determine the reasonableness of valuations based on known economic and business conditions

Planned Audit Approach (continued)

○ Investment Income and Expenses

- Perform analytical procedures over reported balances. Our work should normally cover:
 - ❖ Compare current year operating results with the prior year
 - ❖ Compare key financial and operating ratios with the prior year, the industry, and with each other (e.g., actual, target, and benchmark performances, etc.)
 - ❖ Recalculate investment income and expenses to determine reasonableness
- Confirm balances with asset managers and custodian bank

● Participant Data and Employee/Employer Contributions

- Document our understanding of MCERA's internal controls over contributions from participating employees and member employers, including the following:
 - Underlying authority for contributions (established law, contracts, and formulas)
 - Select a sample of active members contributing and perform tests of significant internal controls and compliance related to pensionable salary and employee contributions
 - Payment of contributions and related account reconciliations
 - Review MCERA's account reconciliations to determine accuracy and completeness
- Determine that contributions are consistent with actuarial requirements or plan provisions, as applicable
- Perform analytical procedures over reported contributions:
 - Compare reported amounts to prior years, considering participation levels and funding requirements
 - Assess the reasonability of contributions based on covered payroll and required contribution rates, as appropriate
- Confirm contributions and pensionable salaries directly with employers

Planned Audit Approach (continued)

- **Participant Data and Benefit Payments**

- Document our understanding of MCERA's internal controls over benefit payments, including the following:
 - Underlying authority establishing benefit provisions
 - Process for determining eligibility to receive benefits
 - Determination of benefit amounts based on established formulas/criteria
 - Payment of benefits and related account reconciliations
 - Select a sample of benefit payments and perform tests of significant internal controls and compliance
- Review MCERA's account reconciliations to determine accuracy and completeness
- Perform analytical procedures over reported benefits:
 - Compare reported amounts to prior years, considering participation levels, benefit provisions, and inflationary or cost of living adjustment
 - Recalculate benefit payments to determine reasonableness
- Actuary information
 - Review the actuarial valuation and GASB 67/68 valuation reports provided by the actuarial firm, as it affects the financial statements
 - Determine that actuarial information presented in the Other Information, footnotes to the financial statements, and RSI is consistent with information contained in the actuarial valuation report and determine that the requirements of GASB Statements No. 67/68 have been met
 - Obtain access to the underlying records of the active, inactive, and retired participants to test and verify the accuracy of the underlying data

Proposed Changes in Audit Plan from Prior Year

- Test City of San Rafael employees who have differential pay
- Credit Card Testing
- IT Procedures
 - Evaluate new accounting system
 - Evaluate county's new payroll system
 - Analyze outside IT assessment and intrusion testing results

Reports Expected to be Issued

	<i>Government Auditing Standards</i>		
GAAS Standards			
Independent Auditor's Report (Opinion) on Financial Statements	Required Communication to the Board of Retirement in Accordance with Professional Standards (SAS 114)	Report on MCERA'S Internal Control over Financial Reporting and on Compliance with Laws and Regulations (Yellow Book Report)	Report on Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter)

Implementation of New Accounting Pronouncements if Applicable to MCERA for the June 30, 2021 Audit

None



Future Accounting Pronouncements

Standard	Title	Effective Date	Year End Effective Date	Effect on MCERA?
GASB Statement No. 87	<i>Leases</i>	Fiscal June 15, 2021	July 1, 2021 – June 30, 2022	Requires the recognition of certain assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. MCERA's potential impact upon implementation has not been determined.
GASB Statement No. 89	<i>Accounting for Interest Cost Incurred Before the End of a Construction Period</i>	Fiscal years beginning after December 15, 2020	July 1, 2021 – June 30, 2022	The statement does not apply as MCERA does not account for or report construction.
GASB Statement No. 91	<i>Conduit Debt Obligations</i>	Fiscal years beginning after December 15, 2021	July 1, 2022 – June 30, 2023	This statement does not apply as MCERA does not have debt obligations.
GASB Statement No. 92	<i>Omnibus 2020</i>	The effective dates vary dependent on the various topics and early application is encouraged and is permitted by topic.	The requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. All other topics are effective July 2021 to June 30, 2022.	This statement was issued to enhance the comparability in accounting and financial reporting and to improve consistency addressing issues identified during implementation and application of certain GASB statements. MCERA's potential impact upon implementation has not been determined.

Future Accounting Pronouncements (Continued)

Standard	Title	Effective Date	Year End Effective Date	Effect on MCERA?
GASB Statement No. 93	<i>Replacement of Interbank Offered Rates</i>	The effective dates vary dependent on the various topics and early application is encouraged and is permitted by topic.	The requirements of this statement, except paragraphs 11b, 13, and 14, are effective for reporting periods beginning after June 15, 2021. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal periods beginning after June 15, 2021.	This statement does not apply as MCERA does not have agreements in which variable payments made or received depend on an interbank offered rate.
GASB Statement No. 94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	Fiscal years beginning after June 15, 2022	July 1, 2022 – June 30, 2023	This statement does not apply as MCERA does not have public-private or public-public partnership agreements.
GASB Statement No. 96	<i>Subscription-Based Information Technology Arrangements</i>	Fiscal years beginning after June 15, 2022	July 1, 2022 – June 30, 2023	MCERA's potential impact upon implementation has not been determined.
GASB Statement No. 97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 257 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32</i>	The effective dates vary dependent on the various topics and early application is encouraged and is permitted by topic.	The requirements in (1) paragraph 4 of this statement as it applied to defined contribution pension plans, defined OPEB plans, and other employee benefit plans and (2) paragraph 5 of this statement are effective immediately. The requirements in paragraphs 6-9 of this statement are effective in fiscal years beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021.	This statement does not apply as MCERA does not have a Deferred Compensation Plan.

Questions?

We are looking forward to working closely with you and the management team during the June 30, 2021 audit.

Thank you!

BROWN ARMSTRONG
Certified Public Accountants



Rosalva Flores, CPA



Colin Lo, CPA

BROWN
ARMSTRONG
—
CERTIFIED
PUBLIC
ACCOUNTANTS

B.2.b.2 Audit Committee 2021 Audit Schedule

The Audit Schedule is included in backup for Agenda Item B.2.b.1.

CALAPRS

EDUCATION • COMMUNICATION • NETWORKING

California Association of Public Retirement Systems

B.3.a

ALL SYSTEMS

VIRTUAL GENERAL ASSEMBLY MARCH 8-9, 2021



The California Association of Public Retirement Systems, CALAPRS, invites you to attend our Virtual General Assembly, March 8-9, 2021. The General Assembly is an educational conference for retirement system trustees, senior staff, and our annual sponsors. This year, we're putting together an exciting virtual experience that will allow you to still foster one-on-one connections, get to know our sponsoring partners, and learn from international experts and peers.

GA Planning Committee

Steve Delaney, Orange County Employees Retirement System (Chair)

Roberto Peña, San Jose Retirement Services

Johanna Shick, San Joaquin County Employees' Retirement Association

Anthony Suine, California Public Employees' Retirement System

Julie Wyne, Sonoma County Employees' Retirement Association

PROGRAM - Monday, March 8, 2021

8:30 – 8:45 AM

Opening Remarks & Presentation of the Toigo Award

Presenters: Steve Delaney, CEO, OCERS and General Assembly Conference Chair; and Carl Nelson, CEO, San Luis Obispo County Pension Trust and CALAPRS President

8:45 – 9:45 AM

Fort Knox or In Knots: Unraveling the Mystery of Cybersecurity

Organizations know they need to address cybersecurity, but may be unsure how or where to begin. In this session, you'll hear from one agency that has built a cybersecurity practice using internal resources. Additionally, participants will learn how to leverage external resources to start or enhance their cybersecurity program, direct from industry experts. Join this panel discussion to obtain practical advice on how to get your organization on the path to becoming more cybersecure.

Moderators: Matt Eakin, Director of Cyber Security, OCERS and Jon Gossard, Information Security Manager, OCERS

Panelists: Peter Dewar, President, Linea Secure and Peter Liebert, VP & Chief Information Security Officer, Cerner Government Services and Commander of Cyber Operations, California State Guard



PROGRAM

Monday, March 8, 2021 (continued)

9:45 – 10:00 AM

Networking Break / Expo Hall

10:00 – 11:00 AM

COVID: One-Year Later - What's Changed?

Senior leadership from San Jose Retirement Services, CalPERS, and SamCERA will discuss how their systems have adapted to life 1-year post COVID. Participants will get to hear how both larger and smaller retirement systems have transitioned their teams to remote-working, including new onboarding processes and services and tools that they've had to redevelop to meet their new virtual needs.

Moderators: Roberto Peña, Chief Executive Officer, San Jose Retirement Services and Anthony Suine, Deputy Executive Officer, Customer Services & Support, California Public Employees' Retirement System

Panelists: Carene George, Chief, Customer Experience Division, CalPERS; Barbara Hayman, Deputy Director, City of San Jose Retirement Systems; Scott Hood, Chief Executive Officer, San Mateo County Employees' Retirement Association; and David Rubio, Chief, Customer Education and Outreach Division, CalPERS

11:00 – 11:15 AM

Networking Break / Expo Hall

11:15 AM – 12:15 PM

Table Topic Breakout Sessions

The Table Topic Breakout Sessions are a series of informal discussions around a specific topic to promote dialogue and information exchange amongst attendees.

- **Capital Markets & Economic Outlook:** Stephen McCourt, from Meketa Investments, and Ian Toner from Verus, will discuss the short and long term implications of low interest rates on asset allocation policy, and the current state of the global economy as it attempts to repair itself from the historic disruption caused by COVID-19.
- **Technology:** In this session, participants will hear from representatives from Linea Secure and Provaliant Retirement about trends they're seeing in technology around the US, as well as here in California, including the integration of AI.
- **COVID 19 - An Actuarial Perspective on Experience, Assumptions, and Policies:** This discussion will focus on the impacts of COVID-19 on short-term experience vs. long-term assumptions, both demographic (retirement/mortality spikes, disabilities, layoffs, payroll growth/revenue) and economic (pressure on returns, changes to inflation expectations), and include specific focus on how these issues affect the funding of plans and actions that plans and sponsors may or may not choose to consider.
- **Legal & Legislative Updates:** The Legal / Legislative Updates session may cover such topics as: recent changes in federal regulations and their potential effect on system investment transactions, recent California Public Records Act issues or concerns, service connected disability — psychological injury resulting from otherwise appropriate personnel actions, and so much more!
- **Investments:** Supporting partners will discuss portfolio considerations for a low return market, trends in farmland and agribusiness investments, and the role of real estate in a system's investment portfolio.

12:15 - 1:00 PM

Lunch Break

1:00 – 3:00 PM

AB1234 Ethics for Public Pension Trustees

This two hour mandatory bi-annual training for public officials covers conflict of interest rules, public meeting and record requirements, due process requirements and other significant rules for legal compliance by public officials, with a particular focus on how these rules apply to retirement board trustees and senior staff. Note - this session is designed for system trustees and senior staff.

Moderator: Carl Nelson, CEO, San Luis Obispo County Pension Trust and CALAPRS President

Presenter: Ashley Dunning, Partner, Nossaman LLP



PROGRAM

Tuesday, March 9, 2021

8:30 – 8:45 AM

Opening Remarks

General Assembly Conference Chair: Steve Delaney, CEO, OCERS

8:45 – 9:45 AM

Unconscious Bias: A Quiet Performance Killer

When YouTube launched its first app for Apple's iOS, they found that 5-10% of the videos appeared upside down. Why? Because they had inadvertently created an app for right-handed users. When used by left-handers, phones are usually rotated 180 degrees, so without realizing it, YouTube had created an app that failed to work effectively for left-handed people. That's a classic example of unconscious bias. In this case, the bias was toward right handers and created a problem for left-handed users. The primary purpose of this session is to describe unconscious bias, to identify the ways it can diminish our effectiveness and to identify steps we can take to reduce bias and its impact on our performance. You will learn to do the following:

- Define unconscious bias and describe the different types of bias that can impact your interactions with others as well as your performance (e.g., affinity bias, beauty bias, confirmation bias, conformity bias and halo/horns effect bias).
- Identify the specific ways unconscious bias can affect your personal and professional relationships, as well as your work performance (including recruitment, selection, employee development, employee evaluation, customer service, and problem-solving and decision-making).
- Identify specific steps you can take to reduce your unconscious bias and diminish the negative impact it has on your life and performance.

Moderator: Anthony Suine, Deputy Executive Officer, Customer Services & Support, CalPERs

Presenter: Dr. Tyrone A. Holmes, Ed.D., T.A.H. Performance Consultants, LLC

9:45 – 10:00 AM

Networking Break / Expo Hall

10:00 – 11:00 AM

Evaluating the Risk of Investing in China

Dr. Spalding's presentation will cover China's strategy to dominate the globe in six key areas: the economy, the military, global diplomacy, technology, education and infrastructure. He will describe, in each of these areas, how the Chinese Communist Party is exerting its influence to dominate other countries by acquiring technology without paying for its development, infiltrating U.S. corporations and laboratories, building infrastructure in its and surrounding countries to control shipping, and using American investor dollars to pay for its own factories and companies while restricting cash flow out of China and back to the investors. He will also discuss the importance of understanding the underlying risks of investing in China that center on the government's lack of transparency and communist rule of law and how these risks should be evaluated by institutional investors, and his view on President Biden and U.S. China relations under this new administration.

Moderators: Jim Failor, CIO and Julie Wyne, CEO, Sonoma County Employees' Retirement Association

Presenter: Dr. Robert Spalding, Author and Former U.S. Air Force Brigadier General (Ret.)

11:00 – 11:30 AM

Networking Break / Expo Hall

11:30 AM – 12:35 PM

The Australian Model – Understanding the Approach Taken by Super Annuation Funds

Con will provide a brief historical background on Superannuation (the rest of the world calls Pensions) in Australia. In particular he will discuss the compulsory nature of Superannuation from the early 90's born via Industrial Reforms in the then Keating Labor Government. The reforms are part of a 3 pillar approach to talking retirement savings in Australia. The three pillars are 1) Compulsory employer contributions to Super Funds; 2) enabling further contributions by employers or employees and 3) a safety net consisting of a means tested government pension (social security). The current compulsory contributions are set at 9.5% with legislation mandating increases to 12% by 2027. The overall system has \$3 trillion in assets under management over 3 types of superannuation vehicles; 1) Industry funds, 2) Retail Funds and 3) Self Managed Super. Con will discuss the various approaches and recent controversies and pending legislation changes for the industry. The last few minutes of this session will include closing remarks by the General Assembly Conference Chair.

Moderator: Steve Delaney, CEO, OCERS

Presenter: Con Michalakakis, Chief Investment Officer, Statewide Super

B.3.b Other Comments

This is a discussion with no backup.

CONFIDENTIAL DISABILITY MATTER


**GARY
SIEGEL**



Phone 415 473-6147
Fax (benefits) 415 473-3612
Fax (admin) 415 473-4179
MCERA.org

April 5, 2021

To: Members of the Board of Retirement
Marin County Employees' Retirement Association (MCERA)

From: Jeff Wickman 
Retirement Administrator

Subject: State Association of County Retirement Systems (SACRS) Business Meeting
May 14, 2021

Background

The 2021 Spring SACRS Conference will be conducted in a virtual format similar to the Fall 2020 Conference. SACRS will hold their semi-annual business meeting at the end of the Conference on May 14, 2021. At the Business Meeting voting delegates from the member systems (including MCERA) will be asked to provide direction on the following items:

- Secretary's Report - Minutes from Fall 2020
- Treasurer's Report – Financials and Annual Budget
- Legislative Report – Legislative Update and Proposals
- SACRS Nominating Committee – Board of Election
- Audit Committee – Annual 2019-2020 Financial Audit

Recommendation


Staff recommends the Board delegate authority to vote on MCERA's behalf at the SACRS Business meeting to a Board Member or the Retirement Administrator. The materials for the Business Packet are included for review and discussion with this agenda item.



Phone 415 473-6147
Fax (benefits) 415 473-3612
Fax (admin) 415 473-4179
MCERA.org

April 5, 2021

To: Members of the Board of Retirement
Marin County Employees' Retirement Association (MCERA)

From: Jeff Wickman 
Retirement Administrator

Subject: 2021 State Association of County Retirement Systems (SACRS)
Spring Business Meeting

Background

SACRS will hold its semi-annual business meeting virtually at the Spring Conference on May 14, 2021. At the Business Meeting delegates from the member systems (including MCERA) will be asked to vote on five items in the Business Meeting packet.

Agenda Item #2 – Secretary's Report: November 2020 SACRS Business Meeting Minutes

Kathryn Cavness, SACRS Secretary from Mendocino County Employees' Retirement Association will present the minutes from the November 2020 Business Meeting for approval.

Recommendations

Staff have reviewed the minutes and recommends the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the November 2020 SACRS Business Meeting Minutes.

Agenda Item #3 – Treasurer's Report: July 2020 – January 2021 Financials

Harry Hagen, SACRS Treasurer from Santa Barbara County Employees' Retirement System will present the financial statement for the period of July 2020 through January 2021 and the budget for July 2020 through February 2021 for approval.

Recommendations

Staff have reviewed the financial statements and budget and recommends the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the financial statements as presented by the Treasurer.

Agenda Item #5 – SACRS Legislative Committee: Legislative Report and Proposal

The SACRS Legislative Committee will provide a general report on legislative activity as of April 2021. The Legislative Committee has also developed proposed clean up legislation to be included in Senate Bill 634 for potential passage in the 2021 State Legislative Session

The specific changes being proposed by the Legislative Committee are:

D.2

- Clarifying that the Board of Retirement may contract with a private physician to provide medical advice as part of the Board's duties related to processing disability claims.
- Removing an obsolete reference to procedures for purchasing additional service credit.
- Adding missing phrases and words to post retirement employment and survivor benefits statutes to clarify them and create consistency with other statutory references.

Recommendations

The SACRS Legislative Committee is recommending that SACRS sponsor SB 634 for the 2021 legislative session. Staff reviewed proposed changes and agrees that language provides additional clarity for the consistent administration of the system and conforms statutory language to current business practices.

Staff recommends the Board direct the voting delegate to vote in favor of a motion that the legislation be sponsored by SACRS.

Agenda Item #6 – SACRS Nominating Committee: 2021-2022 Board Elections

The SACRS Nominating Committee has recommended the following slate of officers be elected to serve for 2021 - 2022:

Position	Nominee	County
President	Vivian Gray	Los Angeles CERA
Vice President	Kathryn Cavness	Mendocino CERA
Treasurer	Harry E. Hagen	Santa Barbara CERS
Secretary	Thomas Garcia	Imperial CERS
Regular Member	David MacDonald, MD	Contra Costa CERA
Regular Member	Vere Williams	Santa Barbara CERA

In addition, the following individuals were submitted for candidates:

Position	Nominee	County
Regular Member	John Kelly	Sacramento CERS
Regular Member	Chris Prevatt	Orange CERS

The memo from the SACRS Nominating Committee and nominee materials from the candidates for Board of Directors are attached to this memo.

Recommendation

Staff recommends that the MCERA Board support the candidates put forward by the SACRS Nominating Committee and direct the voting delegate to submit their names on the official SACRS Voting Ballot (see attached).

Agenda Item #7 - SACRS Audit Report

The SACRS Audit Committee is presenting the Audit Financial Statements for June 30, 2019 and 2018 to the Board and member systems for adoption. The statements have been audited by James Marta & Company LLP. In the auditor's opinion, "the financial statements referred to above present fairly, in all material respects, the cash receipts and distributions of the State Association of County Retirement for the years ended June 30, 2020 and 2019..."

Recommendations

The SACRS Audit Committee will recommend a motion to adopt the Audited Financial Statements for June 30, 2020 and 2019 and request the members systems to vote in favor of that motion. Staff recommends the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the Audited June 30, 2020 and 2019 Financial Statements.



SACRS Business Meeting Packet

Friday, May 14, 2021

10:00 AM - Upon Adjournment

SACRS Event Tech Platform

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



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

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

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2020 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2020 – January 2021 Financials

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – Action

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

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Elections 2021-2022

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2019-2020 Annual Audit



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Report

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Spring Conference Breakout Reports – No Action

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

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

13. Adjournment

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

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

SACRS Business Meeting Roll Call of the System Membership

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

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2020 SACRS Business Meeting Minutes

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

Meeting Called to Order at 9:04 am

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

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

19 SACRS Member Systems Present

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

Arrived at 9:25 am: Imperial

Absent: Merced

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2019 SACRS Business Meeting Minutes

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

2nd: San Diego CERA

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

No: 0

Absent: Merced, Imperial

Motion Passes 18-0-2

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – August 2020 Financials

B. 2020 – 2021 Annual Budget

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

2nd: Orange

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

No: 0

Absent: Merced, Imperial

Motion Passes 18-0-2

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

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

5. SACRS Legislative Committee Update – No Action

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

A. 2020 Legislative Report – No Action

B. Los Angeles CERA Proposal – No Action

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

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

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

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

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

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2021-2022

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

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2018-2019 Annual Audit

Carry over item from Spring 2020 Conference that was cancelled due to COVID-19

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

2nd: Kern

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

No: 0

Absent: Merced

Motion Passes 19-0-1

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Fall 2020 Conference Evaluations/Feedback

Discussion: No report

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Fall Conference Report 2020

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

10. SACRS Affiliate Committee Report – No Action

Teri Noble, Pathway, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

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

11. SACRS Bylaws Committee Report – Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Use of SACRS' Intellectual Property

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

2nd: Marin

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

No: 0

Absent: Merced

Motion Passes 19-0-1

B. Termination of Membership

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

2nd: San Bernardino

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

No: 0

Absent: Merced

Motion Passes 19-0-1

C. Electronic Meetings

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

2nd: Contra Costa

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

No: 0

Absent: Merced

Motion Passes 19-0-1

12. SACRS Fall Conference Breakout Reports – No Action

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

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

13. Adjournment

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

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

2nd: Orange

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

No: 0

Absent: Merced

Motion Passes 19-0-1

Minutes submitted by;

Kathryn Cavness, SACRS Secretary

Sulema Peterson, SACRS Executive Director

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of January 31, 2021

D.2

Jan 31, 21

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	119,684.24
1001 · BofA Interest Checking 4389	267,053.26
1002 · First Foundation Bank ICS Acct	57,541.01

Total Checking/Savings 444,278.51

Other Current Assets

1100 · CalTrust - Medium Term	979,692.99
1107 · CalTrust Liquidity Fund	8,223.85
1110 · CAMP-SACRS Liquidity Fund	790,897.39
1201 · Deposits in Transit	-5,337.26

Total Other Current Assets 1,773,476.97

Total Current Assets 2,217,755.48

TOTAL ASSETS 2,217,755.48

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2200 · First Foundation Credit Card 1,854.14

Total Credit Cards 1,854.14

Total Current Liabilities 1,854.14

Total Liabilities 1,854.14

Equity

32000 · Retained Earnings 1,981,948.99

Net Income 233,952.35

Total Equity 2,215,901.34

TOTAL LIABILITIES & EQUITY 2,217,755.48

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

D.2

July 2020 through January 2021

	Jul '20 - Jan 21
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	236,250.00
4102 · Non Profit - Organizations	3,000.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Other	3,750.00
Total 4100 · Membership Dues	343,000.00
4200 · Webinar Symposium Registration	350.00
4270 · UC Berkeley Program	
4271 · Registrations	12,000.00
4272 · Sponsorships	23,500.00
4270 · UC Berkeley Program - Other	2,000.00
Total 4270 · UC Berkeley Program	37,500.00
4300 · Fall Conference Registration	
4301 · Affiliates - Early	23,700.00
4302 · Affiliates - Regular	24,150.00
4303 · Affiliates - Late/Onsite	13,600.00
4304 · Non Profit	720.00
4305 · Systems	16,200.00
4306 · Non-Members	16,670.00
4307 · Fun Run	355.00
4308 · Yoga	105.00
4300 · Fall Conference Registration - Other	7,200.00
Total 4300 · Fall Conference Registration	102,700.00
4900 · Interest Earned	5,562.42
Total Income	489,112.42
Gross Profit	489,112.42
Expense	
5000 · Administrative Fee	105,000.00
5001 · Administrative Services	0.00
5003 · Bank Charges/Credit Card Fees	7,219.12
5010 · Berkeley & Symposium	
5015 · Materials/Printing/Design	108.75
5017 · UC Berkeley	-20,301.00
Total 5010 · Berkeley & Symposium	-20,192.25
5020 · Webinar Symposium	
5022 · Webinar Technology	28,700.00
Total 5020 · Webinar Symposium	28,700.00
5040 · Commissions & Fees	150.00
5041 · Consulting	16,162.00
5042 · Dues & Subscriptions	3,885.00
5050 · Fall Conference	

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

D.2

July 2020 through January 2021

	Jul '20 - Jan 21
5051 · Audio/Visual	24,521.25
5054 · Hotel	0.00
5055 · Program Material	3,049.07
5056 · Speakers	38,125.00
5050 · Fall Conference - Other	2,012.81
Total 5050 · Fall Conference	67,708.13
5070 · Insurance	4,229.00
5071 · Legal & Professional Fees	22,680.00
5072 · Legislative Advocacy	35,007.00
5080 · Magazine	
5082 · Design/Printing/Etc.	800.00
5083 · Magazine - Other	5,550.00
5080 · Magazine - Other	3,774.58
Total 5080 · Magazine	10,124.58
6010 · Office Expenses / Supplies	-55.47
6011 · Postage & Delivery	4,234.84
6020 · Spring Conference	
6022 · Delivery & Shipping	122.41
6024 · Hotel	
6024.2 · Conference	194.86
6024 · Hotel - Other	-60,000.00
Total 6024 · Hotel	-59,805.14
6026 · Speakers	-210.36
Total 6020 · Spring Conference	-59,893.09
6051 · Taxes & Licenses	10.00
6053 · Technology/AMS/Website	29,960.02
6054 · Travel	231.19
Total Expense	255,160.07
Net Ordinary Income	233,952.35
Net Income	233,952.35

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2020 through February 2021

D.2

	Jul '20 - Feb 21	Budget	\$ Over Budget	% of Budget
Income				
4100 · Membership Dues				
4101 · Affiliates	237,500.00	268,750.00	-31,250.00	88.37%
4102 · Non Profit - Organizations	3,250.00	3,000.00	250.00	108.33%
4103 · Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 · Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 · Systems - Large	42,000.00	42,000.00	0.00	100.0%
4100 · Membership Dues - Other	3,750.00			
Total 4100 · Membership Dues	344,500.00	371,750.00	-27,250.00	92.67%
4200 · Webinar Symposium Registration	350.00			
4250 · Product Income				
4255 · Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 · Product Income	0.00	2,000.00	-2,000.00	0.0%
4270 · UC Berkeley Program				
4271 · Registrations	13,000.00	100,000.00	-87,000.00	13.0%
4272 · Sponsorships	23,500.00	55,000.00	-31,500.00	42.73%
4270 · UC Berkeley Program - Other	2,000.00			
Total 4270 · UC Berkeley Program	38,500.00	155,000.00	-116,500.00	24.84%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	24,000.00	30,000.00	-6,000.00	80.0%
4302 · Affiliates - Regular	24,150.00	26,250.00	-2,100.00	92.0%
4303 · Affiliates - Late/Onsite	13,600.00	10,000.00	3,600.00	136.0%
4304 · Non Profit	720.00	1,000.00	-280.00	72.0%
4305 · Systems	16,200.00	12,000.00	4,200.00	135.0%
4306 · Non-Members	16,670.00	25,000.00	-8,330.00	66.68%
4307 · Fun Run	355.00	1,000.00	-645.00	35.5%
4308 · Yoga	105.00	100.00	5.00	105.0%
4300 · Fall Conference Registration - Other	7,200.00			
Total 4300 · Fall Conference Registration	103,000.00	105,350.00	-2,350.00	97.77%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	0.00	80,000.00	-80,000.00	0.0%
4352 · Affiliates - Regular	0.00	50,000.00	-50,000.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	17,500.00	-17,500.00	0.0%
4354 · Non Profit	0.00	500.00	-500.00	0.0%
4355 · Systems	0.00	11,250.00	-11,250.00	0.0%
4356 · Non-Members	0.00	127,500.00	-127,500.00	0.0%
4357 · Fun Run	0.00	700.00	-700.00	0.0%
4358 · Yoga	0.00	350.00	-350.00	0.0%
Total 4350 · Spring Conference Registration	0.00	287,800.00	-287,800.00	0.0%
4900 · Interest Earned	4,167.79			
Total Income	490,517.79	921,900.00	-431,382.21	53.21%
	490,517.79	921,900.00	-431,382.21	53.21%

Expense

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2020 through February 2021

D.2

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

D.2

July 2020 through February 2021

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

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

No printed material for this item

5. SACRS Legislative Committee Update – Action

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

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



April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

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

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

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

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

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

We have a few observations.

That's not a lot of Strings

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

Lots of Money, Lots of People Want it

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

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

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

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

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

New Attorney General

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

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

March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

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

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

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

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

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

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

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

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

As Introduced, 2/19/2021

2021 CERL Amendments

Sec	Gov Code	Topic	Issue/Justification
9 14	31530 31732	County Health Officer as Medical Advisor	Updates statutes to conform to existing practices in which many retirement systems currently use outside, independent medical advisors to evaluate disability claims. Amendments clarify that the county health officer, either directly or through a duly authorized representative, shall advise the board on medical matters. Also clarifies that the board may contract with a physician in private practice under its existing authority to secure the necessary medical service and advice in carrying out its adjudication of disability retirement applications.
10	31565.5	County Office of Education	Fixes incorrect cross references when the Education Code was restructured years ago.
11	31641.8	Service Purchase-Installment Payments	Deletes obsolete section. The payment terms related to pre-tax and after-tax contributions in conformity with federal tax law are generally specified in the contracts that members sign when they elect to make additional contributions.
12 13	31680.2 31680.3	Post-Retirement Employment	Fixes typo/missing words. Section 31680.2 provides that retired members may be reemployed without reinstatement to membership in a position requiring special skills or knowledge for a period of time not to exceed 90 working days or 720 hours in one fiscal year of any other 12-month period. Section 31680.3 provides that the period of time not exceed 120 working days or 960 hours. The current statutes are missing the phrase "a period of time," similar to sentence structure in Section 31680.6.
15	31781.2	Survivor benefits	Fixes typo. The word "the" is missing before "guardian."

SENATE BILL**No. 634**

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

February 19, 2021

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

LEGISLATIVE COUNSEL'S DIGEST

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This bill would make various technical and stylistic changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

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

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

3 22011. For an application or document requiring a signature,
4 that signature shall be in a form prescribed by the system,
5 including, but not limited to, on paper or made by electronic means.
6 Notwithstanding any other law, an application or document made
7 under this ~~part~~ *part, Part 13.5 (commencing with Section 25900),*
8 *or Part 14 (commencing with Section 26000)* that is signed and
9 submitted by the person authorized to do so using technology and
10 security measures prescribed by the system shall be deemed to be
11 a signed and valid original document.

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

14 22802. (a) A member, other than a retired member, who was
15 previously excluded from membership in the Defined Benefit
16 Program may request to purchase service credit for:

17 (1) Service as a substitute excluded under Section 22602.

18 (2) Creditable service subject to coverage under the Cash
19 Balance Benefit ~~Program, excluding service credited pursuant to~~
20 ~~Section 26402, Program~~ if the member is currently contributing
21 to the Defined Benefit Program and has terminated all service
22 subject to coverage under the Cash Balance Benefit Program. Upon
23 requesting to purchase service credit under this paragraph, the
24 member shall cease to be eligible for a benefit for the same service
25 or time previously credited under the Cash Balance Benefit
26 Program pursuant to Part 14 (commencing with Section 26000).

27 (3) Service performed on a part-time basis excluded under
28 Section 22601.5 or Section 22604, other than service credited
29 under paragraph (2).

30 (4) Adult education service excluded under Section 22603, as
31 it read on December 31, 1995.

32 (5) Service as a school nurse excluded under Section 22606, as
33 it read on December 31, 1995.

34 (6) Service performed in a position prior to the date the position
35 was made subject to coverage under the Defined Benefit Program.

36 (7) Service subject to coverage under the Defined Benefit
37 Program performed while a member of another California public
38 retirement system, provided the member has ceased to be a member

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

7 (b) A member who requests to purchase service credit under
8 this part for service performed while excluded from membership
9 under the Defined Benefit Program shall pay all of the required
10 contributions for all or the portion of that service for which the
11 member requests to purchase service credit.

12 (c) A member ~~may~~ *shall* not request to purchase service credit
13 for service or time described in paragraphs (1) and (3) to (7),
14 inclusive, of subdivision (a) if, after the request, the member would
15 continue to receive credit for the same service or time in the Cash
16 Balance Benefit Program under Part 14 (commencing with Section
17 26000) or another public retirement system.

18 (d) *A member shall not purchase service credit for any school*
19 *year if the purchase would result in more than one year of service*
20 *for that school year.*

21 SEC. 3. Section 24204 of the Education Code is amended to
22 read:

23 24204. (a) A service retirement allowance under this part shall
24 become effective upon any date designated by the member,
25 provided all of the following conditions are met:

26 (1) An application for service retirement allowance is filed on
27 a form provided by the system, which is executed no earlier than
28 six months before the effective date of retirement allowance.

29 (2) The effective date is later than the last day the member
30 earned creditable compensation pursuant to Section 22119.2 or
31 22119.3.

32 (3) The effective date is no earlier than one day after the date
33 on which the retirement allowance was terminated under Section
34 24208.

35 (4) The effective date is no earlier than one year following the
36 date on which the retirement allowance was terminated under
37 subdivision (a) of Section 24117.

38 (5) The effective date is no earlier than the date upon and
39 continuously after which the member is determined to the
40 satisfaction of the board to have been mentally incompetent.

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

6 (b) A member who files an application for service retirement
7 may change or cancel their retirement application if all of the
8 following are met:

9 (1) The form provided by the system is received in the system's
10 headquarters office no later than 30 days from the date the
11 member's initial benefit payment for the member's most recent
12 retirement under the Defined Benefit Program is paid by the
13 system.

14 (2) The member returns the total gross distribution amount of
15 all payments for any canceled ~~retirement~~ benefit, including a
16 lump-sum payment being changed to an annuity, to the system's
17 headquarters office no later than 45 days from the date of the
18 member's initial benefit payment. The member shall be liable for
19 any adverse tax consequences that may result from these actions.

20 (c) The retirement date of a member who files an application
21 for retirement pursuant to Section 24201 on or after January 1,
22 2012, shall be no earlier than January 1, 2012.

23 (d) Nothing in this section shall be construed to allow a member
24 to receive more than one type of retirement or disability allowance
25 for the same period of time by virtue of the member's own
26 membership.

27 SEC. 4. Section 26804 of the Education Code is amended to
28 read:

29 26804. Application for a retirement benefit under this part shall
30 be made on a form prescribed by the system. A participant who
31 files an application for a retirement benefit may change or cancel
32 the retirement application if all of the following are met:

33 (a) The form provided by the system is received in the system's
34 headquarters office no later than 30 days from the date of the
35 ~~member's~~ *participant's* initial benefit payment.

36 (b) The participant returns the total gross distribution amount
37 *of all payments* for any canceled retirement benefit, including a
38 lump-sum payment being changed to an annuity, to the system's
39 headquarters office no later than 45 days from the date of the
40 ~~participants's~~ *participant's* initial benefit payment. The participant

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

3 SEC. 5. Section 20320 of the Government Code is amended
4 to read:

5 20320. (a) A person directly appointed by the Governor,
6 without the nomination of any officer or board, or directly
7 appointed by the Attorney General, Lieutenant Governor,
8 Controller, Secretary of State, Treasurer, or Superintendent of
9 Public Instruction exempt from civil service under Article VII of
10 the California Constitution, except those appointed pursuant to
11 subdivision (i) of Section 4 thereof, is excluded from membership
12 in this system unless ~~he or she~~ *the person* files with the board an
13 election in writing to become a member. *The election effective*
14 *date shall be the start date of the current appointment, provided*
15 *the election is received by this system within 90 days of the*
16 *applicable start date. If the election is not received by this system*
17 *within 90 days from the start date, the effective date shall be the*
18 *first day of the month in which the election is received by this*
19 *system.*

20 (b) Upon electing to become a member, the person may further
21 elect at any time prior to retirement to receive service credit for
22 ~~his or her~~ *their* prior, excluded state service by making the
23 contributions as specified in Sections 21050 and 21051.

24 SEC. 6. Section 20322 of the Government Code is amended
25 to read:

26 20322. (a) An elective officer is excluded from membership
27 in this system unless the officer files with the board an election in
28 writing to become a member. *The election effective date shall be*
29 *the start date of the current term, provided the election is received*
30 *by this system within 90 days of the applicable start date. If the*
31 *election is not received by this system within 90 days from the start*
32 *date, the effective date shall be the first day of the month in which*
33 *the election is received by this system.* Upon electing to become a
34 member, the officer may further elect at any time prior to retirement
35 to receive service credit for ~~his or her~~ *their* prior, excluded service
36 by making the contributions as specified in Sections 21050 and
37 21051.

38 (b) As used in this part, “elective officer” includes any officer
39 of the Senate or Assembly who is elected by vote of the members
40 of either or both of the houses of the Legislature, and any

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

5 (c) Notwithstanding any other provision of subdivision (a) or
6 (b), elected or appointed officers of a county superintendent of
7 schools, school district, or community college district, or of a
8 contracting agency, who serve on public commissions, boards,
9 councils, or similar legislative or administrative bodies are
10 excluded from membership in this system. This exclusion shall
11 only apply to those elected or appointed officers, other than city
12 or county officers, who are first elected or appointed to an office
13 on or after July 1, 1994, or who are elected or appointed to a term
14 of office not consecutive with the term of office held on June 30,
15 1994. For city or county elected or appointed officers, this
16 exclusion shall only apply to those officers who are first elected
17 or appointed to an office on or after January 1, 1997, or who are
18 elected or appointed to a term of office not consecutive with the
19 term of office held on December 31, 1996. This exclusion shall
20 not apply to persons elected to a city council or county board of
21 supervisors.

22 (d) Any person holding the office of city attorney or the office
23 of assistant city attorney, whether employed, appointed, or elected,
24 is excluded from the definition of "elective officer" as defined in
25 subdivision (b). This subdivision shall apply only to persons first
26 employed, elected, or appointed on or after July 1, 1994, or
27 following any break in state service while serving in the office if
28 the office was held on June 30, 1994.

29 (e) In accordance with Section 20125, the board shall be the
30 sole judge of which elected or appointed positions qualify the
31 incumbent as an "elective officer" in this system under this section.

32 (f) Notwithstanding any other provision of law, with respect to
33 elective officers of contracting agencies, payment by a contracting
34 agency of employer contributions and any other amounts for
35 employer paid benefits under this system shall not be construed
36 as receipt of salary or compensation by the elective officer for
37 purposes of any statutory salary or compensation limitation.

38 SEC. 7. Section 20324 of the Government Code is amended
39 to read:

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

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

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

27 21499.1. Any overpayment, issued after the date of death to a
28 member, retired member, or beneficiary, made to or on behalf of
29 any member, retired member, or beneficiary, including, but not
30 limited to, contributions, interest, retirement allowance, payments
31 of any kind, or federal or state tax, shall be deducted from any
32 subsequent payment or benefit that is payable by this system as a
33 result of the death.

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

36 31530. The county health ~~officer~~ *officer, either directly or*
37 *through a duly authorized representative*, shall advise the board
38 on medical matters and, if requested by the board, shall attend its
39 meetings.

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

3 31565.5. Any member of a system established under this
4 chapter who ceases to be an employee of the county under the
5 provisions of ~~Education Code Section 873~~ *Section 1312 of the*
6 *Education Code* may elect as authorized in ~~Education Code Section~~
7 ~~873.1~~ *Section 1313 of the Education Code* to remain a member of
8 such system.

9 SEC. 11. Section 31641.8 of the Government Code is repealed.

10 ~~31641.8. Any member who has elected to make contributions~~
11 ~~pursuant to this chapter by installment payments may, at any time~~
12 ~~prior to the effective date of his retirement, complete payment~~
13 ~~thereof by lump sum.~~

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

16 31680.2. (a) Any person who has retired may be employed in
17 a position requiring special skills or knowledge, as determined by
18 the county or district employing ~~him or her, for them, for a period~~
19 ~~of time~~ not to exceed 90 working days or 720 hours, whichever is
20 greater, in any one fiscal year or any other 12-month period
21 designated by the board of supervisors and may be paid for that
22 employment. That employment shall not operate to reinstate the
23 person as a member of this system or to terminate or suspend ~~his~~
24 ~~or her~~ *their* retirement allowance, and no deductions shall be made
25 from ~~his or her~~ *their* salary as contributions to this system.

26 (b) (1) This section shall not apply to any retired person who
27 is otherwise eligible for employment under this section if, during
28 the 12-month period prior to an appointment described in this
29 section, that retired person receives unemployment insurance
30 compensation arising out of prior employment subject to this
31 section with the same employer.

32 (2) A retired person who accepts an appointment after receiving
33 unemployment insurance compensation as described in this
34 subdivision shall terminate that employment on the last day of the
35 current pay period and shall not be eligible for reappointment
36 subject to this section for a period of 12 months following the last
37 day of employment.

38 (3) Beginning January 1, 2013, if any provision of this section
39 conflicts with the California Public Employees' Pension Reform
40 Act of 2013, the provisions of that act shall prevail, except that

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

4 SEC. 13. Section 31680.3 of the Government Code is amended
5 to read:

6 31680.3. (a) Notwithstanding Section 31680.2, any member
7 who has been covered under the provisions of Section 31751 and
8 has retired may be reemployed in a position requiring special skills
9 or knowledge, as determined by the county or district employing
10 the member, for *a period of time* not to exceed 120 working days
11 or 960 hours, whichever is greater, in any one fiscal year and may
12 be paid for that employment. That employment shall not operate
13 to reinstate the person as a member of this system or to terminate
14 or suspend the person's retirement allowance, and no deductions
15 shall be made from the person's salary as contributions to this
16 system.

17 (b) (1) This section shall not apply to any retired member who
18 is otherwise eligible for reemployment under this section if, during
19 the 12-month period prior to an appointment described in this
20 section, that retired person receives unemployment insurance
21 compensation arising out of prior employment subject to this
22 section with the same employer.

23 (2) A retired person who accepts an appointment after receiving
24 unemployment insurance compensation as described in this
25 subdivision shall terminate that employment on the last day of the
26 current pay period and shall not be eligible for reappointment
27 subject to this section for a period of 12 months following the last
28 day of employment.

29 (c) Beginning January 1, 2013, if any provision of this section
30 conflicts with the California Public Employees' Pension Reform
31 Act of 2013, the provisions of that act shall prevail.

32 SEC. 14. Section 31732 of the Government Code is amended
33 to read:

34 31732. The board shall secure such medical, investigatory and
35 other service and advice as is necessary to carry out the purpose
36 of this article. Notwithstanding Section 31529, the board may
37 contract with an attorney in private practice for the legal services
38 and advice necessary to carry out the purpose of this article.
39 *Notwithstanding Section 31530, the board may contract with a*
40 *physician in private practice for the medical advice necessary to*

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

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

5 31781.2. In lieu of accepting in cash the death benefit payable
6 under Section 31781 or 31781.01, the surviving spouse of a
7 member who dies prior to reaching the minimum retirement age
8 and who at the date of the member's death has 10 or more years
9 of service to the member's credit, shall have the option to leave
10 the amount of the death benefit on deposit in the retirement system
11 until the earliest date when the deceased member could have retired
12 had the member lived, and at that time receive the retirement
13 allowance provided for in Section 31765, 31765.1, or 31765.11,
14 whichever is applicable.

15 If, at the death of the spouse, the spouse is survived by one or
16 more unmarried children of the member, under the age of 18 years,
17 the retirement allowance shall continue to the child or children,
18 collectively, until every child dies, marries, or attains the age of
19 18 years. If the spouse dies, either before or after the death of the
20 member, without either making the election or receiving any
21 portion of the death benefit, and no part of the death benefit had
22 been paid to any person, prior to the payment of any benefits, the
23 legally appointed guardian of the children shall make the election
24 herein provided for on behalf of the surviving children as, in *the*
25 guardian's judgment, may appear to be in their interest and
26 advantage, and the election so made shall be binding and
27 conclusive upon all parties in interest.

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

March 25, 2021

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2021-2022 Elections – Final Ballot

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

DEADLINE	DESCRIPTION
March 1, 2021	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2021	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 14, 2021	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference, May 11-14, 2021
May 14, 2021	Board of Directors take office for 1 year (until Spring 2022 Elections)

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

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

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

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

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

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25. The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

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

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

The elections will be held at the SACRS Spring Conference on Friday, May 14, 2021 during the scheduled business meeting. Access to the business meeting is available on the conference platform, all voting delegates and alternate delegates must be registered for the conference to access link.

SACRS Nominating Committee Final Ballot:

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

Additional Candidates Submitted:

- | | |
|-------------------------------|----------------|
| • John Kelly, Sacramento CERS | Regular Member |
| • Chris Prevatt, Orange CERS | Regular Member |

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

If you have any questions, please contact me at Dan McAllister, Dan.McAllister@sdcounty.ca.gov or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

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

Attached: Candidate submissions

Submissions for President

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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H. Gray
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101 Email Address: viviangray@aol.com, vgray@lacera.com Phone: 213.440.0142
Name of Retirement System Candidate Currently Serves On	System Name: Los Angeles County Employees Retirement Assoc. (LACERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other <u>Vice-Chair</u>
Applying for SACRS Board of Directors Position (select only one)	<input checked="" type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	2020 President, SACRS 2018 Chair, LACERA Board of Retirement 2017 Chair, SACRS Bylaws Committee 2019 Vice Chair, SACRS President Elected general member trustee since 2012 35 years of service to Los Angeles County 10 years in Law Enforcement 25 years as an attorney for Los Angeles County 6 years in private law practice Education/Pension Trustee Certificates - Bachelors of Arts: UCLA - JD: UWLA - New York Law School -Public Pension Trustee Fiduciary Program - Stanford Law School (CALAPRS) -Principles of Pension Management - Harvard Law School Program - Trustee Work Life - UC Berkeley (SACRS) - Modern Investment Theory & Practice for Retirement Systems - IFEBP -Trustee Master's Program - NCPERS Public Pension Funding Forum - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

February 23, 2021

VIA EMAIL

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

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

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

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

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

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

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

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

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS

Submissions for Vice President



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Kathryn Cavness
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 6500 Ridgewood Road, Willits, CA 95490 Email Address: k24u2figure@gmail.com Phone: Home (707) 459-2215; Cell (707) 354-8105; Work (707) 463-4194
Name of Retirement System Candidate Currently Serves On	System Name: Mendocino County Employee Retirement Association (MCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)	Chair Alternate ✓ General Elected Retiree Other _____
Applying for SACRS Board of Directors Position (select only one)	President ✓ Vice President Treasurer Secretary Regular Member
Brief Bio	<p>My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors:</p> <ul style="list-style-type: none"> • Four years as Secretary for SACRS Board of Directors • Past Chair on the MCERA Board & Current MCERA Auditing Committee Member • County of Mendocino District Attorney's Office Administrative Services Manager • Executive Education Investment Program, Hass School of Business, UC Berkeley • Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University • Advanced Principles of Pension Management for Trustees, UCLA • MBA/Accounting Emphasis

February 4, 2021

Dan McAllister, SACRS Nominating Committee Chair
SACRS Nominating Committee

Dear Dan and Nominating Committee Members,

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

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

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

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

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

Sincerely,



Kathryn Cavness,
SACRS BOD Secretary,
Mendocino CERA Trustee

Submissions for Treasurer



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

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

Harry E. Hagen
Bio for SACRS Nomination Submission Form

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

I am responsible for overseeing and investing a \$2 billion investment pool for local schools, general County government, and special districts. I manage the collection of taxes and general collections, administer Public Administrator estates and Public Guardian conservatorships, and oversee Veterans' Services programs. My duties also include serving as Chair of the County Debt Advisory Committee, implementing and managing the County's municipal financing program, and administering the County's deferred compensation program.

I hold a Bachelor's degree in Business Economics from UCSB, am a 29-year California Certified Public Accountant, and have completed the Certificate in Public Treasury Management from USC. Additionally, I have earned the designations of CPFO from the Government Finance Officers Association, CPFA and ACPFIM from the Association of Public Treasurers, CGIP from the Government Investment Officers Association, and CFIP from the Fixed Income Academy.

February 22, 2021

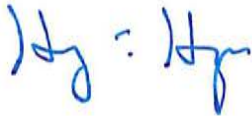
To Dan McAllister, SACRS Nominating Committee Chair,

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

I believe I am well qualified for the position based upon my educational and work experience. I am a 25-year employee of Santa Barbara County and the current Vice-Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for over 10 years. I was also an alternate member to the board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

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

Thank you for your consideration.

A handwritten signature in blue ink, appearing to read 'H. Hagen'.

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

Submissions for Secretary



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

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

D.2
Thomas Garcia
107 South B Street
Imperial, CA 92251

February 5th, 2021

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

Nomination Committee,

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

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

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

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

Sincerely,



Thomas Garcia, Board Trustee (Safety)
Imperial County Employees Retirement System

Submissions for General Member

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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

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

David J MacDonald, MD

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

January 26, 2021

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

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

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

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

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

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD

Name of Candidate	Name: JOHN B. KELLY
Candidate Contact Information (Please include - Phone)	Mailing Address: 1724 GLENBROOK LANE, LINCOLN, CA 95648 Email Address: (916) 342-9279
Number, Email Address and Mailing Address)	Phone: INVESTORSCADDIE@GMAIL.COM
Name of Retirement System Candidate Currently Serves On	System Name: SCERS
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> • FISCAL/INVESTMENT ADVISOR • 22 YEARS SCERS TRUSTEE • MASTERS OF PUBLIC ADMINISTRATION • FORMER EXECUTIVE BOARD MEMBER

D.2

From: [John Kelly](#)
To: [Sulema Peterson](#)
Subject: Letter of Intent for SACRS Board Position
Date: Friday, January 15, 2021 11:07:42 AM

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

Applying as regular member for SACRS.

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

Bio:

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

Thank you for the opportunity and your consideration.

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

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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

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

March 1, 2021

VIA Email

Dan McAllister,
SACRS Immediate Past President/ Nominating Committee Chair
SACRS Nominating Committee

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

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

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

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

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

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

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams

Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

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

SACRS
Attn: Dan McAlister
Nominations Committee

February 22, 2021

Dear Dan,

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

Regards,

A handwritten signature in dark ink, appearing to read 'Chris Prevatt', with a long, sweeping horizontal line extending to the right.

Chris Prevatt
Elected General Member Trustee
Orange County Employees Retirement System

February 23, 2021

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

Mr. Dan McAllister
SACRS Nominating Committee Chair
SACRS
1225 8th Street, Suite 550
Sacramento, CA 95814

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

Dear Mr. McAllister:

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

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

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

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

Thank you.

Best regards,

A handwritten signature in blue ink that reads "Steve Delaney". The signature is fluid and cursive, with the first name "Steve" and last name "Delaney" clearly legible.

Steve Delaney
Chief Executive Officer

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

02-26-21

Dear Nomination Committee,

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

Thank you,

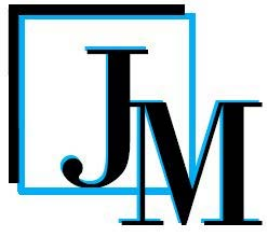
Roger Hilton

SACRS and OCERS Board Member

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

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

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2020 AND 2019**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020

BOARD OF DIRECTORS

Vivian Gray
President

Roger Hilton
Vice President

Harry Hagen
Treasurer

Kathryn Cavness
Secretary

Dan McAllister
Immediate Past President

Teri Noble
Affiliate Chair

John Kelly
Board Member

David MacDonald
Board Member

* * * *

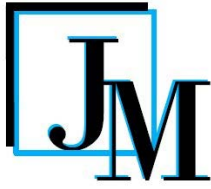
Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020 AND 2019

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James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2020 and 2019, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2020 and 2019, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Information

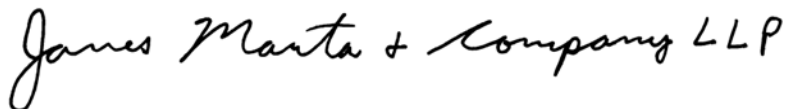
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are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

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

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

Restricted Use

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



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 23, 2020

FINANCIAL SECTION

D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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

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

D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

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

B. BASIS OF ACCOUNTING

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

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

C. INCOME TAXES

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

D. CONTRACTUAL AGREEMENTS

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

E. COMPARATIVE DATA

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

D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

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

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

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

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

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

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

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

	Bank of America	Community First Bank	Total
Per bank	\$ 297,541	\$ 89,588	\$ 387,129
Deposits in transit	-	21,959	21,959
Total bank accounts	<u>\$ 297,541</u>	<u>111,547</u>	<u>\$ 409,088</u>

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

D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing \$1,104,130. The fair value balance as of June 30, 2020 and 2019 presented in the financial statement is \$975,320 and \$1,176,734; respectively. This balance includes reinvested interest income totaling \$48,586 and \$62,336, respectively. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2020 and 2019 was \$0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2020 and 2019 was 1.94% and 2.43%, respectively.

3. CONTRACTS

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

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

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

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

4. DONATED SERVICES

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

5. SUBSEQUENT EVENTS

SACRS' management has evaluated subsequent events through October 23, 2010, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

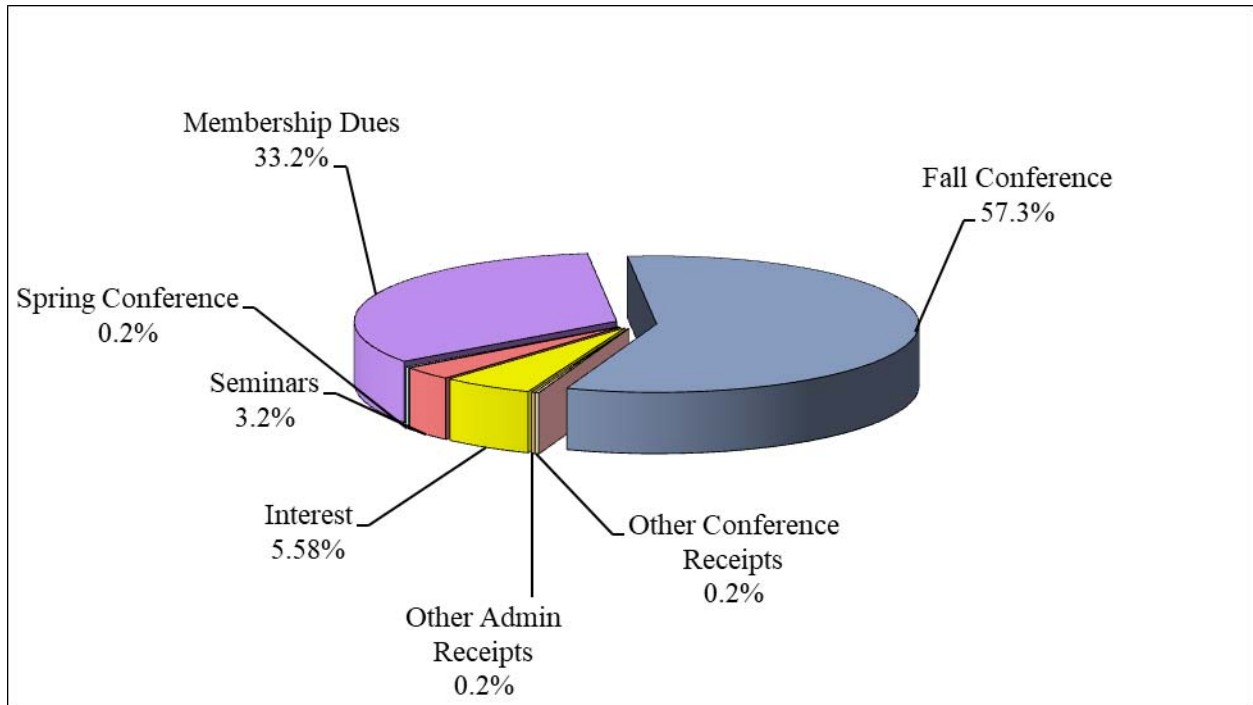
SUPPLEMENTARY INFORMATION

D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

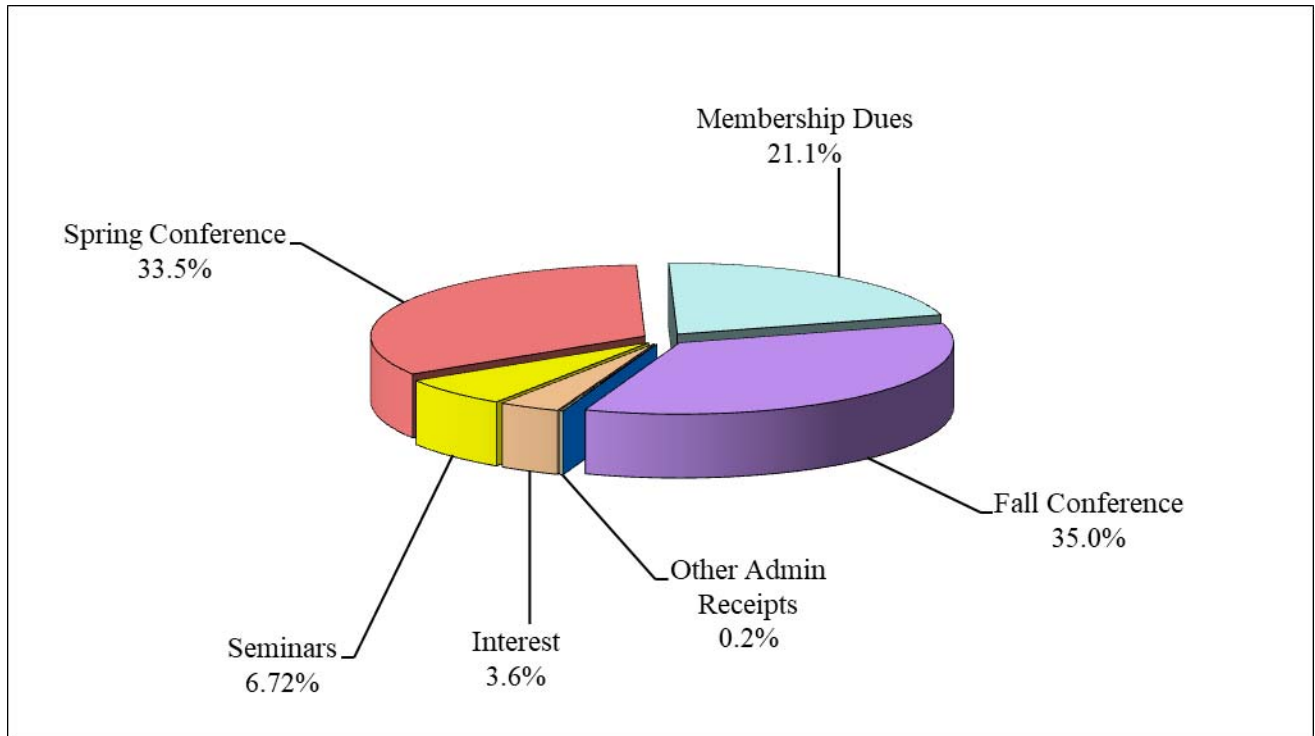
D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH RECEIPTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH RECEIPTS BY SOURCE



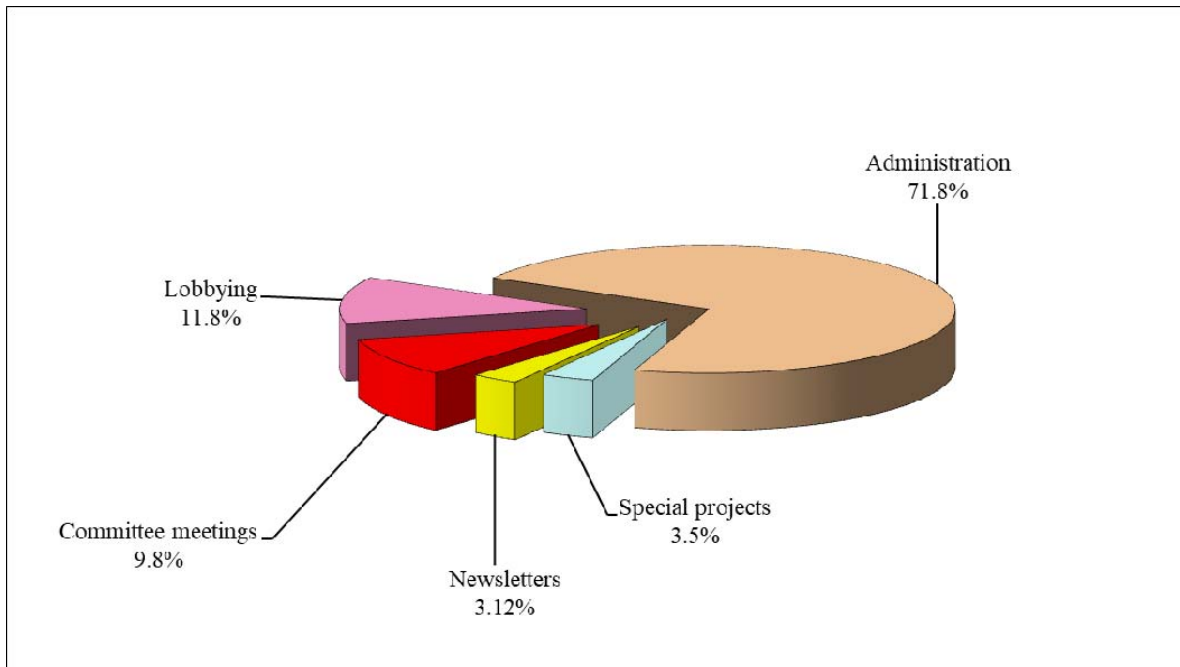
D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH RECEIPTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CASH RECEIPTS BY SOURCE

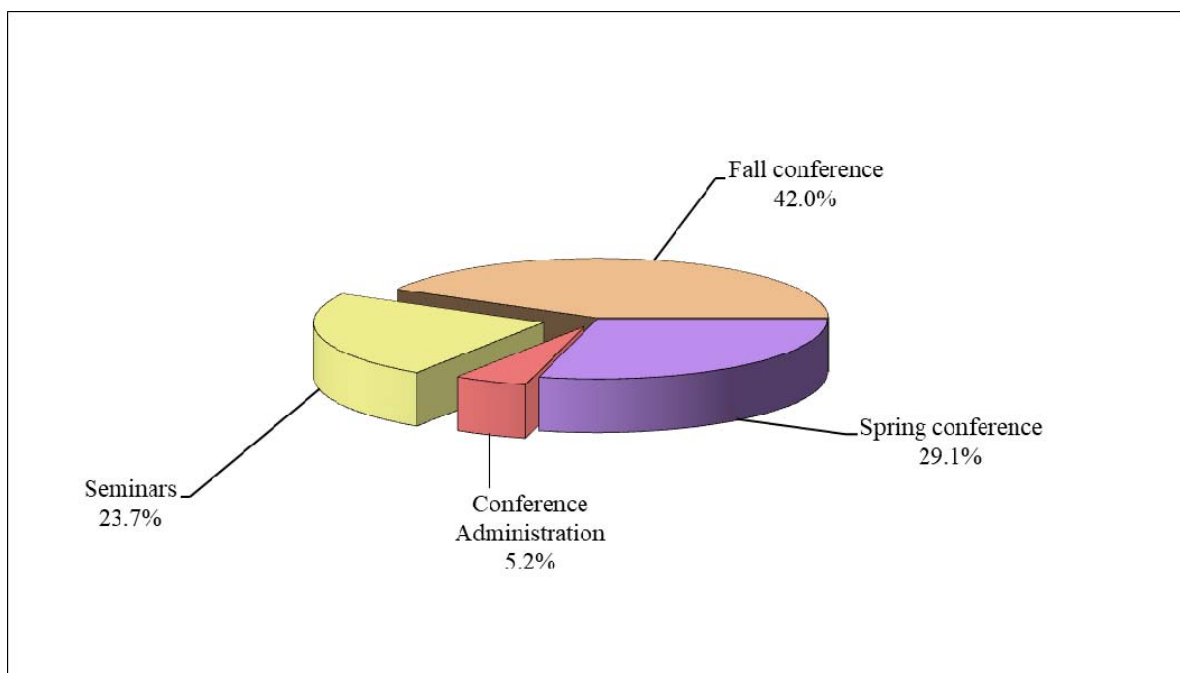


D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS

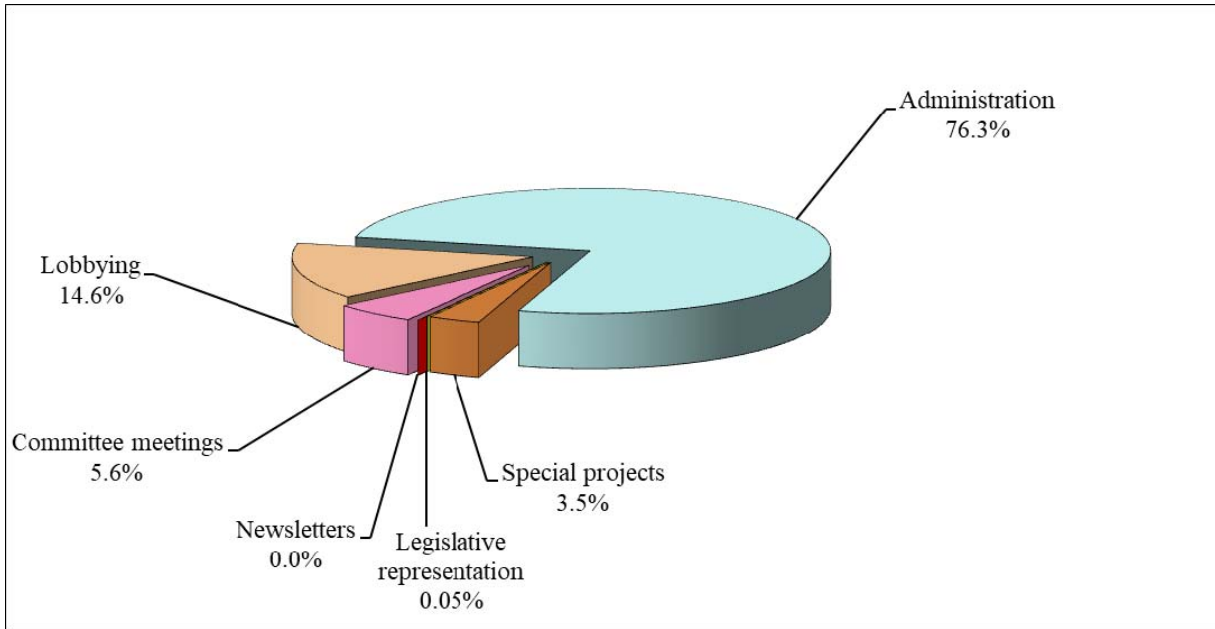


CONFERENCE CASH DISBURSEMENTS

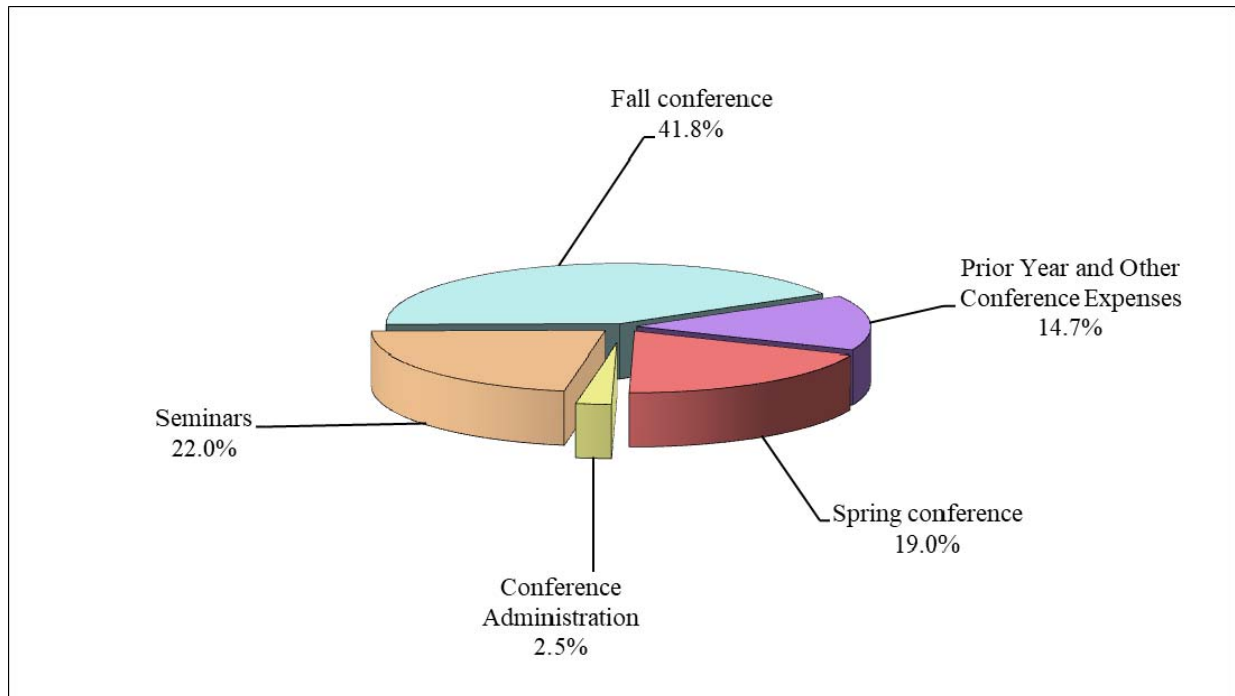


D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



D.2
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
CONFERENCE SUMMARY REPORT

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



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

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

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

Our Responsibility in Relation to the Financial Statement Audit

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

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

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

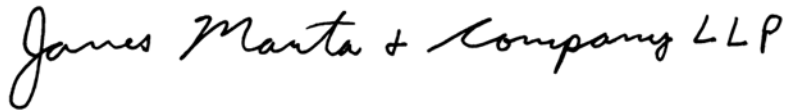
Other Significant Matters, Findings, or Issues

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

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

James Marta & Company LLP
Certified Public Accountants

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

A handwritten signature in black ink that reads "James Marta & Company LLP". The script is cursive and fluid, with the letters "J", "M", and "C" being particularly large and stylized.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 23, 2020

Adjusting Journal Entries:

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 1			
To back out unrealized gain/loss recognized in prior years			
2100	Unrealized Gain (Loss)	74,256.00	
3200	Retained Earnings		74,256.00
Total		74,256.00	74,256.00

Adjusting Journal Entry JE # 3			
PBC AJE to remove liability account			
2150	Refund Liability	2,500.00	
1000	First Foundation Bank-Checking		2,500.00
Total		2,500.00	2,500.00

Reclassifying Journal Entries:

Reclassifying Journal Entry JE # 2			
PBC RJE to record cash transfer in the correct period			
1000	First Foundation Bank-Checking	250,000.00	
1100	CalTrust - Medium Term		250,000.00
Total		250,000.00	250,000.00

MANAGEMENT REPRESENTATION LETTER

October 23, 2020

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

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

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

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

Financial Statement

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

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

Information Provided

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

Supplementary Information in Relation to the Financial Statement as a Whole

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

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

Additional Representations

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

D.2

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

Sulema H. Peterson

Sulema Peterson, SACRS Executive Director



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

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

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

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

Current Year Recommendations**2020-1 Unrealized Gain/Loss****Observation:**

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

Recommendation:

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

Management Response:

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

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

Prior Year Recommendations

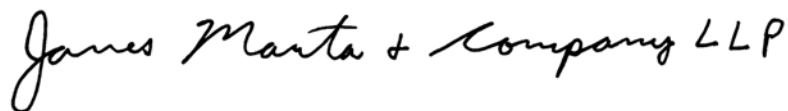
None

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

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

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

Sincerely,



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 23, 2020



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

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

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

Internal Control over Financial Reporting

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

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

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

Purpose of this Report

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

James Marta & Company LLP

James Marta & Company LLP
 Certified Public Accountants
 October 23, 2020

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

No printed material for this item

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Report

No printed material for this item

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

No printed material for this item

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

No printed material for this item

12. SACRS Spring Conference Breakout Reports – No Action

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

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

No printed material for this item

13. Adjournment

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

No printed material for this item

D.3 Future Meetings

This is a discussion with no backup.

E.1
MCERA
CONFERENCE AND TRAINING CALENDAR
April 2021

Block	Cooper	Given	Gladstern	Jones	Klein	Murphy	Poirier	Shaw	Silberstein	Thomas	Werby	Wickman	Hardesty	Dunning	Matyurin	Fowler	Marshall	DATE	APPROVED	SPONSOR	PROGRAM	LOCATION
																✱		4/13/21	*	CalAPRS	Communications Round Table	Virtual
																		4/13-15/21	*	Callan	Introduction to Investments	Virtual
															✱			4/16/21	*	CalAPRS	Information Technology Round Table	Virtual
																		4/23/21	*	CalAPRS	Overview Course in Retirement Plan Administration	Virtual
																		5/4-7/21		Pension Bridge	Annual	Virtual
																		5/10/21	*	CalAPRS	Trustees' Round Table	Virtual
										✱		✱						5/11-14/21	*	SACRS	Spring Conference	Virtual
														✱				5/28/21	*	CalAPRS	Attorneys' Round Table	Virtual
																		6/7-11/21	*	CalAPRS	Advanced Principles of Pension Governance for Trustees	Virtual
																		6/14-18/21	**	Wharton	Investment Strategies & Portfolio Management	Virtual
																		6/22/21	*	CalAPRS	Administrative Assistants' Round Table	Virtual
													✱					6/25/21	*	CalAPRS	Benefits Round Table	Virtual
												✱						6/25/21	*	CalAPRS	Administrators' Round Table	Virtual
																		7/14-16/21	*	Callan	Introduction to Investments	San Francisco, CA
																		7/19-21/21	*	Callan	National Conference	Salt Lake City, UT and Virtual

E.1

Block	Cooper	Given	Gladstern	Jones	Klein	Murphy	Poirier	Shaw	Silberstein	Thomas	Werby	Wickman	Hardesty	Dunning	Matyurin	Fowler	Marshall	DATE	APPROVED	SPONSOR	PROGRAM	LOCATION
																		8/23-9/1/21	*	CalAPRS	Management Academy	Virtual
																		8/23-24/21	*	NCPERS	Public Pension Forum	TBD
																		9/9/21	*	CalAPRS	Investments Round Table	Virtual
																	★	9/14/21	*	CalAPRS	Accountants' Round Table	Virtual
													★					9/17/21	*	CalAPRS	Benefits Round Table	Virtual
														★				9/17/21	*	CalAPRS	Attorneys' Round Table	Virtual
												★						9/22-24/21	*	CalAPRS	Administrators' Institute	Virtual
																		9/22-24/21	*	CII	Fall Conference	Chicago, IL
																		9/28-10/1/21	*	CalAPRS	Principles of Pension Governance for Trustees	Malibu, CA
																		10/8/21	*	CalAPRS	Disability Retirement Administration	Virtual
																		10/22/21	*	CalAPRS	Information Technology Round Table	Virtual
																		10/26/21	*	CalAPRS	Administrative Assistants' Round Table	Virtual
																		10/29/21	*	CalAPRS	Trustees' Round Table	Virtual
																		11/3-5/21	*	CalAPRS	Intermediate Course in Retirement Plan Administration	Virtual
																		11/7-10/21		CRCEA	Fall Conference	Long Beach, CA
																		11/9-12/21	*	SACRS	Fall Conference	Hollywood, CA
																		12/8-10/21	*	CalAPRS	Advanced Course in Retirement Plan Administration	Virtual
																		3/5-8/22	*	CalAPRS	General Assembly	Virtual

E.1

Block	Cooper	Given	Gladstern	Jones	Klein	Murphy	Poirier	Shaw	Silberstein	Thomas	Werby	Wickman	Hardesty	Dunning	Matyurin	Fowler	Marshall	DATE	APPROVED	SPONSOR	PROGRAM	LOCATION
																		3/7-9/22	*	CII	Spring Conference	Washington, DC
																		9/22-24/22	*	CII	Fall Conference	Boston, MA

*Pre-approved events: CalAPRS; Callan; CII; Nossaman LLP; NASRA; SACRS – ** Board-approved events – **New event or attendee**

CALLAN

Callan College
<http://www.callan.com/education/college>
 Callan investment Institute
<http://www.callan.com/education/cii/conferences.asp>

NASRA

National Association of State Retirement Administrators

SACRS

State Association of County Retirement Systems
<http://www.sacrs.org>

CONSENT CALENDAR**MCERA BOARD MEETING, WEDNESDAY, April 14, 2021****March 2021**

RETURN OF CONTRIBUTIONS			
Kevin Engler	Partial Refund - 30 year overpayment	\$	18,643.01
Betty Anne Highfill	Full Refund - Termination	\$	108,120.43
Anessa Larson	Full Refund - Termination	\$	130,749.57
Anndora Lee	Partial Refund - 30 year overpayment	\$	468.49
Troy Mead	Full Refund - Termination	\$	4,567.93
Joseph Medina	Full Refund - Termination	\$	8,169.99
Wanda Spaletta	Partial Refund - 30 year overpayment	\$	33,957.08
Wanda Spaletta	Partial Refund - Age change	\$	22,162.88

BUYBACKS			
Aaron Fong		\$	15,753.82
Eric Newburn		\$	6,928.36
Deanna O'Brien		\$	8,030.39
Diana Smith		\$	24,080.33

NEW RETIREES	
Jodi Arnheiter	County of Marin - Beneficiary (Jeffrey Arnheiter active death)
Jackie Bamford	County of Marin - Retirement
Deborah Bartunek	Marin County Superior Court
Brian Carmazzi	County of Marin - Sheriff/Coroner
Yvonne Carmazzi	County of Marin - DRO
Brian Evans	Southern Marin Fire
Cynthia Fix	County of Marin - Probation
Matthew Freeman	County of Marin - Sheriff/Coroner
Sara Jones	County of Marin - Library
Sharyn Jupp	County of Marin - Community Development Agency
Nancy Peake	County of Marin - Parks & Open Space
Jason Schmitt	City of San Rafael
Qing Yang	Marin County Superior Court

DECEASED RETIREES	
Eugene Fahy	City of San Rafael
Peggy Glover	County of Marin - Sheriff/Coroner
Norma Harrison	County of Marin - Beneficiary
Barbara Kingston	County of Marin - Beneficiary
Helen Lahaye	County of Marin - Parks & Open Space
Irene Laycock	County of Marin - Health & Human Services
Phyllis Stroh	County of Marin - Department of Finance
Laila Suter	County of Marin - County Administrator
Lisa Turk	County of Marin - Probation