

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

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

October 13, 2021 – 9:00 a.m.

This meeting will be held via videoconference pursuant to California Government Code section 54953(e).

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.

CALL TO ORDER

ROLL CALL

TOPIC OF GENERAL INTEREST

1. Teleconferenced Meetings during COVID-19 Pandemic (Assembly Bill 361)(Action)
Consider and take possible action to adopt proposed Resolution invoking Government Code section 54953(e) of the Brown Act to teleconference Board and Standing Committee meetings in accordance with Assembly Bill 361 (2021-2022), through November 12, 2021.

MINUTES

September 8, 2021 Board meeting
September 16, 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. ELECTION OF BOARD OFFICERS

1. Candidates for Board Officers

Consider and discuss nominations for Board of Retirement officer positions

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

b. Staffing Update

c. Facility Use Report

d. Future Meetings

October 25, 2021 Governance Committee

October 26-27, 2021 Strategic Workshop

November 3, 2021 Board

2. Ad Hoc Committee Reports

a. Ad Hoc Education Committee

1. Strategic Workshop Agenda (Action)

Consider and take possible action to approve agenda

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

b. Other Comments

D. 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. | Timothy Walsh | Service-Connected | Marin County Fire Department |
|----|---------------|-------------------|------------------------------|

Consider and take possible action to adopt Administrative Recommendation to grant service-connected disability retirement application.

- | | | | |
|----|---------------|-----------------------|---|
| 2. | Scott McMorro | Non-Service-Connected | Marin County Department of Public Works |
|----|---------------|-----------------------|---|

Consider and take possible action to adopt Administrative Recommendation to grant non-service-connected disability retirement application.

E. NEW BUSINESS

1. **Board Meeting Calendar for 2022 (Action)**
Consider and take possible action to approve Calendar.
2. **SACRS Voting Delegate (Action)**
Select delegate and alternate delegate to vote on MCERA's behalf at the SACRS business meeting November 12, 2021.
3. **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.
4. **Future Meetings**
Consider and discuss agenda items for future meetings.

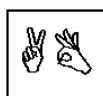
F. OTHER INFORMATION

1. **Training Calendar (Action)**

G. 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>.



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

Date: October 8, 2021

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

From: Jeff Wickman *fw*
Retirement Administrator

Subject: Summary of Assembly Bill 361 – Conducting Board and Standing Committee Meetings Virtually

Background

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (2021-2022) (“AB 361”), which incorporated into California state law certain aspects of the teleconferencing rules that have applied by Executive Order to local public agencies during the COVID-19 pandemic. Because AB 361 included an urgency measure, the law was immediately effective as of the date of the Governor’s signature. On September 20, 2021, the Governor signed an Executive Order waiving the application of AB 361 until October 1, 2021, when the provisions of the prior Executive Order on teleconferencing will expire. AB 361 provides that it sunsets on January 1, 2024.

AB 361 allows local public agency boards to operate under conditions similar to that as have been used during the COVID-19 pandemic, as opposed to under the normal open meeting laws, including the following:

- Agendas need not be posted at all teleconference locations
- Each teleconference location need not be identified in the notice and agenda of the meeting
- Each teleconference location need not be accessible to the public
- A quorum of the members of the MCERA Board do not need to participate in the meeting from locations within the boundaries of the territory over which MCERA exercises jurisdiction (i.e., within Marin County)

To operate under the provisions of the bill, the following conditions must exist:

1. There must be a “proclaimed state of emergency” and;
2. One of the following three circumstances must exist:
 - a. State or local officials have imposed or recommended measures to promote social distancing,

- b. The meeting is held to determine, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to health or safety of attendees; or
- c. The majority of legislative body has voted that as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

The Governor's State of Emergency Declaration, issued on March 4, 2020, has not been lifted and measures to promote social distancing have been implemented and currently exist in California and in Marin County in light of the COVID-19 pandemic. As a result both conditions listed above are in place and would allow the Board of Retirement to operate under AB 361.

Recommendation

A draft resolution has been prepared for consideration by the Board of Retirement that, if adopted, would make the provisions of AB 361 operable for MCERA Board and Standing Committee (Investment, Finance and Risk, Governance and Audit) meetings for 30-days from the date of the action, which includes the Strategic Workshop and the Governance Committee meeting that are scheduled in October 2021, as well as the November 3, 2021 Board meeting. Because the Board and its Standing Committees are currently operating virtual meetings that meet the public notice and public comment requirements outlined in AB 361 and because a current state of emergency and public health measures that require masks and promote social distancing for indoor meetings are still in place, staff recommends that the Board adopt the resolution and revisit the decisions on whether or not to continue operating under AB 361 at the November 3, 2021 meeting, which, if adopted, would again be effective for no more than an additional 30 days.

**RESOLUTION NO. 2021/22-01 OF THE MARIN COUNTY EMPLOYEES’
RETIREMENT ASSOCIATION BOARD OF RETIREMENT AUTHORIZING
TELECONFERENCING FOR BOARD AND STANDING COMMITTEE MEETINGS
PURSUANT TO GOVERNMENT CODE §54953.**

WHEREAS, the Marin County Employees’ Retirement Association (“MCERA”) was established as a public sector defined benefit retirement system by the County of Marin on July 1, 1950, under the County Employees Retirement Law of 1937 (Gov. Code §§ 31450-31899.10); and

WHEREAS, the MCERA Board of Retirement (“Board”) is committed to preserving public access to, and encouraging public comment at, meetings of the Board and its standing committees, which currently included its Investment Committee, Governance Committee, Finance and Risk Management Committee, and Audit Committee (collectively, “Standing Committees”) (each of which are legislative bodies), in accordance with the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963) (“Brown Act”); and

WHEREAS, as of October 1, 2021, Government Code section 54953(e) of the Brown Act (“Section 54953(e)”) provides for teleconferencing by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to certain conditions; and

WHEREAS, a required condition is that a state of emergency is proclaimed by the Governor pursuant to Government Code section 8625; and

WHEREAS, invocation of Section 54953(e) also requires that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, a State of Emergency was proclaimed by Governor Newsom for the State of California, dated March 4, 2020, pursuant to the California Emergency Services Act (Govt. Code §8625), based on an outbreak of respiratory illness due to a novel coronavirus (a disease known as COVID-19), also referred to herein as the “COVID-19 Pandemic”, and the COVID-19 Pandemic State of Emergency order has not been withdrawn; and

WHEREAS, on August 2, 2021, the Marin County Health Officer issued an Order stating, in pertinent part, “In order to slow the spread of the more contagious Delta variant of COVID-19, all people, regardless of vaccination status, are required to wear face coverings in public indoor settings in Marin County until further notice” (“Local Indoor Mask Order”); and

WHEREAS, as a consequence of the COVID-19 Pandemic State of Emergency and the Indoor Mask Order, and its own determination that meeting in person would present imminent risks to the health and safety of attendees resulting from COVID-19, the Board does hereby find that conditions exist to enable its legislative bodies to conduct their meetings as authorized by Section 54953(e); and

WHEREAS, MCERA is to ensure that the public has access to Board and Standing Committee meetings by posting an agenda on its website and at its business office location at least 72 hours

prior to the meeting containing information for members of the public on how to access and observe the meeting by Zoom, YouTube, or other call-in or internet-based service option, and how to provide public comment, both before and during the meeting. Further, persons requiring accommodations in accessing meetings are instructed to contact MCERA prior to the meeting.

NOW, THEREFORE, THE BOARD DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Acknowledgement of Proclamation of COVID-19 State of Emergency and Local Indoor Mask Order. The Board hereby acknowledges that the COVID-19 State of Emergency and Local Indoor Mask Order (collectively “COVID-19 Conditions”) continue to exist within the geographical boundaries of the territory within which the Board and its Standing Committees hold meetings to conduct business.

Section 3. Determination Regarding Health and Safety Need to Continue Teleconferencing. The Board finds that the COVID-19 Conditions reflect imminent risks to the health and safety of Board and staff members and to others of meeting in person to conduct MCERA business.

Section 4. Remote Teleconference Meetings. The MCERA Retirement Administrator or designee and legislative bodies of MCERA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Section 54953(e).

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of November 12, 2021, or such time the Board or a Standing Committee adopts a subsequent resolution in accordance with Section 54953(e)(3) to extend the time during which the each of them may continue to teleconference without compliance with Section 54953(b)(3), as set forth in Section 6 herein.

Section 6. Reconsideration of Circumstances Every 30 Days. For the period of time that the COVID-19 State of Emergency proclaimed remains in effect, the Board and/or Standing Committees may reconsider the circumstances of the emergency and make the findings as are necessary to continue to hold remote teleconference meetings as permitted by the Section 54953(e) every 30 days following adoption of this Resolution, until the provisions for the alternate authority exercised herein sunsets by operation of law on January 1, 2024.

PASSED AND ADOPTED by the MCERA Board of Retirement this 13th day of October, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

For consideration at October Board meeting

MINUTES

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

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

September 8, 2021 – 9:00 a.m.

This meeting was 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. The public was able to listen to and observe the meeting and provide comment through Zoom.

CALL TO ORDER

Chair Silberstein called the meeting to order at 9:00 a.m.

ROLL CALL

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

ABSENT: None

MINUTES

It was M/S Given/Gladstern to approve the August 11, 2021 Board Meeting Minutes as submitted. The motion was approved by a vote of 9-0 as follows:

AYES: Block, Cooper, Given, Gladstern, Klein, Murphy, Silberstein, Tomlin, Werby

NOES: None

ABSTAIN: None

ABSENT: None

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

For consideration at October Board meeting

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. ELECTION OF BOARD OFFICERS

1. Election and Duties of Board of Retirement Officers Policy

Review and discuss existing policy for election of Board of Retirement Officers

Retirement Administrator Jeff Wickman stated in 2019 the Board changed the annual process for the election of Board officers by establishing three phases. The first phase begins at the September Board meeting when the Election and Duties of Board of Retirement Officers Policy (Policy) is presented for review, discussion, and any related questions Board members may have. Next, at the October Board meeting trustees are invited to express an interest in serving in an officer position. The final phase is the election of officers at the November Board meeting. The Policy sets forth these phases and was updated with additional clarifications in May of 2021.

2. Candidates for Board Officers

Solicit interest for Board of Retirement officer positions, with nominations requested by October Board meeting

No discussion.

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Mr. Wickman congratulated Maya Gladstern on her reelection as the Eighth Member.

Mr. Wickman reminded the Board that the Governor's Executive Order that allows for the current virtual meetings structure is set to expire at the end of September. As a result, the Boardroom is being modified to allow for hybrid in-person/broadcast meetings. The first potential hybrid meeting would be the October 13, 2021 regular monthly Board Meeting. Trustee Gladstern asked if trustees will attend in person and Mr. Wickman confirmed this is the expectation because the Executive Order pausing the Brown Act regulations for notifying the public of a trustee's remote location for attending a meeting will be back in place. Asked by Trustee Werby if masks will be required, Mr. Wickman reported that this will be based on the public health requirements in place at the time of the meeting and the vaccination status of staff and Board.

MCERA has responded to Requests For Proposals with a potential tenant for Suite 175 at One McInnis Parkway. The Administrator is hoping to move to lease negotiations and have a tenant soon.

For consideration at October Board meeting

A new Marin County Public Health order effective September 15, 2021 requires Marin County to affirm the vaccination status (yes or no) of all staff. Staff have been notified of the new requirements and how to verify their status in accordance with Marin County procedures.

b. Staffing Update

Additional interviews with potential candidates will be conducted this week.

c. Facility Use Report

No facility use in the period.

d. Future Meetings

- September 16, 2021 Investment Committee
- October 13, 2021 Board
- October 25, 2021 Governance Committee
- October 26-27, 2021 Strategic Workshop

2. Standing Committee Report – Finance and Risk Management

a. Administrative Budget Fiscal Year 2020-21 Year-end Review

Consider and review expenses for quarter and fiscal year ending June 30, 2021

Finance and Risk Management Committee Chair Todd Werby reported expenditures for the fiscal year ending June 30, 2021 were 91% of the budgeted amount. In Salaries and Benefits expenses for the fiscal year were 91% of the budgeted amount primarily due to position vacancies during the year. In Services and Supplies fourth quarter expenses were 18.7% of the budgeted amount for the year. For the fiscal year Services and Supplies were 91% of the budgeted amount. Phones and electronic and ergonomic supplies were over budget to support remote work and meetings.

b. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarter and fiscal year

No discussion.

c. Quarterly Checklist

Consider, review and updates on the following:

1. MCERA educational and event-related expenses

Educational and event-related expenses totaled \$7,800 for the fiscal year. Fourth quarter event expenses were for the CalAPRS General Assembly, SACRS Spring Conference, and several CalAPRS Round Tables for trustees and staff.

For consideration at October Board meeting

2. Continuing Trustee Education Log

The Continuing Trustee Education Log shows all trustees are current on their education requirement of 24 hours every two years.

3. Other expenses per Checklist Guidelines

No discussion.

4. Variances in the MCERA administrative budget in excess of 10%

See discussion above.

5. Vendor services provided to MCERA

Nothing to report.

6. MCERA staffing status

See above.

7. Internal controls, compliance activities and capital calls

For the total private equity program MCERA received \$102.26 million in distributions for the fiscal year ending June 30, 2021 and paid \$33.1 million in capital calls. Värde has called more capital for investing than the other Opportunistic managers. MCERA received \$12.87 in redemptions from UBS and is receiving dividends from both core real estate portfolios.

8. Audits, examinations, investigations or inquiries from governmental agencies

Nothing to report.

9. Other items from the Administrator related to risk and finance

Nothing to report.

10. Form 700 Summary

The Form 700 Summary provided by Counsel Dunning shows no gifts over the annual limit were reported. Trustee interests in UBS and Invesco were highlighted.

d. Annual Audit of Financial Statements Update

Brown Armstrong completed the first phase of the annual audit on internal controls and validating member and payroll data. The actuary will complete GASB 67/68 Reports once data from MCERA is received. Multiple valuation groups and 48 benefit tiers requires additional work by the staff and actuary to prepare annual reports.

For consideration at October Board meeting

3. Ad Hoc Committee Report – Ad Hoc Education Committee

a. Strategic Workshop Agenda (Action)

Consider and take possible action to approve agenda

Ad Hoc Education Committee Chair Steve Block presented the proposed agenda for the October Workshop. Mr. Wickman explained that once presenters are confirmed for all listed topics, the agenda will be presented again in October for approval. He invited comments on the proposed topics.

4. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Chair Silberstein said the SACRS Spotlight Series on the Sonoma County Employees' Retirement Association (Sonoma) and Tulare County Employees' Retirement Association (Tulare) was interesting because he learned how their pension systems operate. Sonoma employs an Investment Officer and is considering increasing the 20% allocation to illiquid investments by adding infrastructure to improve returns. Sonoma's policy is not to invest in companies in foreign countries with governance risk, such as China.

Chair Silberstein reported that the SACRS Webinar "What is Really Happening on the Ground in the Major Real Estate Markets" was a presentation by Invesco real estate executives who indicate many sectors have recovered from the real estate downturn, with the exception of downtown Los Angeles. Trustee Klein said presenters stated the Invesco real estate portfolio's Net Operating Income (NOI) by sector values as of the second quarter of 2021 compare favorably with 2019 values (prior to when the pandemic disturbed markets).

b. Other Comments

Chair Silberstein invited other comments from trustees.

Chair Silberstein directed deliberations to **Agenda Item E, New Business.**

E. NEW BUSINESS

1. Final Public Employee Performance Evaluation. Title: Retirement Administrator
Board Chair report on Consensus Evaluation

Chair Silberstein reported the Board completed its annual performance evaluation of Retirement Administrator Jeff Wickman and continues to be very well satisfied with Mr. Wickman's performance. The Chair observed MCERA's pension system is working well and expressed the Board's appreciation for the Administrator's service, particularly during these trying times under pandemic conditions.

For consideration at October Board meeting

2. Future Meetings

Consider and discuss agenda items for future meetings.

Chair Silberstein invited discussion on potential topics for future Board meetings.

F. OTHER INFORMATION

1. Training Calendar (Action)

Mr. Wickman reviewed updates to the monthly Training Calendar. Disability Coordinator Linda Martinez will be attending the CalAPRS Disability Retirement Administration course. The Council of Institutional Investors (CII) is changing its Fall Conference from in-person to only a virtual event, and Callan added a virtual event on Alternative Investments. The Committee on Workers' Capital (CWC) announced its annual Conference. In response to Trustee Werby's inquiry, Chair Silberstein explained that the CWC participants are mostly public pension funds and pension funds controlled by labor unions.

It was M/S Gladstern/Murphy to approve the Training Calendar as submitted.

Mr. Wickman noted he has been sending information from SACRS to trustees regarding attendance procedures for the in-person Fall SACRS Conference. In addition, Nossaman has added its Public Pensions and Investments Fiduciaries' Forum to this year's events, which Counsel Dunning said will be only virtual.

The motion was approved by a vote of 9-0 as follows:

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

G. CONSENT CALENDAR (Action)

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

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, SEPTEMBER 8, 2021

August 2021

RETURN OF CONTRIBUTIONS			
Ruben Chiang	Partial Refund - 30 year overpayment	\$	2,837.10
Myisha Hogan	Full Refund - Termination	\$	12,449.48
Christy Mulanix	Full Refund - Termination	\$	9,873.80
William Tabunut	Full Refund - Termination	\$	63,800.38
Aurora Tovar	Full Refund - Termination	\$	2,351.24
Alice Zawitt	Full Refund - Termination	\$	39,850.46
Shuofei Zheng	Full Refund - Retiree Death payout Xiaohong Zeng	\$	19,275.92

BUYBACKS			
Etienne Douglas		\$	24,473.38
David McNutt		\$	17,086.97
Ian Adams		\$	2,267.82

NEW RETIREES	
Hugo Abaurre	County of Marin - Agriculture, Weights & Measures
Linda Aldrich	County of Marin - Library
Kathleen Caston	County of Marin - Health & Human Services
Rosemarie Colorado-Lara	County of Marin - Child Support Services
Patricia Furman	County of Marin - Health & Human Services
Roger Lindsey	County of Marin - Public Works
Walter Mazar	County of Marin - Sheriff/Coroner
Dmitri Menzel	Novato Fire
Kathryn Petersen	County of Marin - Community Development
Thomas Vella	County of Marin - Public Works

DECEASED RETIREES	
John Canziani	City of San Rafael
Aurora Leveroni	City of San Rafael
Mary Pareisa	County of Marin - DRO
Richard Ridenour	County of Marin - Health & Human Services

For consideration at October Board meeting

Chair Silberstein directed deliberations to **Agenda Item D, Disability Consent Agenda** at 9:30 a.m.

D. 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. Alex Bowlds Service-Connected Novato Fire Protection District

Consider and take possible action to adopt Administrative Recommendation to grant service-connected disability retirement application.

Mr. Wickman stated staff's recommendation is to grant Mr. Bowlds' service-connected disability retirement application with an effective date of September 16, 2019.

It was M/S Given/Gladstern to adopt the Administrative Recommendation to grant Alex Bowlds' service-connected disability retirement application with an effective date of September 16, 2019. Trustee Poirier voted for Trustee Cooper who was absent. The motion was approved by a vote of 9-0 as follows:

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

There being no further business, Chair Silberstein adjourned the meeting at 9:34 a.m.

Jeff Wickman, Retirement Administrator

On behalf of:
Steve Silberstein, Board Chair

Michelle Hardesty, Assistant Retirement Administrator

On behalf of:
Laurie Murphy, Secretary

For consideration at October Board meeting

MINUTES

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

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

September 16, 2021 – 9:00 a.m.

This meeting was 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. The public was able to listen to and observe the meeting and provide comment through Zoom.

CALL TO ORDER

Chair Klein called the meeting to order at 9:01 a.m.

ROLL CALL

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

ABSENT: Block, Cooper

A. OPEN TIME FOR PUBLIC EXPRESSION

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

Open time for public expression, from three to five minutes per speaker, on items not on the Committee Agenda. While members of the public are welcome to address the Committee during this time on matters within the Committee'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 Committee concerning a non-agenda item. Members of the Committee may (1) briefly respond to statements made or questions posed by persons addressing the Committee, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

No members of the public provided comment.

B. MANAGER REPORTS

1. Manager Overview – Jim Callahan, Callan LLC

Jim Callahan, President of Callan LLC, stated the private equity portfolio is performing well and introduced MCERA's two private equity managers, Abbott Capital Management and Pathway Capital Management, presenting portfolio reviews.

2. Abbott Capital Management LLC – Private Equity – Leonard Pangburn, Ryan Green

Ryan Green, Director with Abbott Capital Management, emphasized the continuity and depth of the firm's investment team. Mr. Green stated Abbott's private equity fund managers have outperformed public markets in 26 out of 31 vintage years. The investment process of sourcing, investment and operational due diligence, conviction building, and decision making leads to strong manager selection. The firm also derives results from compelling secondaries and co-investments, he said. Mr. Green introduced Leonard Pangburn, Managing Director, who was recently named Co-President of the firm with Jonathan Roth effective October 1, 2021 through 2022.

Mr. Pangburn gave an overview of portfolio performance followed by more detail on each fund vehicle. Since inception in 2008 through March 31, 2021, the Abbott private equity portfolio has a net Total Value to Paid-In (TVPI) ratio of 1.9x and net Internal Rate of Return (IRR) of 16%.

Within MCERA's five fund-of-fund vehicles Mr. Pangburn reported the news is largely positive. Abbott Capital Management Equity Fund (ACE) VI is a 2008 vintage fund with a net TVPI of 1.9x and the potential for additional upside. ACE VII is a 2014 vintage fund and a cash flow distributor with a net IRR of 24% through the first quarter of 2021. Annual Program (AP) 2016 is fully committed and is cash flow neutral, meaning future capital calls are likely to be offset by distributions. AP 2017 is fully committed and 60% paid in, and AP 2021 will be in the investment stage for the next two years.

Asked by Trustee Werby if MCERA would be investing more than its commitment, Mr. Green explained co-investments are being used to make sure the original funds are fully invested.

Mr. Pangburn reported ACE VI fund returns are in line with expectations and continue to appreciate. As of March 31, 2021 MCERA has received 1.3x its commitment back. Venture capital and growth equity have been driving returns, and buyouts and secondaries are also performing well. The Special Situations segment lagged due to challenged oil-related investments as a result of low energy prices. Mr. Pangburn pointed out this led to the bar for new energy investments being extremely high. Since 2017 ACE VI has generated meaningful distributions, with the pace slowing lately as underlying companies are sold. Mr. Pangburn discussed top ten companies comprising 20% of the fund's value that are expected to be liquidated in the near future.

Mr. Green said ACE VII reflects the reduction in energy exposure and a shortened investment period by using more secondaries earlier in the fund's life. Mr. Pangburn said ACE VII has meaningful upside and is ahead of schedule from a distribution standpoint at 0.60 DPI as of March 31, 2021. As with ACE VI, venture capital and growth equity are

For consideration at October Board meeting

driving returns for this fund. Most investments are showing double digit IRR's and have Net Asset Values (NAVs) that are double original values. Distributions have been meaningful and secondary investments are healthy. Similar to ACE VI, there is energy exposure showing weakness that is being monitored. Through August DPI has increased to around 0.70, with more distributions expected before year end. If market conditions persist, Mr. Pangburn expects the full return of invested capital in 2022. He reported significant appreciation has occurred within the top ten holdings now comprising 20% of the fund value, noting six of the ten top ten holdings are now publicly traded. He discussed two high performing funds that have net multiples of 4x or better.

Mr. Pangburn reported early performance for AP 2016 has been strong as it benefited from early investments in secondaries to minimize the J-curve. Mr. Pangburn said the venture segment is doing well and he gave specific examples of successful companies in biotech and software sectors. European funds are diversified geographically and across industries and strategies, and the North American sector is fully invested and diversified. AP 2016 is cash flow neutral and is expected ultimately to turn into a net distributor of capital.

AP 2017 is in the capital deployment phase and fully committed, with about 50% of commitments called. In the near term AP 2017 will continue to be a net caller of capital. The strategy mix includes a buyout sleeve and secondaries that have generated the bulk of early liquidity. European investments are underperforming North American investments. He emphasized the diversity of investments across industries and strategies. Mr. Pangburn stated the fund theses remain intact and AP 2017 is expected to appreciate in the coming months.

In conclusion, Mr. Green stated AP 2022 was launched in July 2021 and will have the final close in March or April of 2022. For AP 2022 the opportunistic sector was increased to 25% from 20% to mitigate the J-curve and improve fund performance. Fee incentives for ongoing investments include early close and commitment size.

3. Pathway Capital Management LLC – Private Equity – Jim Reinhardt, Valerie Ruddick

Jim Reinhardt, Senior Managing Director with Pathway Capital Management, reported MCERA's private equity portfolio has strong performance relative to public and private equity benchmarks and substantial realized returns and distributions. MCERA's total Pathway commitment is \$225 million to five private equity vehicles: Pathway Private Equity Fund (PPEF) 2008, PPEF I-7, PPEF I-8, PPEF I-9, and PPEF I-10. As of March 31, 2021 the combined funds have an IRR of 19.3% net of all fees and expenses. Each fund is outperforming the industry benchmark, the MSCI World Public Market Equivalent (PME), and four of the five funds have IRRs over 20%. Combined the funds have a Total Value to Paid In (TVPI) ratio of 2.0x. Mr. Reinhardt pointed out that even the original PPEF 2008 fund continued to appreciate through the second quarter of 2021 when distributions very robust. Through June 30, 2021 the Distributed to Paid-In (DPI) ratio for the total Pathway portfolio is about 1.0, meaning distributions equal the amount MCERA has contributed to the whole Pathway private equity portfolio. Mr. Reinhardt stated performance is broad based across strategy, region, and type. Strategies are buyouts, venture capital and special situations; types are primary, secondary, or co-investments.

For consideration at October Board meeting

Valerie Ruddick, Managing Director with Pathway, reported MCERA's contributions have begun to taper as early funds are being drawn down. Distributions are growing, with 2021 notably strong; since March 31, 2021 MCERA has received an additional \$40 million in distributions. Ms. Ruddick reported fund managers have done well taking opportunities to exit through the strong public markets. Distributions are coming from early funds and also from PPEF I-9.

Pathway's projected portfolio market value shows the value of early funds dropping off after the peak value in 2021. Ms. Ruddick explained that as positions are monetized the market value of the program is reduced, and by June 30, 2022 the portfolio value could be back to \$158 million and would continue to decline absent additional capital commitments.

Ms. Ruddick stated the funds are diversified across 61 fund managers and 2658 (of over 4800 originally) portfolio companies from multiple strategies, industries, and geographic regions. She highlighted individual companies, such as Coinbase and Robinhood, with meaningful impacts on portfolio returns over the past 12 months.

In summary, Ms. Ruddick stated the portfolio is well positioned, and investment team is expecting strong performance going forward. Ms. Ruddick announced that PPEF I-11 will be launched imminently with overall fees below the industry. Mr. Reinhardt encouraged continued commitments to the private equity portfolio, noting the difficulty of recovering from stopping new commitments.

C. NEW BUSINESS

1. Private Equity Annual Review and Pacing Plan (Action)

Consider, discuss and take possible action regarding private equity pacing plan

Gary Robertson, Senior Vice President with Callan, presented Callan's annual Private Equity Pacing Plan projecting valuations and proposed commitments for the private equity portfolio. As background Mr. Robertson stated MCERA's private equity program was initiated in 2008 in a weak market environment. After slow initial capital deployment, by 2016 MCERA had achieved its 8% target allocation to private equity. By 2020 MCERA was slightly over its target allocation when a small additional commitment was made. (Mr. Robertson corrected presentation information: PPEF I-10 had a 64.5% IRR as of March 31, 2021, and for the whole private equity program the IRR was 16.7%.)

Discussing current market conditions, Mr. Robertson stated that as a result of a strong bull market over the four quarters ending March 31, 2021, MCERA's private equity portfolio appreciated 73%. Private equity fundraising is up and distributions are strong, reflecting historically high valuations averaging 11 times cash flow. He noted that private equity is sensitive to liquidity and credit has been available due to accommodative monetary policy.

A one-year change analysis as of March 31, 2021 shows MCERA's private equity portfolio has a DPI of 0.83, meaning MCERA has received 83 cents for every dollar invested. TVPI is almost 2x the amount invested, and commitments during the period increased by \$50 million. Mr. Robertson said in the active current market funds are ahead of the 5-year schedule to invest capital. He presented key metrics for the period, including

For consideration at October Board meeting

gross distributions of \$64.5 million, which is 24.3% of the beginning NAV received by MCERA, and a nearly 60% increase in the portfolio NAV.

As of March 31, 2021, portfolio performance metrics relative to the industry show Abbott and Pathway funds in general rank in either the first or second quartile of peers. Mr. Robertson reported for the overall private equity portfolio, DPI is 0.83 versus the 0.69 peer midpoint, and TVPI is 1.98 versus the 1.83 peer midpoint. The data is net of all fees and expenses and the benchmark is the Refinitiv/Cambridge All Region, All Private Equity Benchmarks data base for professionally managed private equity portfolios.

Mr. Robertson reviewed changes in manager returns for the 12 months ending March 31, 2021. Over that period the Pathway portfolio pulled ahead of Abbott due to unrealized appreciation in their portfolio. Chair Klein noted the software allocations seem to be comparable. Mr. Robertson agreed and attributed Pathway's higher valuation to having bigger hits on successful companies. Since inception the two managers' performances have tracked very closely, he said.

MCERA's current allocation to private equity is 12.6%, slightly above its upper limit of 12%. Mr. Robertson said uncalled capital is about \$94.7 million, which is below the normal 50% level, but good in the sense the portfolio is over target now. Considerations are whether distributions will be as strong going forward as managers are predicting. He presented Callan's projected commitments over the next ten years that reflect a \$60 million commitment for 2022 vehicles. Callan recommends waiting for one more year to add commitments, or to reduce the \$60 million by half because of current market conditions outlined above. Mr. Robertson made the point that MCERA has two more years of vintage year diversification built into the current portfolio. Mr. Callahan agrees with the managers that commitments need to be consistent over time, but he said if distributions are not as projected MCERA would be over its target allocation. The annual analysis gives the ability to make appropriate adjustments to MCERA's private equity allocation, Mr. Callahan advised. Mr. Robertson added Callan's private equity pacing model is based on conservative return projections.

Reviewing the managers' new investment vehicles, Mr. Robertson said Abbott AP 2022 has the same strategies but increases the allocation to co-investments and secondary investments from 20% to 25%. With PPEF I-11 Pathway is introducing carried interest on secondary and co-investments for the first time, which is consistent with the rest of the industry. Chair Klein asked if Pathway has a hurdle to meet for the carried interest, which Mr. Robertson said is an 8% return. He noted Abbott has no hurdle rate before collecting carried interest, and there is no carried interest for either manager if returns are negative.

Abbott waives its management fee for one year if MCERA makes a new commitment prior to December 2021 and provides for a prior commitment discount. Total average annual fees for Abbott are projected to be 51 basis points and for Pathway, 63 basis points, both of which are still below the median and average for the industry.

In summary, Mr. Callahan said the decision is whether to make new commitments to the private equity program, or take a pause and see how the portfolio evolves in the next year. Trustee Werby indicated the high projected distributions may reduce the private equity

For consideration at October Board meeting

allocation. In response, Mr. Robertson noted high distributions would likely be accompanied by high unrealized appreciation in the portfolio. Mr. Callahan observed the model is assuming distributions in 2022 would be higher than the amount distributed this year, which he indicated was aggressive. Therefore, he reiterated, it seems like an appropriate time to pause new commitments for one year. Chair Klein noted private equity values could also go down and reduce the portfolio, and Mr. Callahan agreed assumptions do not always play out. Trustees Silberstein and Gladstern concurred with the investment consultant to pause new commitments this year.

2. Private Equity Annual Fee Disclosure (Action)

Consider, discuss and take possible action regarding private equity fee disclosure

Mr. Robertson presented the Private Equity Annual Fee Disclosure report. The report is based on a template developed by the Institutional Limited Partners Association (ILPA) to disclose partnership and fund-of-fund fees and expenses. Abbott Capital Management and Pathway Capital Management are MCERA's two private equity fund-of-fund managers. Mr. Robertson reported for calendar year 2020 Abbott's total private equity fees including expenses were \$15.5 million, of which \$13.9 million was for underlying partnerships and \$1.6 million for the fund-of-fund manager. For Pathway total private equity fees including expenses were \$20.3 million, consisting of \$18.8 million for underlying partnerships and \$1.5 million for the fund-of-fund manager. For both managers private equity fees and expenses totaled \$35.8 million for the year.

The report also lists fund-of-fund manager private equity fees and expenses since inception, which for Abbott were \$13.5 million and for Pathway \$15.3 million, totaling \$28.8 million for MCERA's private equity program. Additionally, Pathway volunteered to provide underlying partnership fees and expenses since inception. Abbott did not provide data for underlying partnership fees and expenses since inception.

Trustee Werby asked why Pathway was adding carried interest to its fee structure. In response Mr. Callahan said Abbott historically has had a lower baseline management fee. He stated while Pathway's new carried interest will lead to a greater differential, both managers still represent competitive offerings compared with the industry.

It was M/S Gladstern/Silberstein to accept the Private Equity Fee Disclosure as submitted. The motion was approved by a vote of 8-0 as follows:

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

3. AEW Core Property Trust Restructuring (Action)

Consider, discuss and take possible action regarding restructuring the AEW Core Property Trust to a limited partnership

Anne Heaphy, Senior Vice President with Callan, explained the AEW Core Property Trust was organized in 2007 with a 15-year life expiring in 2022. Ms. Heaphy stated AEW is

For consideration at October Board meeting

requesting investor approval to change the core real estate fund's structure. The new structure would move to a limited partnership under Delaware law, and, secondly, create a Luxembourg parallel fund that would be attractive to foreign investors. The fund can charge up to 2 basis point as a one-time fee paid by investors for this change. Callan advises the proposed structural changes are in line with how peer funds are structured.

Trustee Werby inquired why investors are bearing the cost of the structural change. Mr. Wickman replied AEW felt the vehicle was the most common vehicle and it was appropriate for the fund to bear the cost. Mr. Wickman said the action of the Board would be to authorize the Retirement Administrator to submit the Consent form to AEW approving AEW's proposed restructuring plan. Trustee Werby objected due to having to pay for the restructuring and does not want to spend legal fees to examine the restructuring provisions. Mr. Wickman noted AEW already has MCERA's proxies, advising the only other option would be to exit the open-ended fund. Asked by Trustee Gladstern for his opinion of the AEW fund, Mr. Callahan stated it has been a solid fund and is not a cause of concern on any level. He noted the one-time fee is relatively small and that changing to a new manager would have a cost. Trustee Silberstein concurred with the investment consultant to support the proposed structural change and Chair Klein supported his view.

It was M/S Silberstein/Gladstern to authorize the Retirement Administrator to submit the Consent form to AEW approving the AEW Core Property Trust Restructuring Plan. Trustee Poirier voted for Trustee Cooper who was absent. The motion was approved by a vote of 8-0 as follows:

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

4. Investment Manager Personnel Updates
a. Morgan Stanley Investment Management

Ms. Heaphy reported Morgan Stanley has announced three new hires to the International Equity Team, the first being Isabelle Mast, who joined as an Executive Director and Portfolio Manager covering financials. Ms. Mast will cover insurance, certain diversified financials, and emerging markets banks. Secondly, Anton Kryachok was hired as Vice President and Research Analyst responsible for developed markets banks. The third new team member is Jinny Hyun, Research Analyst, a Morgan Stanley intern who will be a generalist resource. Ms. Heaphy observed William Lock remains at the helm of the 13-member team, adding the fair amount of turnover has not impacted the investment process.

Trustee Silberstein was excused from the meeting at 11:10 a.m.

b. TimesSquare Capital Management LLC

Ms. Heaphy reported that TimesSquare announced adding a fourth analyst, Reuben Scherzer, in June 2021 to support the International Small Cap strategy. Mr. Scherzer is

For consideration at October Board meeting

a Senior Vice President and Analyst covering Europe and other regions within developed, emerging, and frontier markets.

c. Parametric

Ms. Heaphy reported Parametric Portfolio Associates created the new role of Chief Operating Officer, Investments, to be filled by Randall Hegarty, former Chief Compliance Officer. Mr. Hegarty will report to Tom Lee, Chief Investment Officer for Equity and Derivatives. Cindy Kim and Ben Hammes will assume Co-Chief Compliance Officer responsibilities and report to Compliance.

5. Future Meetings

Consider and discuss agenda items for future meetings

Chair Klein invited comments on topics for future meetings.

D. INVESTMENT CONSULTANT QUARTERLY REPORT

1. Summary Report as of June 30, 2021

Mr. Callahan presented Callan's quarterly Summary Investment Report as of June 30, 2021. The investment consultant reported public equity markets continue strong performance, as the Russell 3000 rose over 8% for the quarter and an extraordinary 44% year over year. In the U.S. equity markets private equity led performance with a return over 62% year over year. In November 2020 equity markets rotated from mega cap and consumer stocks to value and small cap equities. Non-U.S. stocks had good performance but continue to lag U.S. markets, he said. Mr. Callahan said year over year fixed income had a modestly negative return, and commodities experienced a big rebound.

Mr. Callahan stated the MCERA Fund's 54% allocation to equities is driving good performance and the private equity portfolio has appreciated to just above the high end of its target range. Ms. Heaphy reported as of June 30, 2021 the total Fund value was \$3.3 billion. The Fund returned 4.6% net of fees for the quarter and 30% net of fees for the fiscal year. Since private equity values are of March 31, 2021 final fiscal year performance for the Fund will be determined later this year.

The domestic equity portfolio returned nearly 51% for the year. During the second quarter large cap outperformed small cap, but for the year small cap equities contributed to returns. International equities were up 30% for the fiscal year, modestly underperforming the benchmark. One headwind was the consumer staple sector in the Morgan Stanley portfolio. In the second quarter Artisan's growth focus helped returns, and Parametric's emerging markets portfolio performed well.

The fixed income portfolio outperformed the benchmark over the quarter and year. In core real estate portfolios, AEW is outperforming the UBS portfolio. Real assets were up almost 41% year over year, outperforming the target due to strength in REITs returning 40%, the KBI natural resources portfolio returning nearly 65%, and a gain of close to 49% in the Invesco commodities portfolio,

For consideration at October Board meeting

Ms. Heaphy reported MCERA has paid in \$27 million of the \$100 million committed to Opportunistic managers. Fortress and CarVal have drawn about 15% of committed capital each. Värde has drawn about 50% of its capital and has an 18-month investment period that is shorter than the other two managers. The three private debt managers will present portfolio reviews at the December Investment Committee meeting.

2. Flash Performance Update as of August 31, 2021

Ms. Heaphy presented the Flash Performance update as of August 31, 2021, reporting a total Fund value of \$3.4 billion, up 2% since July 1, 2021 and up 11.3% since January 1, 2021. Recently large cap equities are outperforming small cap, and REITs lead public real asset returns.

There being no further business, Chair Klein adjourned the meeting at 11:32 a.m.

Jeff Wickman
Retirement Administrator

On behalf of:
Sara Klein
Investment Committee Chair

Michelle Hardesty
Assistant Retirement Administrator

On behalf of:
Jeff Wickman
Retirement Administrator

B.1 Candidates for Board Officers

This is a discussion with no backup.

C.1 Administrator's Report

This is a discussion with no backup.

Agenda

Marin County Employees' Retirement Association (MCERA) Retirement Board Strategic Workshop

**One McInnis Parkway, First Floor
San Rafael, CA
October 26-27, 2021**

This meeting will be held via video conference 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 [How to Watch 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.

Day 1 October 26, 2021

Meeting Chair Steven Block

9:00 a.m.

Call to Order/Roll Call

Open Time for Public Expression

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.

9:00 a.m. – 10:00 a.m.

Asset/Liability Study Update

Jay Kloepfer, Callan, Capital Markets Research

C.2.a.1

10:00 a.m. – 12:00 p.m.

June 30, 2021 Actuarial Valuation Preview

- **Review of extraordinary investment return for fiscal year**
- **Discuss options for potential funding approach changes**
- **Discuss COVID-19 impacts on mortality projections**

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

12:00 p.m. – 1:15 p.m.

Lunch Break

1:15 p.m. – 2:15 p.m.

China Investment Considerations

Cara LaFond

CFA, Managing Director, Multi-Asset Strategist, and Portfolio Manager

Wellington Asset Management

Josh Berger

CFA, CMT, Managing Director and Associate Director, Investment Product & Fund Strategies

Wellington Asset Management

Elise Douglas

CFA, Investment Analyst, Product & Fund Strategies

Wellington Asset Management

2:15 p.m. – 2:30 p.m.

Closing and Follow-up Items from Today's Agenda

Day 2 **October 27, 2021**

9:00 a.m.

Call to Order/Roll Call

Open Time for Public Expression

9:00 a.m. – 9:30 a.m.

Breakdown of MCERA Retiree Population by Location

Syd Fowler, Department Analyst

Jeff Wickman, Retirement Administrator

9:30 a.m. – 10:30 a.m.

Review of MCERA's Annual Processes and Contingencies

Michelle Hardesty, Assistant Retirement Administrator

Syd Fowler, Department Analyst

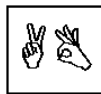
Closing and Follow-up Items from Today's Agenda

10:30 a.m. – 11:00 a.m.

C.2.a.1

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>



Council of Institutional Investors®

2021 FALL VIRTUAL CONFERENCE



September 22–24

AGENDA

All times listed are ET.

WEDNESDAY, SEPTEMBER 22, 2021

**12:15 –
1:15 PM**

U.S. Asset Owner Business Meeting

Open to the following U.S. Asset Owner member types:
Public Pension Funds, Foundations/Endowments, Corporate Employee
Retirement Funds & Labor Union Funds

**1:00 –
2:00 PM**

MEMBER-HOSTED MEETINGS

The Future of Capitalism: Why Fiduciaries Must Address Climate Risks and Racial Inequality

Hosted by **Connecticut Retirement Plans and Trust Funds**

Indigenous Peoples and the ‘Green’ Economy: Transition Minerals, Human Rights and Investment Risks

Hosted by **Nathan Cummings Foundation**

**1:30 –
2:15 PM**

New Member & First-Time Attendee Icebreaker (Private, RSVP Required)

Sponsored by **Center for Audit Quality**

**2:30 –
2:40 PM**

Welcome Remarks

Scott Zdrzil, CII Board Chair & Senior Investment Officer, Los Angeles County
Employees Retirement Association

**2:40 –
3:25 PM**

PLENARY 1: Lessons from the ExxonMobil Proxy Contest

Aeisha Mastagni, Portfolio Manager, California State Teachers’ Retirement
System

Charlie Penner, Partner, Engine No. 1

Moderator: Scott Zdrzil, CII Board Chair & Senior Investment Officer, Los
Angeles County Employees Retirement Association

**3:25 –
3:40 PM**

Break

**3:40 –
4:10 PM**

PLENARY 2: What’s Next at the SEC?

Gary Gensler, Chair, U.S. Securities and Exchange Commission

WEDNESDAY, SEPTEMBER 22, 2021 *(continued)*

**4:10 –
4:30 PM** **Break**

**4:30 –
5:00 PM** **PLENARY 3: New Era for Nasdaq**
Adena Friedman, President & CEO, Nasdaq
Moderator: Michelle Edkins, Managing Director, BlackRock

**5:00 –
6:00 PM** **MEMBER-HOSTED MEETINGS**

Venture Capital Investing in the Future of Workforce Productivity
Hosted by **Fairview Capital Partners**

The Hidden Cost of Human Rights Violations in the Food Sector
Hosted by **Oxfam America**

No “S” Without “G”
Hosted by **V-Square Quantitative Management**

THURSDAY, SEPTEMBER 23, 2021

**10:45 –
11:30 AM** **PLENARY 4: Executive Compensation—Where do ESG Metrics Fit?**
Dr. Tom Gosling, Executive Fellow, Centre for Corporate Governance, London Business School
Nishesh Kumar, Managing Director, JPMorgan Chase
Diana Lee, Director of Corporate Governance & Engagement, AllianceBernstein
Moderator: Michael McCauley, Senior Officer, Investment Programs & Governance, State Board of Administration of Florida

**11:30 –
12:15 PM** **PLENARY 5: The Role of the Corporation in Society**
Ursula Burns, Chairwoman, Teneo; director, ExxonMobil, Uber Technologies
Moderator: Lynn Forester de Rothschild, Founder, Coalition for Inclusive Capitalism

THURSDAY, SEPTEMBER 23, 2021 *(continued)*

**12:15 –
1:00 PM**

PLENARY 6: Expanding Employee Ownership

Pete Stavros, Partner & Co-Head of Americas Private Equity, KKR

Moderator: Meredith Miller, Former Chief Corporate Governance Officer, UAW Retiree Medical Benefits Trust

**1:00 –
2:00 PM**

Lunch Break

**2:00 –
2:50 PM**

BREAKOUT SESSIONS

BREAKOUT 1: Cybersecurity Risk

Chris Hetner, Executive Vice President, Moody's/Team8 Cyber Venture

Jeff Tricoli, Managing Director, Charles Schwab

Moderator: Tracy Stewart, Director of Research, CII

Introducer: Jack Reed, U. S. Senator from Rhode Island

BREAKOUT 2: Governance of Private Companies

Donna Anderson, VP and Head of Corporate Governance, T. Rowe Price

Hillary Flynn, Director of ESG, Private Investments, Wellington Management

Craig Marcus, Partner, Ropes and Gray

Moderator: Nell Minow, Vice Chair, ValueEdge Advisors

**3:00 –
3:45 PM**

PLENARY 7: Tracking Net Zero Progress

Benjamin Colton, Global Co-Head of Asset Stewardship, State Street Global Advisors

Drew Hambly, Executive Director, Corporate Governance, Morgan Stanley Investment Management

Rev. Kirsten Snow Spalding, Senior Program Director, Investor Network, Ceres

Moderator: Amy Borrus, Executive Director, CII

**3:45 –
4:00 PM**

Break

THURSDAY, SEPTEMBER 23, 2021 *(continued)*

4:00 –
4:45 PM

PLENARY 8: Board Oversight of Diversity & Inclusion

Amelia Fawcett, Lead Director, State Street Corporation

Claudia Fan Munce, Director, Bank of the West/BNP Paribas, Best Buy, CoreLogic

Martin Nesbitt, Director, American Airlines, CenterPoint Energy, Chewy

Moderator: Catherine Winner, VP, Goldman Sachs Asset Management

4:45 –
5:00 PM

Break

5:00 –
6:00 PM

MEMBER-HOSTED MEETINGS

Shedding Light on Investment Management Fees: How Fee Transparency Can Improve Value for Public Pension Funds

Hosted by **the American Federation of Teachers**

Shareholder Engagement: Shaping Corporate Sustainability in the Real Economy

Hosted by **the California Public Employees' Retirement System and Ceres**

Up, Up & Away, Airports

Hosted by **the Service Employees International Union**

FRIDAY, SEPTEMBER 24, 2021

All Sessions Closed to Press.

10:00 –
11:00 AM

MEMBER-HOSTED MEETING

Evaluating Asset Managers' Commitment Level to Integrating ESG Considerations

Hosted by **Sustainalytics**

FRIDAY, SEPTEMBER 24, 2021 *(continued)*

11:15 – 12:00 PM **PLENARY 9: International Governance Committee — Breakdowns in Voting Integrity**

Fábio Coelho, CEO, Associação de Investidores no Mercado de Capital (AMEC)

Michael Herskovich, Global Head of Stewardship, BNP Paribas Asset Management

Alicia Ogawa, Director, Project on Japanese Corporate Governance & Stewardship, Columbia Business School

Moderator: David Lahire, Corporate Governance Research, Knowledge Manager, KPMG

12:00 – 12:30 PM **Lunch Break**

12:30 – 1:15 PM **PLENARY 10: Shareholder Advocacy Committee — Shareholder Advocacy on Worker Health & Safety**

Liliana Calderon, Manager of Health and Safety Programs, International Union of Bricklayers and Allied Craftworkers

Alex Sagebien, VP of Environmental, Health and Safety, Hess

Randi Weingarten, President, American Federation of Teachers

Moderator: Max Dulberger, Director of Corporate Governance & Sustainable Investments, Office of the Illinois State Treasurer

1:15 – 2:30 PM **PLENARY 11: Shareholder Advocacy Committee's Lightning Round**

******End of Conference Program******

2:45 – 3:45 PM **Proxy Voter Group
(Closed Meeting, Invitation Required)**



Virtual Administrators Institute 2021

Wednesday, September 22 - Friday, September 24, 2021

Zoom Meeting

The CALAPRS Administrators' Institute is an educational opportunity for member Retirement System Administrators / CEO's / Executive Directors and their Assistant Directors. The registration fee is \$500 per person. Register online at www.calaprs.org.

PROGRAM AGENDA

Wednesday, September 22

6:30-7:30pm

Virtual Happy Hour: What's Going On At Your System?

Moderator: Dave Nelsen, CEO, ACERA

This will be an opportunity for each participant to share 2-3 minutes of highlights about what's going on at their system. BYO beverage-of-choice is encouraged for this informal conversation!

Thursday, September 23

9:00-10:30am

The Great Experiment: Managing Change in a Post-Pandemic Workplace

Speaker: Sommer Kehrl, Ph.D., CEO, The Centre for Organization Effectiveness

We've all just lived through the Great Experiment of our generation with an immediate shift to a work from home environment. Returning to work in various formats with new requirements, on tentative timelines, and with varied expectations is one of the biggest leadership challenges of our time. This interactive, 90-minute session will focus on these issues from a change management lens and as a group we will:

- Discuss the biggest challenges about returning to the workplace in a post-pandemic world and how to avoid the major landmines
- Identify the employee's expectations and how to best address these for an engaged workforce
- Connect the lessons learned about efficiencies gained over the last 18+ months to continue to drive momentum with employees and members
- Learn what's working or not from others on this similar journey

10:30-11:00am -- Break

11:00am-12:00pm

CalPERS Investment Discussion

Speaker: Simiso Nzima, Investment Director & Head of Corporate Governance – Global Equity, CalPERS Investment Office

This will be a roundtable discussion where we will hear from CalPERS about their current investment focus, opportunities, challenges, and other topics of interest for public pension system investments. Participants will have the opportunity to ask investment-related questions.

Friday, September 24

9:00-10:30am

Unbiasing Your Organization Workshop

Speaker: Dr. Tyrone Holmes

After participating in this highly interactive, 90-minute virtual workshop, participants will be able to:

1. Describe a 4-step unbiasing model you can use to reduce the negative impact of bias on various organizational processes.
2. Observe the application of this 4-step model with a specific institutional process such as recruitment, selection, onboarding, evaluation, problem-solving and decision-making, or customer service.
3. Develop a strategy to implement an unbiasing process in the most efficient and effective manner possible.
4. Apply 4 steps to manage uncomfortable conversations in the workplace.

10:30-11:00am -- Break

11:00am-12:00pm

Round Table Discussion

Moderator: Jeff Wickman, Retirement Administrator, MCERA

12:00-12:15pm

CALAPRS Annual Business Meeting

SAVE THE DATE:
CALAPRS Administrators' Institute 2022
Wed.-Fri., September 28-30, 2022
Hyatt Centric The Pike Long Beach



VIRTUAL ATTORNEYS ROUNDTABLE

September 17, 2021
8:30 am - 12:30 pm
Held Virtually On Zoom

**Notice: CALAPRS is a State Bar approved MCLE provider.
This activity is offered for 3.75 hours of MCLE Credit.**

AGENDA

- | | |
|------------|---|
| 8:30 a.m. | Welcome and Introductions – Roundtable Co-Chairs
<i>Karen Levy, CCCERA General Counsel</i>
<i>Jennifer Shiffert, Tulare General Counsel</i> |
| 8:45 a.m. | COVID-19 disability presumption (AB 845)
<i>Frank Boyd, LACERA Senior Staff Counsel</i>
<i>Vivian Shultz, Attorney at Law</i> |
| 9:45 a.m. | COVID-19 protocols, legal and human resources issues
<i>Brian Sytsma, CalSTRS Special Counsel</i> |
| 10:15 a.m. | Board meetings (virtual/in-person) under open meetings laws and COVID-19 executive orders
<i>Anya Freedman, LA City Attorney's Office</i> |
| 10:45 a.m. | Retiree service and employment restrictions under Gov. Code Section 7522.56 and COVID-19 executive orders
<i>Jennifer Zahry, KCERA General Counsel</i> |
| 11:00 a.m. | Break |
| 11:10 a.m. | Implementation of the <i>Alameda</i> decision and administrative hearings related to the <i>Alameda</i> decision
<i>Barbara Hannah, San Bernardino CERA Chief Counsel</i> |
| 12:00 p.m. | Roundtable Discussion
All attorneys are invited to share legal topics of interest |
| 12:30 p.m. | Select chair (or co-chairs) for next Roundtable & Adjourn |



VIRTUAL ACCOUNTANTS ROUNDTABLE

September 14, 2021
8:30 am - 12:30 pm
Held Virtually On Zoom

AGENDA

- 8:30 a.m. Welcome and Introductions
- 9:00 a.m. **Topic #1:** Processing Accounts Payable – Third Party or Payment Processor? Which systems have discontinued processing A/P with their County or City? What was learned in the process of switching over?
- 9:35 a.m. **Topic #2:** Gasb 87 Lease Implementation – What leases have you identified as requiring the new standard? How are you tracking the contracts related to this implementation? Will you use software to calculate/track the Present Value calculation, liability, and lease term? (or Excel) Are some of your contracts exempted by the Gasb 72 exemption? Will you alter your option to extend clauses as a result of the new standard? Or require more prepayment from lessees? Have you involved counsel on consideration of changes to extension and/or termination clauses?
- 10:20 a.m. **Topic #3:** Investment Accounting Challenges – Do you outsource your investment accounting? If outsourced, who do you work with? Does your investment department help with accounting reconciliations?
- 10:45 a.m. **Topic #4:** Investment Accounting Challenges – How does your system account for lag involved in reporting for Real Estate, Private Equity, or Infrastructure? (Or another asset class with lag?)
- 11:10 a.m. Break
- 11:20 a.m. Select chair (or co-chairs) for next Roundtable
- 11:30 a.m. **Topic #5:** Return to the Office and Covid Mandates – Are staff having a hard time returning to work? Is your office implementing any Covid-19 safety policies upon returning to the office?
- 11:55 a.m. Open Discussion
- 12:30 p.m. Adjourn Meeting



VIRTUAL BENEFITS ROUNDTABLE

Friday, September 17, 2021

8:30 am - 12:30 pm

Held Virtually On Zoom

AGENDA

- | | |
|------------|---|
| 8:30 a.m. | Welcome and Introductions –
<i>Co-Chairs: Ron Banez, SJCERA and Ferralyn Sneed, LACERS</i> |
| 8:40 a.m. | Telework Breakout Discussion Session <ul style="list-style-type: none">• Update on return to office• In-person vs Virtual• Appointment handling tools |
| 9:10 a.m. | Return to Main Meeting and Share Insights |
| 9:30 a.m. | Death Benefits – Beneficiary Challenges
<i>Speaker: Ferralyn Sneed, LACERS</i> |
| 10:30 a.m. | Break |
| 10:45 a.m. | Telework Breakout Discussion Session <ul style="list-style-type: none">• Document acceptance• Electronic signature• 100% Electronic documents |
| 11:15 a.m. | Return to Main Meeting and Share Insights |
| 11:35 a.m. | Virtual Education <ul style="list-style-type: none">• Staff and Members• Challenges <i>Speaker: Ron Banez, SJCERA</i> |
| 12:20 p.m. | Select chair (or co-chairs) for next Roundtable |
| 12:30 p.m. | Adjourn |



Course in Retirement Disability Administration

Friday, October 8, 2021, 9:00 AM to 12:00 PM Pacific
Virtual Course

Join CALAPRS this October for our annual Disability Course in Retirement Administration. This year, the program will be held *virtually* on **October 8th from 9:00 a.m. to 12:00 p.m. Pacific**. Please see below for further details about this program.

Registration Fee: \$100

This workshop will showcase a roundtable discussion on topics regarding Disability Retirement with panelists from California Public Employees' Retirement System (CalPERS), San Bernardino County Employees' Retirement Association (SBCERA), San Diego County Employees Retirement Association (SDCERA) and Orange County Employees Retirement System (OCERS). View the full program schedule on the next page.

Topics will include:

- Disability Administration – Costs, Staff, GMEs, Outside Professionals and More.
- Disability Retirement and Reciprocity Process – Roles of Perspective Systems and What Portion of the Benefit they Pay.
- Disability Retirement & Hearings Process – Building a Case and Standards; When, Procedurally, an Application Goes to a Hearing
- How COVID-19 has Impacted Disability Retirement.
- Disability Timelines – Comparing the Disability Timeline Process Between Systems.

This virtual program will take place via Zoom. A link to the virtual platform will be provided upon completing registration. For additional questions, you may contact the CALAPRS Office at 415-764-4860 or by emailing info@calaprs.org.



Course in Retirement Disability Administration

PROGRAM AGENDA

Friday, October 8, 2021 | 9:00 AM to 12:00 PM | Virtual Course Via Zoom

- 9:00 AM **Disability Administration – Costs, Staff, GMEs, Outside Professionals and More**
Speakers
Ja’Mar Montgomery, San Diego County Employees Retirement Association (SDCERA)
Sara Nydam and Dawn DuRocher, San Bernardino County Employees' Retirement Association (SBCERA)
- 9:20 AM **Disability Retirement and Reciprocity Process – Roles of Perspective Systems and What Portion of the Benefit they Pay**
Speakers
Barbara Heard and Rafael Alcaraz, California Public Employees' Retirement System (CalPERS)
Dawn Matsuo, Orange County Employees Retirement System (OCERS)
- 9:40 AM **Disability Retirement & Hearings Process – Building a Case and Standards; When, Procedurally, an Application Goes to a Hearing**
Speakers
Sara Nydam and Dawn DuRocher of San Bernardino County Employees' Retirement Association (SBCERA)
Preet Kaur, California Public Employees' Retirement System (CalPERS)
Mario Correa, San Diego County Employees Retirement Association (SDCERA)
Karen Levy, Contra Costa County Employees' Retirement Association (CCCERA)
Dawn Matsuo, Orange County Employees Retirement System (OCERS)
Jennifer Creighton, Winet Patrick Gayer, Creighton & Hanes
- 10:30 AM **How COVID-19 has Impacted Disability Retirement**
Speakers
Cristal Rodriguez, Santa Barbara County Employees' Retirement System (SBCERS)
Johnny Tran and Susan Youngflesh, San Diego City Employees' Retirement System (SDCERS)
David Lantzer, San Bernardino County Employees' Retirement Association (SBCERA)
- 11:00 AM **Disability Timelines – Comparing the Disability Timeline Process Between Systems**
Speakers
Sara Nydam and Dawn DuRocher of San Bernardino County Employees' Retirement Association (SBCERA)
Kevin Peck, California Public Employees' Retirement System (CalPERS)
Ja’Mar Montgomery, San Diego County Employees Retirement Association (SDCERA)
Megan Cortez, Orange County Employees Retirement System (OCERS)
- 11:30 AM **Q and A**
- 11:55 AM **Closing Remarks & Adjourn**

C.3.b Other Comments

This is a discussion with no backup.

CONFIDENTIAL DISABILITY MATTER

TIMOTHY
WALSH

CONFIDENTIAL DISABILITY MATTER

CONFIDENTIAL DISABILITY MATTER

**SCOTT
MCMORROW**

CONFIDENTIAL DISABILITY MATTER

MCERA BOARD MEETING CALENDAR for 2022**Draft**


	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
BOARD	12	9	2	13	4	8	13	10	14	12	2	14
INVESTMENT COMMITTEE	19		16			15			28			7
AUDIT COMMITTEE				6				3			30	
FINANCE COMMITTEE			23		25			17			16	
GOVERNANCE COMMITTEE				20						4		
STRATEGIC WORKSHOP				26-27						25-26		



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MCERA.org

October 8, 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 November 12, 2021

Background

The 2021 Fall SACRS Conference will be held in person at the Loews Hollywood Hotel in Hollywood, California on November 9-12. SACRS will hold their semi-annual business meeting at the end of the Conference on November 12, 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 Spring 2021
- Treasurer's Report – July 2021 Financials and 2021-2022 Annual Budget
- Legislative Committee – SACRS Board of Directors Legislative Proposal


Recommendation

Staff recommends the Board delegate authority to vote on MCERA's behalf at the SACRS Business meeting to a Board Member attending the conference. The material for the Business Meeting are included for review and discussion as a separate item.



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October 8, 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)
 Fall Business Meeting

Background

SACRS will hold its semi-annual business meeting at the Fall Conference in Hollywood, California on November 12, 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: Spring 2021 SACRS Business Meeting Minutes

Kathryn Cavness, SACRS Secretary from Mendocino County Employees Retirement Association, will present the minutes from the May 2021 Business Meeting for approval.

Recommendations

Staff have reviewed the minutes and recommend the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the May 14, 2021 SACRS Business Meeting Minutes.

Agenda Item #3 – Treasurer's Report: July 2021 Financials and 2021-2022 Annual Budget

Harry Hagen, SACRS Treasurer from Santa Barbara County Employees' Retirement System, will present the financial statement as of July 2021 and the annual budget for 2021 - 2022 for approval.

Recommendations

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

Agenda Item #5 – SACRS Legislative Committee: Board of Directors Legislative Proposal

The SACRS Legislative Committee is recommending that SACRS sponsor legislation to amend various sections of the County Employees Retirement Law of 1937 (CERL). At its September 17, 2021 meeting, the Legislative Committee approved bill language for a CERL Omnibus Bill and recommended approval by the SACRS Board of Directors. If approved by the SACRS membership at the Fall Conference, the bill language can be introduced in January 2022 for consideration during the 2022 legislative session.

E.3

The specific changes being proposed by the Legislative Committee are:

- Allows a member to designate a corporation, trust, or estate to receive his or her last payment upon death. This does not allow an estate or trust to receive ongoing payments. Note: Members who choose the Unmodified Option already can designate an estate to receive the balance of contributions.
- Removes the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed as part of the County and was adopted prior to the passage on Prop. 162 in 1992. Adoption of regulations is part of the Board of Retirement's duty to administer the system.
- Notes a potential federal pre-emption issue regarding purchasing prior military reserve service. Current statute establishes that prior service purchases from another public agency must not yield a pension from that agency. However, 10 U.S.C. § 12736 provides that a period of military service may not be excluded from credit towards a civilian employment pension just because that period also counts towards reservist retirement. This change would clarify that federal law overrides Section 31641.4.
- Includes all leaves that are covered under the FMLA that are not due to the illness of the member as being eligible to purchase.
- Provides the Board of Retirement with authority to prevent temporary mandatory furloughs from impacting member benefits under specified circumstances. Similar to current CalPERS statutes, but granting more discretion to boards, this proposed new code section may help avoid inequities that can arise because of the timing of temporary mandatory furloughs in relation to members' planned retirements.
- Adds clarifying language that non-salaried positions and per diems do not count as double dipping for members appointed to boards and commissions under purview of a participating employer of a county system; similar to language of 7522.57 for state boards and commission.
- Allows members to change an optional allowance election if subsequently granted a disability retirement, regardless of when the member filed a disability application. Currently, Section 31725.7 only allows a benefit option change for members who retired for service after filing a disability retirement application but does not provide the same ability for those who retired for service before filing an application, even though both members may subsequently be granted a disability retirement.
- Restructures the non-service connected disability retirement sections to provide more clarity; no substantive changes. The sections on the non-serviceconnected disability retirement benefit formula distinguish between those retiring on or after age 65 for general and on or after age 55 for safety versus those retiring under these ages in the same section: 31726 and 31726.5.

E.3

- Addresses the scenario in which an employer does not offer to take a former employee back who has been found to no longer be incapacitated. The proposed amendment would convert the disability retirement into a service retirement without adjusting the benefit (i.e. actuarial reduction). This conforms to existing practice of several systems. Similar to Government Code 21193 in which CalPERS only reinstates if the local employer offers to take the employee back.
- Inserts the word “natural” in front of the phrase “person having an insurable interest in his or her life” to clarify that the optional retirement settlement death benefit cannot be paid to a fictitious person such as a trust or corporation.
- Adds language consistent with other CERL sections that provide direction on the calculation of compensation earnable and pensionable compensation when the member is on a leave of absence during the 12 months immediately preceding the member’s death.
- Section 31838.5 prevents windfalls for members who retire for disability from one or more systems. This amendment would clarify that a CERL system must reduce a member’s allowance from that system as much as necessary so that the member does not receive a combined allowance that is “greater than the amount the member would have received had all the member’s service been with only one entity.” The statute currently refers to a pro rata reduction by each system, but some systems (like CalPERS) are not subject to section 31838.5 and do not make any reduction. This may leave the member with the windfall that section 31838.5 is designed to prevent, depending upon how a system calculates its “pro rata” reduction. This statute would make clear that what the windfalls section 31838.5 is designed to prevent should always be prevented.

Recommendations

The SACRS Legislative Committee is recommending that SACRS sponsor the proposed clean up legislation. The draft proposal reflects the work of Legislative Committee members, in collaboration with SACRS system administrators, over the past year to develop non-controversial, technical, and clarifying amendments to the CERL.

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.



SACRS Annual Business Meeting

Annual Fall Conference 2021

Friday, November 12

10 AM - 11:30 AM

Loews Hollywood Hotel

Hollywood, CA

Ray Dolby Ballroom



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
 Friday, November 12, 2021
 10:00 AM – 11:30 AM
 Loews Hollywood Hotel, Hollywood, CA
 Ray Dolby Ballroom

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

1. SACRS System Roll Call

Thomas Garcia, Imperial CERS, SACRS Secretary

2. Secretary's Report - Receive and File

Thomas Garcia, Imperial CERS, SACRS Secretary

- A. Spring 2021 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2021 Financials
- B. 2021-2022 Annual Budget

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 – 2022-2023 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2022-2023

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Annual Audit Update

**8. SACRS Education Committee Report – No Action**

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Fall Conference 2021 Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

- A. SACRS Annual Fall Conference 2021 report

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global, SACRS Affiliate Committee Chair

- A. Affiliate Committee report

11. SACRS Bylaws Committee Report – No Action

Chair Position Open, SACRS Bylaws Committee Chair

- A. No report

12. SACRS Fall Conference Breakout Reports – No Action

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

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

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel in Rancho Mirage, CA.



1. SACRS System Roll Call

Thomas Garcia, Imperial CERS, SACRS Secretary



1. SACRS System Roll Call
Thomas Garcia, SACRS Secretary

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



2. Secretary's Report - Receive and File

Thomas Garcia, Imperial CERS, SACRS Secretary

A. Spring 2021 SACRS Business Meeting Minutes



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

SACRS Parliamentarian – David Lantzer, San Bernardino CERA
 Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:05 am

SACRS Board of Directors in Attendance:

Vivian Gray, President; Roger Hilton, Vice President; Kathryn Cavness, Secretary; Harry Hagen, Treasurer; David MacDonald, Board member; Dan McAllister, Immediate Past President, Ben Lazarus, Past Affiliate Chair

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

20 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

*Fresno arrived at 10:15 am

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2020 SACRS Business Meeting Minutes

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

2nd: Marin CERA

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

No: 0

Absent: Fresno

Motion Passes 19-0-1

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

Motion: Stanislaus CERA made a motion to approve the Treasurers report on the July 2020 – January 2021 financials.

2nd: San Bernardino CERA

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

No: 0

Absent: Fresno

Motion Passes 19-0-1



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion: A verbal report was provided by Vivian Gray, SACRS President. No action was taken.

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

Discussion: An overview of the 2021 Legislative report was provided by the Legislative committee co-chairs and SACRS lobbying team – Trent Smith, Mike Robson and Bridget McGowan. No action was taken for item 5A.

Motion: Sonoma CERA made a motion to approve the proposed legislation presented in item 5B.

2nd: Merced CERA

Yes: 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

No: 0

Motion Passes 20-0

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

Motion: Los Angeles CERA made a motion to approve the recommended slate for the 2021-2022 SACRS Board of Directors.

- Vivian Gray, Los Angeles CERA
- Kathryn Cavness, Mendocino CERA, Vice President
- Harry Hagen, Santa Barbara CERS, Treasurer
- Thomas Garcia, Imperial CERA, Secretary
- David MacDonald, Contra Costa CERA, General member
- Vere Williams, San Bernardino CERA, General member
- Dan McAllister, San Diego CERA, Immediate Past President (per Bylaws)

2nd: San Diego CERA

Yes: 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

No: 0

Motion Passes 20-0



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit

Discussion: Steve Delaney, Audit Committee Chair, provided a verbal overview of the annual audit performed by James Marta & Co. Steve thanked the committee and SACRS staff for their time and dedication to the project. The external auditor's opinion in the report listed that the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, is fairly stated in all material respects in relation to the financial statement as a whole.

Motion: Fresno CERA submitted a motion to accept the 2019-2020 Audit as presented by the Audit committee.

2nd: Alameda CERA

Yes: 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

No: 0

Motion Passes 20-0

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

Discussion: A verbal report was provided by JJ Popowich, Committee Chair, great conference! The keynote sessions were really well balanced, the covid update on Friday was insightful. Many positive comments regarding the technology and virtual platform used for the conference. Encouragement to submit evaluations when people return home, feedback at conferences was positive. No action taken, verbal report on committee meeting. Evaluations are electronic, therefore will be presented at the Board meeting in January 2021.

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report

Discussion: Verbal report provided by Roger Hilton, feedback on conference was very positive. No action taken, Roger 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

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion: Ben Lazarus, Past Committee Chair, gave a verbal update on Affiliate matters. Affiliate leadership really appreciate the commitment and dedication of the Board and fellow committee members. No action taken, Ben gave a verbal update on the Affiliate Breakout, attendance was great and members



really enjoyed the Spotlight Series on the Systems. The committee intends to continue system interviews for viewing during the SACRS Summer Webinar Series.

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

Discussion: No report

12. SACRS Spring Conference Breakout Reports – No Action

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

A. Administrators – Leanne Malison, Tulare CERA, reported that the meeting was very productive. Donald Kendig, Fresno CERA, will moderate the Fall 2021 Conference.

B. Counsel – Ashley Dunning, SACRS Program Committee, provided a brief report on their closed session, and that the group did not get a volunteer for the Fall 2021 conference.

C. Disability/ Operations & Benefits Combo – Carlos Barrios, Los Angeles CERA, reported that the session was well attended and great information. Louis Gittens, Los Angeles CERA, has volunteered to moderate the Fall 2021 Conference.

D. Internal Auditors – No report.

E. Investment Officers – Tim Price, Contra Costa CERA, reported that the meeting was well attended and that Daryn Miller, Kern CERA volunteered to moderate the Fall 2021 Conference.

F. Safety Trustees – Susan Lee, San Mateo CERA, reported that the meeting was well attended and Brian Williams, Sonoma CERA will continue to serve as moderator for Fall 2021 Conference.

G. General Trustees – Kathryn Cavness, Mendocino CERA, reported that the session was fantastic. Kathryn Cavness will serve as the moderator for Fall 2021 Conference.

13. Adjournment

Motion: San Diego CERA submitted a motion to adjourn at 10:54 am

2nd: Ventura CERA

Yes: 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

No: 0

Motion Passes 20-0

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel, in Rancho Mirage, CA unless Covid-19 restrictions are in place.

Respectfully Submitted by:

Thomas Garcia, Imperial CERA, SACRS Secretary

Sulema Peterson, SACRS Executive Director



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2021 Financials
- B. 2021-2022 Annual Budget

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

E.3

As of July 31, 2021

Jul 31, 21

ASSETS

Current Assets

Checking/Savings

1000 - First Foundation Bank-Checking 201,567.30

1001 - BofA Interest Checking 4389 16,847.68

1002 - First Foundation Bank ICS Acct 57,555.25

Total Checking/Savings 275,970.23

Other Current Assets

1100 - CalTrust - Medium Term 979,872.82

1107 - CalTrust Liquidity Fund 8,225.47

1110 - CAMP-SACRS Liquidity Fund 791,150.15

Total Other Current Assets 1,779,248.44

Total Current Assets 2,055,218.67

TOTAL ASSETS 2,055,218.67

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2200 - First Foundation Credit Card 1,415.07

Total Credit Cards 1,415.07

Total Current Liabilities 1,415.07

Total Liabilities 1,415.07

Equity

32000 - Retained Earnings 2,034,191.90

Net Income 19,611.70

Total Equity 2,053,803.60

TOTAL LIABILITIES & EQUITY 2,055,218.67

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

E.3

July 2021

Jul 21

Ordinary Income/Expense

Income

4100 - Membership Dues

4101 - Affiliates 63,750.00

4102 - Non Profit - Organizations 500.00

4103 - Non Profit - Systems 1,500.00

4104 - Systems - Medium 8,000.00

Total 4100 - Membership Dues 73,750.00

4270 - UC Berkeley Program

4271 - Registrations 1,650.00

4272 - Sponsorships 2,500.00

Total 4270 - UC Berkeley Program 4,150.00

4900 - Interest Earned 315.95

Total Income 78,215.95

Gross Profit 78,215.95

Expense

5000 - Administrative Fee 30,000.00

5003 - Bank Charges/Credit Card Fees 2,004.32

5041 - Consulting 6,582.00

5072 - Legislative Advocacy 10,002.00

6011 - Postage & Delivery 274.96

6020 - Spring Conference 1,107.95

6053 - Technology/AMS/Website 7,711.12

6054 - Travel 921.90

Total Expense 58,604.25

Net Ordinary Income 19,611.70

Net Income 19,611.70

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

E.3

	Jul 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 • Membership Dues				
4101 • Affiliates	63,750.00	268,750.00	-205,000.00	23.72%
4102 • Non Profit - Organizations	500.00	2,750.00	-2,250.00	18.18%
4103 • Non Profit - Systems	1,500.00	6,000.00	-4,500.00	25.0%
4104 • Systems - Medium	8,000.00	52,000.00	-44,000.00	15.39%
4105 • Systems - Large	0.00	42,000.00	-42,000.00	0.0%
4100 • Membership Dues - Other	0.00	0.00	0.00	0.0%
Total 4100 • Membership Dues	73,750.00	371,500.00	-297,750.00	19.85%
4200 • Webinar Symposium Registration				
4201 • Affiliates - Early	0.00	200.00	-200.00	0.0%
4202 • Affiliates - Regular	0.00	200.00	-200.00	0.0%
4203 • Affiliates - Late/Onsite	0.00	200.00	-200.00	0.0%
4204 • Non Profit	0.00	200.00	-200.00	0.0%
4205 • Systems	0.00	200.00	-200.00	0.0%
4206 • Non-Members	0.00	200.00	-200.00	0.0%
4200 • Webinar Symposium Registration - Other	0.00	0.00	0.00	0.0%
Total 4200 • Webinar Symposium Registration	0.00	1,200.00	-1,200.00	0.0%
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	1,650.00	60,000.00	-58,350.00	2.75%
4272 • Sponsorships	2,500.00	40,000.00	-37,500.00	6.25%
4270 • UC Berkeley Program - Other	0.00	0.00	0.00	0.0%
Total 4270 • UC Berkeley Program	4,150.00	100,000.00	-95,850.00	4.15%
4300 • Fall Conference Registration				
4301 • Affiliates - Early	0.00	140,000.00	-140,000.00	0.0%
4302 • Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4303 • Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4304 • Non Profit	0.00	960.00	-960.00	0.0%
4305 • Systems	0.00	20,000.00	-20,000.00	0.0%
4306 • Non-Members	0.00	200,250.00	-200,250.00	0.0%
4307 • Fun Run	0.00	500.00	-500.00	0.0%
4308 • Yoga	0.00	100.00	-100.00	0.0%
4300 • Fall Conference Registration - Other	0.00	0.00	0.00	0.0%
Total 4300 • Fall Conference Registration	0.00	492,210.00	-492,210.00	0.0%
4350 • Spring Conference Registration				
4351 • Affiliates - Early	0.00	140,000.00	-140,000.00	0.0%
4352 • Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4353 • Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4354 • Non Profit	0.00	960.00	-960.00	0.0%
4355 • Systems	0.00	20,000.00	-20,000.00	0.0%

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

E.3

	Jul 21	Budget	\$ Over Budget	% of Budget
4356 · Non-Members	0.00	200,250.00	-200,250.00	0.0%
4357 · Fun Run	0.00	500.00	-500.00	0.0%
4358 · Yoga	0.00	100.00	-100.00	0.0%
Total 4350 · Spring Conference Registration	0.00	492,210.00	-492,210.00	0.0%
4900 · Interest Earned	315.95	-953.55	1,269.50	-33.13%
Total Income	78,215.95	1,458,166.45	-1,379,950.50	5.36%
Gross Profit	78,215.95	1,458,166.45	-1,379,950.50	5.36%
Expense				
5000 · Administrative Fee	30,000.00	180,000.00	-150,000.00	16.67%
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	2,004.32	36,000.00	-33,995.68	5.57%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5013 · Hotel	0.00	12,500.00	-12,500.00	0.0%
5014 · Food & Beverage	0.00	12,500.00	-12,500.00	0.0%
5015 · Materials/Printing/Design	0.00	3,000.00	-3,000.00	0.0%
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	0.00	216,000.00	-216,000.00	0.0%
Total 5010 · Berkeley & Symposium	0.00	248,700.00	-248,700.00	0.0%
5020 · Webinar Symposium				
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
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	0.00	20,000.00	-20,000.00	0.0%
5041 · Consulting	6,582.00	19,992.00	-13,410.00	32.92%
5042 · Dues & Subscriptions	0.00	3,700.00	-3,700.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	60,000.00	-60,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
5054.2 · Conference	0.00	15,000.00	-15,000.00	0.0%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
5054 · Hotel - Other	0.00	0.00	0.00	0.0%
Total 5054 · Hotel	0.00	330,000.00	-330,000.00	0.0%
5055 · Program Material	0.00	25,000.00	-25,000.00	0.0%
5056 · Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 · Supplies	0.00	500.00	-500.00	0.0%
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%

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

E.3

	Jul 21	Budget	\$ Over Budget	% of Budget
5050 · Fall Conference - Other	0.00	0.00	0.00	0.0%
Total 5050 · Fall Conference	0.00	489,500.00	-489,500.00	0.0%
5070 · Insurance	0.00	5,000.00	-5,000.00	0.0%
5071 · Legal & Professional Fees	0.00	35,000.00	-35,000.00	0.0%
5072 · Legislative Advocacy	10,002.00	60,012.00	-50,010.00	16.67%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	0.00	20,000.00	-20,000.00	0.0%
5083 · Magazine - Other	0.00	5,200.00	-5,200.00	0.0%
5080 · Magazine - Other	0.00	0.00	0.00	0.0%
Total 5080 · Magazine	0.00	25,800.00	-25,800.00	0.0%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	25,000.00	-25,000.00	0.0%
6001.2 · Printing/Supplies	0.00	4,000.00	-4,000.00	0.0%
6001.3 · Travel - BOD Meetings	0.00	11,000.00	-11,000.00	0.0%
6001.4 · Travel - Miscellaneous BOD	0.00	3,500.00	-3,500.00	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	46,500.00	-46,500.00	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	49,250.00	-49,250.00	0.0%
6010 · Office Expenses / Supplies	0.00	2,500.00	-2,500.00	0.0%
6011 · Postage & Delivery	274.96	3,000.00	-2,725.04	9.17%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	60,000.00	-60,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
6024.2 · Conference	0.00	0.00	0.00	0.0%
6024.4 · Hotel - Other	0.00	25,000.00	-25,000.00	0.0%
6024 · Hotel - Other	0.00	0.00	0.00	0.0%
Total 6024 · Hotel	0.00	90,000.00	-90,000.00	0.0%
6025 · Program Material	0.00	25,000.00	-25,000.00	0.0%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
6020 · Spring Conference - Other	1,107.95			
Total 6020 · Spring Conference	1,107.95	250,000.00	-248,892.05	0.44%
6050 · Strategic Facilitator	0.00	15,000.00	-15,000.00	0.0%
6051 · Taxes & Licenses	0.00	50.00	-50.00	0.0%
6053 · Technology/AMS/Website	7,711.12	45,000.00	-37,288.88	17.14%
6054 · Travel	921.90	7,500.00	-6,578.10	12.29%

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

E.3

Total Expense
Net Ordinary Income

Jul 21	Budget	\$ Over Budget	% of Budget
58,604.25	1,539,804.00	-1,481,199.75	3.81%
19,611.70	-81,637.55	101,249.25	-24.02%
19,611.70	-81,637.55	101,249.25	-24.02%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

E.3

	Budget
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	268,750.00
4102 · Non Profit - Organizations	2,750.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Other	0.00
Total 4100 · Membership Dues	371,500.00
4200 · Webinar Symposium Registration	
4201 · Affiliates - Early	200.00
4202 · Affiliates - Regular	200.00
4203 · Affiliates - Late/Onsite	200.00
4204 · Non Profit	200.00
4205 · Systems	200.00
4206 · Non-Members	200.00
4200 · Webinar Symposium Registration - Other	0.00
Total 4200 · Webinar Symposium Registration	1,200.00
4250 · Product Income	
4255 · Magazine Advertising	2,000.00
Total 4250 · Product Income	2,000.00
4270 · UC Berkeley Program	
4271 · Registrations	60,000.00
4272 · Sponsorships	40,000.00
4270 · UC Berkeley Program - Other	0.00
Total 4270 · UC Berkeley Program	100,000.00
4300 · Fall Conference Registration	
4301 · Affiliates - Early	140,000.00
4302 · Affiliates - Regular	60,000.00
4303 · Affiliates - Late/Onsite	70,400.00
4304 · Non Profit	960.00
4305 · Systems	20,000.00
4306 · Non-Members	200,250.00
4307 · Fun Run	500.00
4308 · Yoga	100.00
4300 · Fall Conference Registration - Other	0.00
Total 4300 · Fall Conference Registration	492,210.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	140,000.00
4352 · Affiliates - Regular	60,000.00
4353 · Affiliates - Late/Onsite	70,400.00
4354 · Non Profit	960.00
4355 · Systems	20,000.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

E.3

	Budget
4356 · Non-Members	200,250.00
4357 · Fun Run	500.00
4358 · Yoga	100.00
Total 4350 · Spring Conference Registration	492,210.00
4900 · Interest Earned	-953.55
Total Income	1,458,166.45
Gross Profit	1,458,166.45
Expense	
5000 · Administrative Fee	180,000.00
5001 · Administrative Services	500.00
5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	36,000.00
5010 · Berkeley & Symposium	
5011 · Audio/Visual	2,200.00
5013 · Hotel	12,500.00
5014 · Food & Beverage	12,500.00
5015 · Materials/Printing/Design	3,000.00
5016 · Travel	2,500.00
5017 · UC Berkeley	216,000.00
Total 5010 · Berkeley & Symposium	248,700.00
5020 · Webinar Symposium	
5022 · Webinar Technology	25,000.00
Total 5020 · Webinar Symposium	25,000.00
5030 · CERL	
5031 · Materials/Printing/Design	16,500.00
5032 · Shipping	1,300.00
Total 5030 · CERL	17,800.00
5040 · Commissions & Fees	20,000.00
5041 · Consulting	19,992.00
5042 · Dues & Subscriptions	3,700.00
5050 · Fall Conference	
5051 · Audio/Visual	60,000.00
5052 · Delivery & Shipping	2,500.00
5053 · Entertainment	6,500.00
5054 · Hotel	
5054.1 · Wednesday Night Event	65,000.00
5054.2 · Conference	15,000.00
5054.3 · Food & Beverage	250,000.00
5054 · Hotel - Other	0.00
Total 5054 · Hotel	330,000.00
5055 · Program Material	25,000.00
5056 · Speakers	50,000.00
5057 · Supplies	500.00
5058 · Travel	15,000.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

E.3

	Budget
5050 · Fall Conference - Other	0.00
Total 5050 · Fall Conference	489,500.00
5070 · Insurance	5,000.00
5071 · Legal & Professional Fees	35,000.00
5072 · Legislative Advocacy	60,012.00
5080 · Magazine	
5081 · Delivery & Shipping	600.00
5082 · Design/Printing/Etc.	20,000.00
5083 · Magazine - Other	5,200.00
5080 · Magazine - Other	0.00
Total 5080 · Magazine	25,800.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	25,000.00
6001.2 · Printing/Supplies	4,000.00
6001.3 · Travel - BOD Meetings	11,000.00
6001.4 · Travel - Miscellaneous BOD	3,500.00
6001.5 · Board Of Directors - Other	3,000.00
Total 6001 · Board of Directors	46,500.00
6002 · Legislative Committee Meetings	250.00
6003 · Program Committee Meetings	2,500.00
Total 6000 · Board & Committees	49,250.00
6010 · Office Expenses / Supplies	2,500.00
6011 · Postage & Delivery	3,000.00
6020 · Spring Conference	
6021 · Audio/Visual	60,000.00
6022 · Delivery & Shipping	2,500.00
6023 · Entertainment	6,500.00
6024 · Hotel	
6024.1 · Wednesday Night Event	65,000.00
6024.2 · Conference	0.00
6024.4 · Hotel - Other	25,000.00
6024 · Hotel - Other	0.00
Total 6024 · Hotel	90,000.00
6025 · Program Material	25,000.00
6026 · Speakers	50,000.00
6027 · Supplies	1,000.00
6028 · Travel	15,000.00
6020 · Spring Conference - Other	
Total 6020 · Spring Conference	250,000.00
6050 · Strategic Facilitator	15,000.00
6051 · Taxes & Licenses	50.00
6053 · Technology/AMS/Website	45,000.00
6054 · Travel	7,500.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

E.3

	Budget
Total Expense	1,539,804.00
Net Ordinary Income	-81,637.55
Net Income	-81,637.55



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed materials 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



October 7, 2021

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – October 2021**

General Update

The Legislature adjourned for interim recess on September 10 after passing roughly 700 bills out of the Legislature and onto the Governor's desk. The Governor has until October 10 to consider these bills. Below is an update on the outcomes of the bills SACRS has been following closely.

Legislation of Interest

SB 634 (Committee on Labor, Public Employment, and Retirement) - SACRS Sponsored Bill. This bill makes a few clarifying changes to the CERL, including clarifying that a 37 Act Retirement board may contract with a private physician to provide medical advice to the board to process disability claims and changing an obsolete code reference related to when a 37 Act system member may opt to continue as a member of the 37 Act system instead of enrolling in CalSTRS.

The Governor signed this bill into law on September 16.

AB 361 (Rivas) - Virtual Meetings for Declared Emergencies. This bill is sponsored by the CA Special Districts Association and would codify the Governor's Executive Order allowing for teleconference for declared emergencies. The bill would require local agencies to re-declare an emergency every 30 days that would then allow them to continue meeting remotely.

Recent amendments add an urgency clause so the bill will go into effect immediately after it is signed.

The Governor signed this bill into law on September 16. Because the existing Brown Act Executive Order expired on September 30, the Governor also issued an Executive Order to make the provisions of AB 361 effective October 1, so the two standards do not conflict.

AB 339 (Lee) – Large City Council and Board of Supervisor Public Meetings – This bill would require until December 31, 2023 that city councils and boards of supervisors

in jurisdictions over 250,000 residents provide both in person and teleconference options for the public to attend their meetings.

The bill is currently on the Governor's desk.

AB 826 (Irwin) - Compensation Earnable. Late into session, this bill was amended into a bill that prescribes that the definition of compensation earnable in CERL includes any form of remuneration, whether paid in cash or as in-kind benefits, if certain requirements are met.

The bill is co-sponsored by SEIU and the Ventura County Board of Supervisors. They argue that some pay items, like their Flexible Benefit Allowance was not clearly addressed in the *Alameda* decision and should not be excluded, because members receive the full cash value, it is a regular, set amount paid every pay period, and it isn't subject to pension spiking or any other manipulation.

In the final days of session, the bill was amended to clarify that the provisions of the bill only apply to Ventura County.

SACRS does not have a position on the bill.

The bill was moved to the inactive file before the Legislature adjourned, making it a two-year bill.

AB 498 (Quirk-Silva) – Compensation Earnable. At the end of session, Assemblymember Quirk-Silva amended her AB 498 to attempt to address a difference of opinion regarding compensation earnable, similar to AB 826 (Irwin) discussed above. Because the bill was just amended, it did not move at the end of session and will be considered next year when the Legislature returns in January.

AB 845 (Rodriguez) - COVID-19 Presumption. This bill creates a rebuttable presumption for members that a COVID-19 related illness contracted on the job must be eligible for an in-service disability retirement. The provisions sunset January 1, 2023. The bill is sponsored by SEIU. The co-chairs of the Legislative Committee have been closely engaged with the sponsor and committee staff working on the legislation to ensure smooth implementation in CERL Systems.

This bill was signed into law by the Governor on July 23.



September 20, 2021

RE: SACRS-Sponsored Legislation in 2022

Dear SACRS Board of Directors,

The SACRS Legislative Committee recommends that SACRS sponsor legislation in 2022 to amend various sections of the County Employees' Retirement Law of 1937 (CERL).

At its September 17, 2021 meeting, the Legislative Committee approved bill language for a CERL Omnibus Bill and recommended approval by the SACRS Board of Directors. If approved by the SACRS membership at the Fall Conference, the bill language can be introduced in January 2022 for consideration during the 2022 legislative session.

The enclosed language reflects the work of Legislative Committee members, in collaboration with system administrators, over the past year to develop non-controversial, technical, and clarifying amendments to the CERL.

A summary matrix and draft bill language are attached.

If you have questions or would like to provide additional feedback, please contact us at dnelsen@acera.org or sterne@saccounty.net.

Respectfully,

/s/

David Nelsen and Eric Stern
Co-Chairs, Legislative Committee

ATTACHMENTS

- Summary Matrix
- Draft Bill Language

2022 CERL Clean-Up Bill

Issue	Gov Code	Topic	Issue/Justification
1	31452.7	Beneficiaries - Designating Estate	This amendment would allow a member to designate a corporation, trust, or estate to receive his or her last check upon death. This does not allow an estate or trust to receive ongoing payments. Note: Members who choose Option 1 already can designate an estate to receive the balance of contributions.
2	31525	Board of Supervisor approval of Board of Retirement regulations	This amendment would delete the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed by a county department, and was adopted prior to the passage on Prop.162 in 1992. Adoption of regulations is part of the BOR's duty to administer the system.
3	31641.4	Prior Service -- Military Reserve Service	This amendment would note a potential federal pre-emption issue regarding purchasing prior military reserve service. Current statute establishes that prior service purchases from another public agency must not yield a pension from that agency. However, 10 U.S.C. § 12736 provides that a period of military service may not be excluded from credit towards a civilian employment pension just because that period also counts towards reservist retirement. Thus, the question arises which statute prevails in a conflict between 10 U.S.C. § 12736 and Section 31641.4. The Ninth Circuit Court of Appeal considered that question in Cantwell v. San Mateo County, 631 F.2d 631 (9th Cir. 1980), and determined that federal law overrides Section 31641.4.
4	31646	Service Purchase for FMLA Leave	This amendment would include all leaves that are covered under the FMLA that are not due to the illness of the member.
5	31646.XX	Furloughs	This amendment would provide boards with authority to prevent temporary mandatory furloughs from impacting member benefits under specified circumstances. Similar to CalPERS statutes (see GC 20968, 20969, 20969.1, 20969.2), but granting more discretion to boards, this proposed new code section may help avoid inequities that can arise because of the timing of temporary mandatory furloughs in relation to members' planned retirements.

6	31680.2	Post-Retirement Employment	This amendment would add clarifying language that nonsalaried positions and per diems do not count as double dipping for members appointed to boards and commissions under purview of a participating employer of a county system; similar to language of 7522.57 for state boards and commission.
7	31725.7 31760	Disability Retirement: Optional Allowances	This amendment would allow members to change optional allowance if subsequently granted disability retirement, regardless of when the member filed a Disability Retirement application. Currently, Section 31725.7 only allows a benefit option change for members who retired for service after filing a disability retirement application but does not provide the same ability for those who retired for service before filing an application, even though both members may subsequently be granted a disability retirement.
8	31726 31726.5	Nonservice-connected disability	This amendment restructures the sections to provide more clarity; no substantive changes. The sections on the nonservice-connected disability retirement benefit formula distinguish between those retiring on or after age 65 for general and on or after age 55 for safety versus those retiring under these ages in the same section: 31726 and 31726.5.
9	31730	Disability -- Reinstatement	This amendment addresses the scenario in which an employer does not offer to take the employee back who has been found to no longer be incapacitated. The proposed amendment would convert convert the disability retirement into service retirement without adjusting benefit (i.e. actuarial reduction). This conforms to existing practice of several systems. Note: Similar to GC 21193 in which CalPERS only reinstates if the local employer offers to take the employee back.
10	31761 31762 31763 31764	Beneficiary Designation	This amendment would insert the word “natural” in front of the phrase “person having an insurable interest in his or her life” to clarify that the optional retirement settlement death benefit cannot be paid to a fictitious person such as a trust or corporation.
11	31781	Lump Sum Death Benefit	This amendment would add language consistent with other CERL sections that provide direction on the calculation of compensation earnable and pensionable compensation when the member is on a leave of absence during the 12 months immediately preceding the member’s death.

12	31838.5	Concurrent Retirement: Disability	<p>Section 31838.5 prevents windfalls for members who retire for disability from one or more systems. This amendment would clarify that a CERL system must reduce a member's allowance from that system as much as necessary so that the member does not receive a combined allowance that is "greater than the amount the member would have received had all the member's service been with only one entity." The statute currently refers to a pro rata reduction by each system, but some systems (like CalPERS) are not subject to section 31838.5 and do not make any reduction. This may leave the member with the windfall that section 31838.5 is designed to prevent, depending upon how a system calculates its "pro rata" reduction. This statute would make clear that the windfalls section 31838.5 is designed to prevent should always be prevented.</p>
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Issue 1: 31452.7 – Beneficiaries Designating Estate

This amendment would allow a member to designate a corporation, trust, or estate to receive his or her last check upon death. This does not allow an estate or trust to receive ongoing payments. Note: Members who choose Option 1 already can designate an estate to receive the balance of contributions.

Section 31452.7 of the Government Code is amended to read:

(a) Upon the death of any member after retirement, any retirement allowance earned but not yet paid to the member shall, notwithstanding any other provision of law, be paid to the member's designated beneficiary.

(b) Upon the death of any person receiving a survivor's allowance under this chapter, any allowance earned but not yet paid to the survivor shall, notwithstanding any other provision of law, be paid to the survivor's designated beneficiary.

(c) For purposes of this section, "beneficiary" includes, but is not limited to, a corporation, a trust, or an estate.

Issue 2: 31525 – BOR Regulations

This amendment would delete the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed by a county department, and was adopted prior to the passage on Prop. 162 in 1992. Adoption of regulations is part of the BOR's duty to administer the system.

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees' Pension Reform Act of 2013, The California Pension Protection Act of 1992, and any other provisions of law applicable to county retirement systems.**

~~The regulations become effective when approved by the board of supervisors.~~

Issue 3: 31641.4 -- Prior Military Reserve Service

This amendment would note a potential federal pre-emption issue regarding purchasing prior military reserve service. Current statute establishes that prior service purchases from another public agency must not yield a pension from that agency. However, 10 U.S.C. § 12736 provides that a period of military service may not be excluded from credit towards a civilian employment pension just because that period also counts towards reservist retirement. Thus, the question arises which statute prevails in a

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conflict between 10 U.S.C. § 12736 and Section 31641.4. The Ninth Circuit Court of Appeal considered that question in Cantwell v. San Mateo County, 631 F.2d 631 (9th Cir. 1980), and determined that federal law overrides Section 31641.4.

Section 31641.4 of the Government Code is amended to read:

A member shall receive credit for employment in public service only for such service as he is not entitled to receive a pension or retirement allowance from such public agency. The service for which he elects to contribute and the fact that no pension or retirement allowance will accrue to such member by virtue of his employment in such public agency must be certified to by an officer of the public agency where he rendered such public service or must be established to the satisfaction of the board. **Nothing in this paragraph prohibits a member from receiving credit for a period of federal public service where federal law expressly permits such credit even though the member is already entitled to receive a pension or retirement allowance from that service (*Cantwell v. San Mateo County*, 631 F.2d 631 (9th Cir. 1980)).**

Issue 4: 31646 – Credit for Uncompensated Leave of Absence for Illness; Parental Leave; Conditions

This amendment would include all leaves that are covered under the FMLA that are not due to the illness of the member.

Section 31646 of the Government Code is amended to read:

(a) A member who returns to active service following an uncompensated leave of absence on account of illness may receive service credit for the period of the absence upon the payment of the contributions that the member would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(b) (1) A member who returns to active service following an uncompensated leave of absence on account of parental leave may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subdivision, parental leave is defined as any time, up to one year, during which a member is granted an approved maternity or paternity leave and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is

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claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

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

(c) (1) A member who returns to active service following an uncompensated leave of absence on account of the serious illness of a family member when the absence is eligible for coverage under the Family Medical Leave Act, 29 U.S.C. section 2601 et. seq., or the California Family Rights Act, Government Code section 12945 et. seq., may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subdivision, leave on account of illness of a family member is defined as any time, up to one year, during which a member is granted an approved leave to care for a seriously ill family member and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

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

Issue 5: 31646.XX – Furloughs

This amendment would provide boards with authority to prevent temporary mandatory furloughs from impacting member benefits under specified circumstances. Similar to CalPERS statutes (see GC 20968, 20969, 20969.1, 20969.2), but granting more discretion to boards, this proposed new code section may help avoid inequities that can arise because of the timing of temporary mandatory furloughs in relation to members' planned retirements.

Section 31646.XX of the Government Code is added to read:

The board may grant members who are subject to a temporary mandatory furlough the same service credit and “compensation earnable” or “pensionable compensation” to which the members would have been entitled in the absence of the temporary mandatory furlough. The board may condition such grant on the receipt of additional member and/or employer contributions that the board

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determines are necessary to fund any benefits granted under this section on an actuarially sound basis.

For the purposes of this section, a “temporary mandatory furlough” refers to time during which a member is directed to be absent from work without pay for up to one quarter of the member’s normal working hours, with such reduced working hours in place for no longer than two years.

Issue 6: 31680.20 – Postretirement Employment

This amendment would add clarifying language that nonsalaried positions and per diems do not count as double dipping for members appointed to boards and commissions under purview of a participating employer of a county system; similar to language of 7522.57 for state boards and commission.

Section 31680.20 of the Government Code is added to read:

A person who is retired under this chapter may serve without reinstatement from retirement or loss or interruption of benefits under this chapter or the Public Employees’ Pension Reform Act of 2013 provided the service is on a part-time state, county, city, district, or other political subdivision board or commission. A retired person whose employment without reinstatement is authorized by this subdivision shall acquire no benefits, service credit, or retirement rights with respect to the employment. Part-time service is limited to less than 20 hours per week, and salary or stipend of the part-time service may not exceed \$60,000 annually.

Issue 7: 31725.7, 31760 – Disability Retirement: Optional Allowances

This amendment would allow members to change optional allowance if subsequently granted disability retirement, regardless of when the member filed a Disability Retirement application. Currently, Section 31725.7 only allows a benefit option change for members who retired for service after filing a disability retirement application but does not provide the same ability for those who retired for service before filing an application, even though both members may subsequently be granted a disability retirement.

Section 31725.7 of the Government Code is amended to read:

(a) At any time after filing an application for disability retirement with the board, the member may, if eligible, apply for, and the board in its discretion may grant, a service retirement allowance pending the determination of his or her entitlement to disability retirement. If he or she is found to be eligible for disability retirement, appropriate

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adjustments shall be made in his or her retirement allowance retroactive to the effective date of his or her disability retirement as provided in Section 31724.

(b) Notwithstanding subdivision (a), this section shall also apply to a member retired for service who subsequently files an application for disability retirement with the board. If he or she is found to be eligible for disability retirement, appropriate adjustments shall be made in his or her retirement allowance retroactive to the effective date of his or her disability retirement as provided in Section 31724.

~~(b)~~**(c)** This section shall not be construed to authorize a member to receive more than one type of retirement allowance for the same period of time nor to entitle any beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive under the type of retirement which the member is finally determined to have been entitled. In the event a member retired for service is found not to be entitled to disability retirement he or she shall not be entitled to return to his or her job as provided in Section 31725.

~~(c)~~**(d)** If the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary shall be as selected by the member at the time of retirement for service. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall also be binding as to the type of allowance the member receives if the member is awarded a disability retirement.

~~(d)~~**(e)** Notwithstanding subdivision ~~(e)~~**(d)**, if the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary may be as selected by the member at the time of retirement for service, or as if the member had selected an unmodified allowance. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall not be binding as to the type of allowance the member receives if the member is awarded a disability retirement. A change to the optional or unmodified type of allowance shall be made only at the time a member is awarded a disability retirement and the change shall be retroactive to the service retirement date and benefits previously paid shall be adjusted. If a change to the optional or unmodified type of allowance is not made, the benefit shall be adjusted to reflect the differences in retirement benefits previously received. This paragraph shall only apply to members who retire on or after January 1, 1999.

Section 31760 of the Government Code is amended to read:

(a) Except as provided in subdivisions **(b) and (c)**, until the first payment of any retirement allowance is made, a member or retired member, in lieu of the retirement allowance for the member's life alone, may elect to have the actuarial equivalent of his or her retirement allowance as of the date of retirement applied to a lesser retirement

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allowance payable throughout life in accordance with one of the optional settlements specified in this article.

(b) Notwithstanding subdivision (a), a member who applies for disability and is subsequently granted a service retirement pending a determination of entitlement to disability may change the type of optional or unmodified allowance that he or she elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.

(c) Notwithstanding subdivision (a), a member retired for service who applies for and is subsequently granted a disability retirement may change the type of optional or unmodified allowance that he or she elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.

Issue 8: Sections 31726 and 31726.5: Nonservice-connected disability

This amendment restructures the sections to provide more clarity; no substantive changes. The sections on the nonservice-connected disability retirement benefit formula distinguish between those retiring on or after age 65 for general and on or after age 55 for safety versus those retiring under these ages in the same section: 31726 and 31726.5.

Section 31726 of the Government Code is amended to read:

(a) Upon retirement for ~~non-service~~**nonservice**-connected disability a member who has attained age 65 shall receive his or her service retirement allowance.

(b) Every member under age 65 who is retired for ~~non-service~~**nonservice**-connected disability and who is not simultaneously retired as a member on deferred retirement of the ~~State~~**Public** Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of the following:

~~(a)~~**(1)** The sum to which he or she would be entitled as service retirement; **or**

~~(b)~~**(2)** A sum which shall consist of ~~any of the following~~:

~~(1)~~**(A)** An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

~~(2)~~**(B)** If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

~~(3)~~**(C)** If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph

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shall only apply to a person who becomes a member of the system on or after January 1, 1988.

Section 31726.5 of the Government Code is amended to read:

(a) Upon retirement for nonservice-connected disability a safety member who has attained age 55 shall receive his or her service retirement allowance.

(b) Every safety member under age 55 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of:

~~(a)~~**(1)** The sum to which he or she would be entitled to as service retirement; or

~~(b)~~**(2)** A sum which shall consist of:

~~(1)~~**(A)** An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

~~(2)~~**(B)** If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

~~(3)~~**(C)** If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district.

~~Paragraph 3~~**Subparagraph (C)** shall only apply to a person who becomes a member of the association on or after January 1, 1988.

Issue 9: 31730 – Disability Reinstatement

This amendment addresses the scenario in which an employer does not offer to take the employee back who has been found to no longer be incapacitated. The proposed amendment would convert convert the disability retirement into service retirement without adjusting benefit (i.e. actuarial reduction). This conforms to existing practice of several systems. Note: Similar to GC 21193 in which CalPERS only reinstates if the local employer offers to take the employee back.

Section 31730 of the Government Code is amended to read as follows:

(a) If the board determines that the beneficiary is not incapacitated, and his or her employer offers to reinstate that beneficiary, his or her retirement allowance shall be

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canceled forthwith, and he or she shall be reinstated in the county service pursuant to the regulations of the county or district for reemployment of personnel.

(b) If the board determines that the beneficiary is not incapacitated, and his or her employer does not offer to reinstate that beneficiary, notwithstanding any requirement of this chapter regarding eligibility therefor, his or her retirement allowance shall be reclassified to a service retirement in the same amount and subject to any applicable future cost of living adjustments. The optional or unmodified type of allowance selected by the beneficiary at the time of retirement for disability shall be binding as to the service retirement.

Issue 10: 31761, 31762, 31763, and 31764 – Optional Retirement Allowances:

This amendment would insert the word “natural” in front of the phrase “person having an insurable interest in his or her life” to clarify that the optional retirement settlement death benefit cannot be paid to a fictitious person such as a trust or corporation.

Sections 31761, 31762, 31763, and 31764 of the Government Code are amended to read:

31761 – Optional settlement 1 consists of the right to elect in writing to have a retirement allowance paid him or her until his or her death and, if he or she dies before he or she receives in annuity payments the amount of his or her accumulated contributions at retirement, to have the balance at death paid to his or her estate or to the natural person, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board.

31762 – Optional settlement 2 consists of the right to elect in writing to have a retirement allowance paid to him or her until his or her death, and thereafter to the natural person, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board at the time of his or her retirement.

31763 – Optional settlement 3 consists of the right to elect in writing to have a retirement allowance paid him or her until his or her death, and thereafter to have one-half of his or her retirement allowance paid to the natural person, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board at the time of his or her retirement.

31764 – Optional settlement 4 consists of the right to elect in writing to have a retirement allowance paid him or her until his or her death and thereafter to have other benefits as are approved by the board, upon the advice of the actuary, continued throughout the life of and paid to the natural persons, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board at the time of his or her retirement. The designation shall not, in the opinion of the board and the actuary, place any additional burden upon the retirement system.

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Issue 11: 31781 – Death Benefit; Elements

This amendment would add language consistent with other CERL sections that provide direction on the calculation of compensation earnable and pensionable compensation when the member is on a leave of absence during the 12 months immediately preceding the member's death.

Section 31781 of the Government Code is amended to read:

The death benefit shall consist of:

- (a) The member's accumulated contributions.
- (b) An amount, provided from contributions by the county or district, equal to one-twelfth of the annual compensation earnable or pensionable compensation as defined in [Section 7522.34](#), whichever is applicable, by the deceased during the 12 months immediately preceding his death, multiplied by the number of completed years of service under the system, but not to exceed 50 percent of such annual compensation. **The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence.**

Issue 12: 31838.5 – Concurrent Retirement; Disability

Section 31838.5 prevents windfalls for members who retire for disability from one or more systems. This amendment would clarify that a CERL system must reduce a member's allowance from that system as much as necessary so that the member does not receive a combined allowance that is "greater than the amount the member would have received had all the member's service been with only one entity." The statute currently refers to a pro rata reduction by each system, but some systems (like CalPERS) are not subject to section 31838.5 and do not make any reduction. This may leave the member with the windfall that section 31838.5 is designed to prevent, depending upon how a system calculates its "pro rata" reduction. This statute would make clear that the windfalls section 31838.5 is designed to prevent should always be prevented.

Section 31838.5 of the Government Code is amended to read:

No provision of this chapter shall be construed to authorize any member, credited with service in more than one entity and who is eligible for a disability allowance, whether service connected or nonservice connected to receive an amount from one county that, when combined with any amount from other counties or the Public Employees' Retirement System, results in a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.

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In cases of service-connected disability allowances only, the limitation on disability allowances provided for in this section shall apply to service-connected disability allowances payable to those who, after being employed with another county or an entity within the Public Employees' Retirement System, become employed by a second public entity on or after January 1, 1984.

Each entity shall calculate its respective obligations based upon the member's service with that entity and each shall adjust its payment on a pro rata basis. **If, however, another entity does not reduce the amount it pays the member, an entity subject to this section shall reduce the allowance it pays the member by as much as necessary to ensure that the member does not receive a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.**



6. SACRS Nomination Committee – 2022-2023 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2022-2023



August 24, 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 2022-2023 - Elections Notice

SACRS BOD 2022-2023 election process will begin January 2022. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2022	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, 2022	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 13, 2022	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 13, 2022	Board of Directors take office for 1 year

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

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

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

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

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

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



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

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

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

The elections will be held at the SACRS Spring Conference May 10 – 13, 2022 at the Rancho Las Palmas, Rancho Mirage, CA. Elections will be held during the Annual Business meeting on Friday, May 13, 2022.

If you have any questions, please contact Dan McAllister, Dan.McAllister@sdcounty.ca.gov

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee & San Diego County Treasurer Tax Collector
SACRS Nominating Committee Chair

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



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

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, 2022.** 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:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
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 _____
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 type="radio"/> Regular Member
Brief Bio	

**7. SACRS Audit Report – No Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Annual Audit Update



No printed materials for this item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Fall Conference 2021 Evaluations/Feedback



No printed materials for this item

**9. SACRS Program Committee Report – No Action**

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

A. SACRS Annual Fall Conference 2021 report



No printed materials for this item

**10. SACRS Affiliate Committee Report – No Action**

Scott Draper, Algert Global, SACRS Affiliate Committee Chair

A. Affiliate Committee report



No printed materials for this item

**11. SACRS Bylaws Committee Report – No Action**

Chair Position Open, SACRS Bylaws Committee Chair

A. No report



No printed materials for this item

**12. SACRS Fall Conference Breakout Reports – No Action**

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

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



No printed materials for this item

**13. Adjournment**

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel in Rancho Mirage, CA.

E.4 Future Meetings

This is a discussion with no backup.

**F.1
MCERA
CONFERENCE AND TRAINING CALENDAR
October 2021**

Block	Cooper	Given	Gladstern	Jones	Klein	Murphy	Poirier	Shaw	Silberstein	Tomlin	Werby	Wickman	Hardesty	Dunning	Matyurin	Marshall	Martinez	DATE	APPROVED	SPONSOR	PROGRAM	LOCATION
																	✱	10/8/21	*	CalAPRS	Disability Retirement Administration	Virtual
																		10/19/21	*	Callan	Alternative Investments	Virtual
															✱			10/22/21	*	CalAPRS	Information Technology Round Table	Virtual
																		10/25-29/21	**	CWC	Committee on Workers' Capital Conference	Virtual
																		10/26/21	*	Callan	Introduction to Investments	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
																		12/6-7/21	*	Nossaman	Public Pensions and Investments Fiduciaries' Forum	Virtual
																		12/8-10/21	*	CalAPRS	Advanced Course in Retirement Plan Administration	Virtual
																		3/5-8/22	*	CalAPRS	General Assembly	TBD
																		3/7-9/22	*	CII	Spring Conference	Washington, DC

F.1

																		3/30-4/1/22	*	CalAPRS	Advanced Principles of Pension Governance for Trustees	Los Angeles, CA
																		5/10-13/22	*	SACRS	Spring Conference	Rancho Mirage, CA
																		5/22-25/22	*	NCPERS	Annual Conference	Washington, DC
																		5/22-25/22	*	NCPERS	Program for Advanced Trustee Studies	Washington, DC
																		7/17-20/22	*	SACRS	Modern Investment Theory & Practice for Pension Systems	U.C. Berkeley, CA
																		9/20-22/22	*	CII	Fall Conference	Boston, MA
																		11/8-11/22	*	SACRS	Fall Conference	Long Beach, CA

*Pre-approved events: CalAPRS; Callan; CII; Nossaman LLP; NASRA; NCPERS; 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>

NCPERS
 SACRS

National Conference of Public Employee Retirement Systems
 State Association of County Retirement Systems
<http://www.sacrs.org>

CONSENT CALENDAR**MCERA BOARD MEETING, WEDNESDAY, OCTOBER 13, 2021****September 2021****RETURN OF CONTRIBUTIONS**

Ian Adams	Partial Refund - Correction	\$	194.89
Adriana Enriquez	Full Refund - Termination	\$	38,656.69
Richard Mondello	Full Refund - Termination	\$	8,557.86
Daniel Walzer	Full Refund - Termination	\$	17,579.55

BUYBACKS

Laura Estrada-Shepherd	\$	1,331.97
Aida F. Guillen De Urfer	\$	13,620.70

NEW RETIREES

Michael Boals	Novato Fire
Mark Bleeker	County of Marin - Information Services & Technology
Amy Brown	County of Marin - Assessor-Recorder-County Clerk
David Chavez	County of Marin - Department of Finance
Paula Delsid	Marin Sonoma Mosquito & Vector Control
Nilda Fernandez	County of Marin - District Attorney
Richard Hopkins	Novato Fire
Victor Lemmon	County of Marin - Public Works
Letitia Lofton	County of Marin - Community Development
Milagros Maldonado	County of Marin - Health & Human Services
Phillip Melodia	City of San Rafael
Steven Mitchell	County of Marin - Public Works
Cindy Mosser	City of San Rafael
Andrew Rogerson	City of San Rafael

DECEASED RETIREES

Doug Allen	County of Marin - Assessor-Recorder-County Clerk
Nancy Grisham	County of Marin - County Counsel
Patricia Hayter	County of Marin - Beneficiary
Carolyn Kennon	City of San Rafael - Beneficiary
Clifford Mellen	County of Marin - Assessor-Recorder-County Clerk
Sigmund Okuri-Bido	County of Marin - Health & Human Services
Jon Roberts	County of Marin - Public Works
Victoria Sacksteder	County of Marin - County Administrator