



**Alameda County Employees' Retirement Association  
BOARD OF RETIREMENT**

**NOTICE and AGENDA**

**THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS AGENDA.]**

**ACERA MISSION:**

**To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.**

**Thursday, April 15, 2021  
2:00 p.m.**

<b>ZOOM INSTRUCTIONS</b>	<b>BOARD OF RETIREMENT - MEMBERS</b>	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. <a href="https://zoom.us/join">https://zoom.us/join</a> <b>Webinar ID: 884 6939 9248</b> <b>Passcode: 910274</b> For help joining a Zoom meeting, see: <a href="https://support.zoom.us/hc/en-us/articles/201362193">https://support.zoom.us/hc/en-us/articles/201362193</a>	<b>DALE AMARAL</b>	<b>ELECTED SAFETY</b>
	<b>CHAIR</b>	
	<b>JAIIME GODFREY</b>	<b>APPOINTED</b>
	<b>FIRST VICE-CHAIR</b>	
	<b>LIZ KOPPENHAVER</b>	<b>ELECTED RETIRED</b>
	<b>SECOND VICE-CHAIR</b>	
	<b>OPHELIA BASGAL</b>	<b>APPOINTED</b>
	<b>KEITH CARSON</b>	<b>APPOINTED</b>
	<b>TARRELL GAMBLE</b>	<b>APPOINTED</b>
	<b>HENRY LEVY</b>	<b>TREASURER</b>
	<b>DARRYL WALKER</b>	<b>ELECTED GENERAL<sup>1</sup></b>
	<b>GEORGE WOOD</b>	<b>ELECTED GENERAL</b>
	<b>NANCY REILLY</b>	<b>ALTERNATE RETIRED<sup>2</sup></b>
<b>VACANT</b>	<b>ALTERNATE SAFETY<sup>3</sup></b>	

<sup>1</sup> Trustee Walker is filling the vacancy created by Trustee Rogers' retirement. See Gov't Code §§ 31524, 31520.1(b).

<sup>2</sup> Alternate Retired Member (Votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Elected Safety Member and an Elected General member, are absent).

<sup>3</sup> Trustee Walker is filling the vacancy created by Trustee Rogers' retirement. See Gov't Code §§ 31524, 31520.1(b).

*Note regarding accommodations:* The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

*Note regarding public comments:* Public comments are limited to four (4) minutes per person in total.

The order of agendized items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at [www.acera.org](http://www.acera.org).

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. PUBLIC COMMENT:**

**4. CONSENT CALENDAR:**

The Board will adopt the entire Consent Calendar by a single motion, unless one or more Board members remove one or more items from the Consent Calendar for separate discussion(s) and possible separate motion(s).

**A. APPROVE APPLICATIONS FOR SERVICE RETIREMENT:**

*Appendix A*

**B. APPROVE APPLICATIONS FOR RETIREMENT, DEFERRED:**

*None*

**C. APPROVE APPLICATIONS FOR DEFERRED TRANSFER:**

*None*

**D. LIST OF DECEASED MEMBERS:**

*Appendix D*

**E. APPROVE REQUEST(S) FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT:**

*None*

**F. APPROVE STAFF RECOMMENDATIONS (UNCONTESTED) FOR DISABILITY RETIREMENTS:**

*Appendix F*

**G. APPROVE HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS:**

*None*

**H. APPROVAL of BOARD and COMMITTEE MINUTES:**

*March 18, 2021 Minutes of the Regular Board Meeting*

*April 7, 2021 Operations Committee Minutes*

*April 7, 2021 Retirees Committee Minutes*

**I. MISCELLANEOUS MATTERS:**

*None*

-----End of Consent Calendar-----  
(MOTION)

**REGULAR CALENDAR**  
**REPORTS AND ACTION ITEMS**

**5. DISABILITIES, RECOMMENDATIONS AND MOTIONS:**

None.

**6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:**

**A. Operations:** **[See April 7, 2021 Operations Committee Agenda Packet for all public materials related to the below listed items.]**

1. Summary of April 7, 2021 Meeting.

**B. Retirees:** **[See April 7, 2021 Retirees Committee Agenda Packet for all public materials related to the below listed items.]**

1. Summary of April 7, 2021 Meeting.

**C. Investment:** **[See April 14, 2021 Investment Committee Agenda Packet for all public materials related to the below listed items.]**

1. Summary of April 14, 2021 Meeting.
2. Motion to approve certain changes to the Absolute Return Asset Class Structure.
3. Motion hire an Overlay Services Provider, pending completion of Legal and Operational due diligence and successful contract negotiations.

**D. Actuarial:** **[See April 15, 2021 Actuarial Committee Agenda Packet for all public materials related to the below listed items.]**

1. Summary of April 15, 2021 Meeting.

**E. Audit:** **[See April 15, 2021 Audit Committee Agenda Packet for all public materials related to the below listed items.]**

1. Summary of April 15, 2021 Meeting.
2. Motion to select Williams Adley and Company as ACERA's External Auditor for financial years ending 2021-2025, per ACERA's Service Provider Policy, p.3, IV(B)(2), subject to successful contract negotiations.

**7. NEW BUSINESS:**

- A. Discussion and possible motion regarding the 2021 Board Election to fill the vacant Board of Retirement General Member Seat No. 2.
- B. Motion to direct the Chief Executive Officer (or his Designee) on how to vote on behalf of the Board of Retirement for the SACRS Business Meeting action items via electronic proxy voting.
- C. Update on results of the vote regarding Council of Institutional Investors' (CII) Agenda items/2021 Board of Director Election Results.
- D. Chief Executive Officer's Report.

**8. CONFERENCE/ORAL REPORTS:**

**9. ANNOUNCEMENTS:**

**10. BOARD INPUT:**

**11. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, May 20, 2021 at 2:00 p.m.**

**12. CLOSED SESSION:**

- A. Conference With Legal Counsel--Existing Litigation (Gov't Code § 54956.9(d)(1)):

*Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association, Contra Costa County Superior Court, Case No. MSN12-1870.*

**13. REPORT ON ACTION TAKEN IN CLOSED SESSION:**

**14. ADJOURNMENT:**

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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ASHLEY, Vickie  
Effective: 1/30/2021  
Sheriff's Office

FULGADO, Samuel  
Effective: 2/3/2021  
Alameda Health System

BRIONES, Angelita  
Effective: 2/2/2021  
Alameda Health System

GORTON, Wendy  
Effective: 2/10/2021  
Alameda Health System

BROWN, Jeff  
Effective: 12/31/2020  
Health Care Services Agency

HUYNH, Davann  
Effective: 2/27/2021  
Probation Department

CARPIO, Emily  
Effective: 12/31/2020  
Public Defender

INSOGNA, Marta  
Effective: 1/7/2021  
Alameda Health System

CHAVEZ, Alvaro  
Effective: 1/23/2021  
Social Services Agency

KEATING, Donna  
Effective: 12/31/2020  
Superior Court

CHOW, Julyan  
Effective: 2/20/2021  
Health Care Services Agency

KENNEDY, Patrick  
Effective: 1/2/2021  
Sheriff's Office

COLEMAN, Bridgette  
Effective: 2/4/2021  
Sheriff's Office

KETTLITZ, Kristina  
Effective: 2/2/2021  
Sheriff's Office

CURRY, Roxann  
Effective: 1/9/2021  
Social Services Agency

KHUN, Sithy  
Effective: 2/6/2021  
Alameda Health System

DUFFY, Dawn  
Effective: 2/6/2021  
Auditor-Controller

KLEIN, Jennifer  
Effective: 2/1/2021  
Health Care Services Agency

EL GOHARY, Kathy  
Effective: 2/19/2021  
Health Care Services Agency

KNITTEL, Douglas  
Effective: 1/30/2021  
Sheriff's Office

ENG, Lucia  
Effective: 2/20/2021  
Social Services Agency

KONG, Luis  
Effective: 1/23/2021  
Library

FRASER, Audrey  
Effective: 12/29/2020  
Alameda Health System

KRUGER, Ana  
Effective: 12/1/2020  
Social Services Agency

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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LEONARD, Sonya  
Effective: 1/30/2021  
Social Services Agency

OGUL, Michael  
Effective: 12/31/2020  
Public Defender

LEVENTIS, Jon-Anne  
Effective: 1/27/2021  
District Attorney

OLSHASKIE, Robert  
Effective: 12/31/2020  
Probation Department

LIVENSPARGAR, Gena  
Effective: 1/17/2021  
Sheriff's Office

ORDONEZ, Ruth  
Effective: 1/22/2021  
Alameda Health System

LUCAS-DERRY, Tracy  
Effective: 1/1/2021  
Sheriff's Office

PETERSON, Douglas  
Effective: 1/7/2021  
Health Care Services Agency

LUM, Edan  
Effective: 12/29/2020  
Health Care Services Agency

PIRES, Joe  
Effective: 2/2/2021  
Sheriff's Office

MARS-HIGHTOWER, Dianne  
Effective: 1/21/2021  
Alameda Health System

PLUMMER, Charlotte  
Effective: 1/23/2021  
Social Services Agency

MCGRATH, Kathryn  
Effective: 11/25/2020  
Probation Department

ROBINSON, Ora  
Effective: 2/6/2021  
Social Services Agency

MENDOZA, Athala  
Effective: 2/20/2021  
Social Services Agency

SINGH, Dharmbir  
Effective: 1/26/2021  
Sheriff's Office

MOREIRA, Maria  
Effective: 3/1/2021  
District Attorney

SMITH, Lydia  
Effective: 2/6/2021  
County Counsel

MORLINO, Anamaria  
Effective: 12/26/2020  
Social Services Agency

WANG, Leonor  
Effective: 1/24/2021  
Alameda Health System

MURAI-PAVON, Nora  
Effective: 1/23/2021  
ACERA

WEI, Michelle  
Effective: 2/4/2021  
Social Services Agency

MURRAY, Adriana  
Effective: 1/30/2021  
Social Services Agency

WOLF, Stephen  
Effective: 2/6/2021  
Sheriff's Office

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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WONG, Matthew  
Effective: 2/5/2021  
Health Care Services Agency

YOUNG, Karen  
Effective: 1/9/2021  
Alameda Health System

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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BUNTING, Ruth  
Non-Mbr Survivor of Thomas Bunting  
3/2/2021

JONES, Michael  
Sheriff's Office  
2/19/2021

BURCH, Ronald  
Sheriff's Office  
1/14/2021

KAWAKAMI, Anne  
Alameda Health System  
2/22/2021

CHEUNG, Susan  
Alameda Health System  
2/15/2021

KHANACHET, Fawaz  
General Services Agency  
3/4/2021

DE VALOIS, Gordon  
Non-Mbr Survivor of Rikki De Valois  
2/13/2021

MC CRACKEN, Clare  
Social Services Agency  
2/3/2021

ERLER, Ernest  
Sheriff's Office  
3/16/2021

MELLO, Roberta  
Sheriff's Office  
3/22/2021

FITZPATRICK, Eugene  
Alameda Health System  
2/28/2021

MOSLEY, Lucille  
Probation Dept  
1/29/2021

FRASER, David  
Sheriff's Office  
3/18/2021

NELSON, Donald  
Assessor  
1/7/2021

GIBSON, Cruz  
Superior Court  
2/3/2021

OLEARY, Katherine  
Assessor  
2/15/2021

HABER, Ellen  
Superior Court  
3/12/2021

OSBORNE, Steven  
Alameda Health System  
2/10/2021

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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PARLETTE, Vincent  
Alameda Health System  
2/25/2021

STRATTON, Gilbert  
Environmental Health Department  
3/17/2021

PATTERSON, Susan  
Non-Mbr Survivor of James Patterson  
2/15/2021

TESHIMA, Harris  
Zone 7  
3/5/2021

PERSONS, Carol  
Alameda Health System  
2/14/2021

THOMAS, Betty  
Social Services Agency  
1/31/2021

POON, Leland  
Superior Court  
12/19/2020

TULEY, Tommy  
Zone 7  
1/24/2021

RAINEY, Margaret  
Social Services Agency  
2/26/2021

VIEIRA, Shirley  
Alameda County Superior Court  
3/16/2021

SANDOVAL, Maria  
Non-Mbr Survivor of Delfino Sandoval  
3/16/2021

WATTS, Joyce  
Housing Authority  
2/27/2021

SANDS, Marion  
Social Services Agency  
3/9/2021

WHITE-YOUNG, Rachael  
Social Services Agency  
2/7/2021

SAPUGAY-PEDROSA, Myrna  
Sheriff's Office  
3/15/2021

WILLIAMS, Edward  
Probation Department  
3/10/2021

SHELTON, Francis  
Non-Mbr Survivor of Oscar Shelton  
2/13/2021

WILSON-JEFFERSON, Lajeane  
Probation Department  
2/4/2021

SPIKER, Howard  
Sheriff's Office  
2/12/2021

YATES, Constance  
Non-Mbr Survivor of Richard Yates  
2/15/2021





**EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA**

**EXECUTIVE ORDER N-29-20**

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

**WHEREAS** despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

**WHEREAS** the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

**WHEREAS** time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

**WHEREAS** social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

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

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

**IT IS HEREBY ORDERED THAT:**

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

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

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

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



\_\_\_\_\_  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
*BOARD OF RETIREMENT*  
MINUTES

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**THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

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Thursday, March 18, 2021

Chair Dale Amaral called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral  
Ophelia Basgal (*Arrived During Closed Session*)  
Keith Carson  
Tarrell Gamble  
Jaime Godfrey  
Liz Koppenhaver  
Henry Levy  
Elizabeth Rogers  
Darryl Walker (*Alternate*)

Trustees Excused: George Wood  
Nancy Reilly (*Alternate*)

Staff Present: Margo Allen, Fiscal Services Officer  
Victoria Arruda, Human Resource Officer  
Angela Bradford, Executive Secretary  
Sandra Dueñas-Cuevas, Benefits Manager  
Kathy Foster, Assistant Chief Executive Officer  
Jessica Huffman, Benefits Manager  
Harsh Jadhav, Chief of Internal Audit  
Vijay Jagar, Retirement Chief Technology Officer, ACERA  
David Nelsen, Chief Executive Officer  
Jeff Rieger, Chief Counsel  
Betty Tse, Chief Investment Officer

**PUBLIC INPUT**

None.

**CONSENT CALENDAR  
REPORTS AND ACTION ITEMS**

**APPROVAL of APPLICATIONS FOR SERVICE RETIREMENT**

*Appendix A*

**APPROVAL of APPLICATIONS FOR RETIREMENT, DEFERRED**

*Appendix B*

*Appendix B-1*

**APPROVAL of APPLICATIONS FOR DEFERRED TRANSFER**

*None*

**LIST OF DECEASED MEMBERS**

*Appendix D*

**APPROVAL of REQUEST FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT  
CONTRIBUTIONS AND GAIN CREDIT**

*Appendix E*

**APPROVAL of STAFF RECOMMENDATIONS (UNCONTESTED) FOR  
DISABILITY RETIREMENTS**

*Appendix F*

**APPROVAL of HEARING OFFICER RECOMMENDATIONS FOR DISABILITY  
RETIREMENTS**

*None*

**APPROVAL of BOARD and COMMITTEE MINUTES**

*February 18, 2021 Governance Committee Minutes*

*February 18, 2021 Audit Committee Minutes*

*February 18, 2021 Minutes of the Regular Board Meeting*

*March 10, 2021 Investment Committee Minutes*

**MISCELLANEOUS MATTER**

*Operating Expenses as of January 31, 2021*

**21-15**

It was moved by Keith Carson and seconded by Elizabeth Rogers that the Board adopt the Consent Calendar. The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers*), 0 no, and 1 abstention (*Walker*).

**REGULAR CALENDAR**  
**REPORTS AND ACTION ITEMS**

**DISABILITIES, CURRENT AND CONTINUING RECOMMENDATIONS AND MOTIONS**

None.

**COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS**

***Investment:***

Investment Committee Vice-Chair Jaime Godfrey gave an oral report stating that the Investment Committee met on March 10, 2021 and was presented with, reviewed information for, and discussed an up to \$30 million investment in Genstar Capital Partners Fund X as part of ACERA's Private Equity Portfolio – Buyout.

**21-16**

It was moved by Jaime Godfrey and seconded by Elizabeth Rogers to adopt an up to \$30 million investment in Genstar Capital Partners Fund X as part of ACERA's Private Equity Portfolio – Buyout, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried 8 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Walker*), 0 no, and 0 abstentions.

Trustee Godfrey further reported that the Committee was presented with, reviewed information for, and discussed an up to \$27 million investment in Strategic Value Special Situations Fund V as part of ACERA's Private Equity Portfolio – Debt Related/Special Situations.

**21-17**

It was moved by Elizabeth Rogers and seconded by Darryl Walker to adopt an up to \$27 million investment in Strategic Value Special Situations Fund V as part of ACERA's Private Equity Portfolio – Debt Related/Special Situations, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried 4 yes (*Amaral, Carson, Levy, Rogers*), 3 no (*Gamble, Godfrey, Walker*), and 1 abstention (*Koppenhaver*).



Trustee Godfrey further reported that the Committee was presented with, reviewed information for, and discussed an up to \$25 million investment in Vision Ridge Partners Sustainable Asset Fund III as part of ACERA’s Real Assets Portfolio – Infrastructure.

**21-18**

**It was moved by Jaime Godfrey and seconded by Henry Levy to adopt an up to \$25 million investment in Vision Ridge Partners Sustainable Asset Fund III as part of ACERA’s Real Assets Portfolio – Infrastructure, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried 7 yes (*Amaral, Carson, Godfrey, Koppenhaver, Levy, Rogers, Walker*), 0 no, and 1 abstention (*Gamble*).**

Trustee Godfrey further reported that the Committee was presented with, reviewed information for, and discussed ACERA’s proposed *Environmental, Social and Governance (ESG) Investment Policy*. Trustee Godfrey commended Verus, ACERA’s General Investment Consultant, for its assistance in putting together the *ESG Investment Policy*.

**21-19**

**It was moved by Jaime Godfrey and seconded by Henry Levy to adopt the proposed *Environmental, Social and Governance (ESG) Investment Policy*. The motion carried 8 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Walker*), 0 no, and 0 abstentions.**

There were no Information Items.

Minutes of the meeting were approved as part of the Consent Calendar.

**NEW BUSINESS:**

***State Association of County Retirement System (SACRS) Voting Proxy***

Chief Executive Officer Dave Nelsen presented his March 18, 2021, memo requesting the Board’s approval for him to vote ACERA’s Proxy (or his Designee), via electronically, on behalf of the Board of Retirement at the SACRS Virtual Spring Conference Business Meeting. Mr. Nelsen informed the Board that it could designate someone other than himself. Mr. Nelsen reported that the SACRS Business Meeting agenda items up for vote were not available in time for this Board meeting, but that the agenda items should be available for the Board’s consideration at the April 15, 2021 Board meeting.

**21-20**

**It was moved by Elizabeth Rogers and seconded by Jaime Godfrey to direct the Chief Executive Officer (CEO) (or his Designee) to vote ACERA’s Proxy, via electronic voting, on behalf of the Board of Retirement at the SACRS Virtual Spring Conference Business Meeting. The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Levy, Rogers, Walker*), 0 no, and 1 abstention (*Koppenhaver*).**

**David Nelsen, Chief Executive Officer's Report**

Chief Executive Officer Dave Nelsen presented his March 18, 2021, written CEO Report which provided an update on: **1) Committee and Board Action Items**; and **2) Other Items**, which included updates on: COVID-19 Responses, the Pension Administration System, and Key Performance Indicators. Mr. Nelsen reported that discussions and coordination efforts continue between the County, ACERA and the County Treasurer's Office regarding payment of the County's additional contributions. Mr. Nelsen informed the Board that it will be able to provide input regarding some slight policy revisions in order for the payment to occur and that the payment must be approved by both the County Board of Supervisors (BOS) and the ACERA Board of Retirement. Mr. Nelsen anticipates that ACERA should receive the County's payment by June 30, 2021, but no later than the end of 2021.

Mr. Nelsen also reported that the Alameda County Deputy Sheriff's Association (ACDSA) is interested in meeting with the BOS to ask that it approve a benefit enhancement for the purchase of prior military service, but that the Office of the Alameda County Counsel has to resolve some outstanding legal issues before they meet, if at all. Mr. Nelsen further reported that ACDSA hired the Segal Group, ACERA's Actuary, to perform some of the required actuarial cost analysis.

Mr. Nelsen reported that the ACERA Lobby, Board Room and Board Breakroom are being renovated and stated that the former Board Chairs' physical portraits have been removed from the walls, but that they will be digitized and placed on the ACERA Website.

Trustee Henry Levy inquired about how much flexibility the State will allow regarding public meeting rules. Mr. Nelsen reported due to the State of Emergency (the Pandemic), the Governor lifted several strict requirements under the *Brown Act* to allow Systems to conduct and participate in virtual public meetings and stated that the Governor does not have any plans to lift the Shelter-in-Place Order at this time. Mr. Nelsen further reported that there is legislation in the works that would allow Systems to conduct and participate in virtual public meetings with limited restrictions. Chief Counsel Jeff Rieger explained that prior to the Governor's Order, ACERA was able to accommodate the Board regarding participation in public meetings remotely when traveling. However, certain requirements had to be met (e.g., requirement to post Committee/Board agendas wherever the Board member(s) was located 72 hours in advance). Mr. Rieger further explained that because of the lifted restrictions currently under the *Brown Act*, ACERA is not required to provide a central location for its virtual public meetings.

Trustee Liz Koppenhaver inquired since the vaccine has been made available, will Staff be returning to the Office. Trustee Keith Carson reported that the County formed an official Committee to discuss post-Pandemic issues and a process for County employees to return to the Office and how often. Trustee Carson further reported that there are approximately 27 decision makers within Alameda County that will meet today, through East Bay ADA, to discuss COVID related issues. Mr. Nelsen reported that due to the Pandemic, 90% of ACERA Staff are currently working remotely. However, in order to best serve its members, some ACERA Staff are required to work in the Office (part-time and/or full-time). ACERA Senior Leaders continue to have discussions to determine which positions can continue to work remotely and what percentage of the time and are currently developing a *post-COVID Policy*.

Trustee Darryl Walker inquired about the status of ACERA's upcoming Board Election (General Member, Seat 2). Mr. Nelsen reported that Staff met with the Alameda County Registrar of Voter's Office (ROV) Staff and reported that there are no changes from the ROV's current election process at this time. Mr. Nelsen (and/or Staff) will provide the Board with periodic updates.

### **CONFERENCE/ORAL REPORTS**

None.

### **ANNOUNCEMENTS**

Trustee Elizabeth Rogers announced that she is retiring this month after approximately fifteen years of service on the Board of Retirement. Trustee Rogers expressed her appreciation to the Board Trustees, Consultants, Senior Leaders, Investment Counsel, Benefits Managers and especially to the Staff for all of their hard work. Mr. Nelsen, on behalf of Staff, expressed his appreciation for Trustee Rogers' professionalism and strong support to the Board. Trustees, Senior Leaders, Staff and Alameda County Benefits Manager Ava Lavender also expressed their appreciation to Trustee Rogers for her dedicated service and contributions to the Board and let her know that she will be truly missed.

### **BOARD INPUT**

Trustee Koppenhaver expressed her appreciation to ACERA Staff and especially to Assistant Chief Executive Officer Kathy Foster, Chief Investment Officer Betty Tse, Investment Officer Thomas Taylor, Retirement Assistant Benefits Manager Ish Piña and Benefits Manager Michael Fara for their participation and assistance at the Retired Employees of Alameda County (REAC) Virtual Board Luncheon.

### **CLOSED SESSION**

- A. Conference With Legal Counsel--Existing Litigation (Gov't Code § 54956.9(d)(1)):

*Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association*, Contra Costa County Superior Court, Case No. MSN12-1870

The Board reconvened into Open Session, Executive Secretary Angela Bradford took roll call, and the following Trustees returned for Open Session: ***Amaral, Basgal, Godfrey, Koppenhaver, Levy, Rogers.***

***Carson, Gamble and Walker did not return to Open Session.***

Chair Dale Amaral announced that the Board took no reportable action on the above-referenced matter.

**ADJOURNMENT**

The meeting was adjourned in recognition of retiring Board Trustee Elizabeth Rogers at approximately 3:48 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "David Nelsen". The signature is written in black ink on a white background.

---

David Nelsen  
Chief Executive Officer

4/15/21

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Date Adopted

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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APPERT, Hilary  
Effective: 1/9/2021  
Health Care Services Agency

JACKSON, Dimitria  
Effective: 12/21/2020  
Human Resource Services

BATES, Veneranda  
Effective: 1/1/2021  
Board of Supervisors

LAWRENCE, Jealie  
Effective: 1/15/2021  
Social Services Agency

CLARIDGE, Frederick  
Effective: 12/5/2020  
Health Care Services Agency

LOGAN, Heather  
Effective: 1/15/2021  
Alameda Health System

COLEMAN, Ronald  
Effective: 12/28/2020  
Probation Department

MOORE, Jennifer  
Effective: 1/9/2021  
Health Care Services Agency

CRUZ, James  
Effective: 1/6/2021  
Alameda Health System

NASH-JACKSON, Morristine  
Effective: 12/13/2020  
Alameda Health System

DIMAANO, Annabelle  
Effective: 1/27/2021  
Child Support Services

NICHOLS, Teresa  
Effective: 12/13/2020  
Alameda Health System

EMANUEL, Dennis  
Effective: 12/24/2020  
Public Works Agency

OLAND, Sandra  
Effective: 12/31/2020  
Alameda Health System

FRANKE, Carmen  
Effective: 1/1/2021  
Community Development Agency

OSBORNE, Shawn  
Effective: 12/17/2020  
Sheriff's office

HAGGERTY, Scott  
Effective: 1/5/2021  
Board of Supervisors

ROBERTS, Timothy  
Effective: 1/9/2021  
Social Services Agency

HARRIS, Sandra  
Effective: 1/1/2021  
Social Services Agency

SIMONETTI, Thomas  
Effective: 2/6/2021  
District Attorney

IBARRA, Sally Y.  
Effective: 6/13/2020  
District Attorney

SIMPSON, Randall  
Effective: 12/3/2020  
Alameda Health System

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

---

TAYLOR-DODGE, Cherie  
Effective: 12/25/2020  
Child Support Services

YOUNG, Vicki  
Effective: 10/22/2020  
Health Care Services Agency

WILLIAMS, Carolyn  
Effective: 12/19/2020  
Superior Court

ZELLER, Scott  
Effective: 12/5/2020  
Alameda Health System

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

---

DUPART, Shahneka S.  
First 5  
Effective Date: 1/6/2021

PLATA, Ricardo  
Alameda Health System  
Effective: 12/26/2020

HERNANDEZ, Dina E.  
Alameda Health System  
Effective: 1/11/2021

SINGH, Dharmbir  
Sheriff's Office  
Effective: 1/24/2021

KRANSON, Jacqueline  
Social Services Agency  
Effective: 7/31/2020

TICA, Jennifer M.  
Sheriff's Office  
Effective: 1/22/2021

LEWIS, Donell M.  
Social Services Agency  
Effective: 12/7/2020

WOLITZER, Amy  
LARPD  
Effective: 11/8/2020

PIKE, Joan  
Alameda Health System  
Effective: 1/11/2021

YOUNG, Karen A.  
Alameda Health System  
Effective 1/8/2021

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**APPENDIX B-1  
APPLICATION FOR NON-VESTED DEFERRED**

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ENUNWA, Chetakwa  
Social Services Agency  
Effective Date: 12/11/2020

HOLDEN, Adrienne D.  
Superior Court  
Effective: 1/15/2021

FENDERSON, Karey J.  
Social Services Agency  
Effective: 1/5/2021

HOOD, Pamela D.  
Alameda Health Systems  
Effective: 12/29/2020

GIBSON, Sonia J.  
Social Services Agency  
Effective: 8/5/2020

LIM, Jocelyn K.  
First 5  
Effective: 5/8/2020

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**APPENDIX B-1  
APPLICATION FOR NON-VESTED DEFERRED**

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OAKS, Umar M.  
Alameda Health System  
Effective: 1/7/2021

SMITH, Russell V.  
Alameda Health System  
Effective: 1/15/2021

OREY, Andriena S.  
Alameda Health System  
Effective: 1/7/2021

TOMBLIN, Page C.  
First 5  
Effective: 5/29/2020

RUIZ DE LOPEZ, Virginia  
Alameda Health System  
Effective: 1/1/2021

WALKER, Paula L.  
Alameda Health System  
Effective: 10/3/2020

SKILLERN, Shelley  
First 5  
Effective: 9/9/2020

WIGGINS, Matthew B.  
County Administrator  
Effective: 1/22/2021

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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BEACH, Laura  
Non-Mbr Survivor of George Boardman  
1/13/2021

MASON, Christine  
Alameda Health System  
1/9/2021

BROUGHTON, Doris  
Probation Department  
12/29/2020

MOORE, Geraldine  
Social Services Agency  
12/27/2020

CALHOUN, Eddie  
Non-Mbr Survivor of Marshall Calhoun  
2/1/2021

MORA, Eleanor  
Library  
12/30/2020

FRANCO, Gina  
Social Services Agency  
1/13/2021

ROSS-GREEN, Dorothy  
Alameda Health System  
1/20/2021

WALKER, Elizabeth J.  
Social Services Agency  
12/24/2020

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**APPENDIX E**  
**REQUEST FOR 130 BI-WEEKLY PAYMENTS TO**  
**RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT**

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BROSTROM, Robert C.  
Government Code § 31641.5 Part Time & Days Prior

HERNANDEZ, Stacey M.  
Government Code § 31652 Redeposit

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**APPENDIX F**  
**APPLICATION FOR DISABILITY RETIREMENT**

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**Name:** Bailey, Monee  
**Type of Claim:** Service-Connected

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Bailey's application for a service-connected disability, and waiving future annual medical examinations and questionnaires at this time.

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**Name:** Fisher, Duane  
**Type of Claim:** Service-Connected

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Mr. Fisher application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

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**Name:** Saffell, Donna  
**Type of Claim:** Service-Connected

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Saffell application for a service-connected disability, and waiving future annual medical examinations and questionnaires at this time.

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**April 7, 2021  
Operations Committee Minutes  
For approval under April 15, 2021  
Board “Consent Calendar”**

**April 7, 2021 Operations Committee Minutes  
will be distributed under separate cover.**

**April 7, 2021  
Retirees Committee Minutes  
For approval under April 15, 2021  
Board “Consent Calendar”**

**April 7, 2021 Retirees Committee Minutes  
will be distributed under separate cover.**

**April 14, 2021**  
**Investment Committee Minutes**  
**For approval under May 20, 2021**  
**Board “Consent Calendar”**

**April 15, 2021**  
**Actuarial Committee Minutes**  
**For approval under May 20, 2021**  
**Board “Consent Calendar”**

**April 15, 2021**  
**Audit Committee Minutes**  
**For approval under May 20, 2021**  
**Board “Consent Calendar”**

## **NEW BUSINESS**

- 7.A. Discussion and possible motion regarding the 2021 Board Election to fill the vacant Board of Retirement General Member Seat No. 2.**



*Office of the Chief Executive Officer  
Office of Administration*

DATE: April 15, 2021  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
**SUBJECT: Filling of Vacant Seat 2 on the Board of Retirement**

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With the retirement of Elizabeth Rogers, we now have a vacancy in the General Membership Seat 2. The CERL provides that when we have a vacancy in this seat, the Alternate 7<sup>th</sup> member shall fill the vacancy until a successor qualifies.

Section 31520.1(b) provides: “... if there is a vacancy with respect to the second, third, seventh, or eighth member, the alternate seventh member shall fill the vacancy until a successor qualifies”

Given this, Trustee Walker will fill Seat 2 until the election of a successor. The Board will need to decide how to fill this vacancy. CERL section 31523(a) provides: “*In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position on the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, except as provided in Sections 31520.3 and 31520.5. [Sections 31520.3 and 31520.5 are not relevant to the question at hand.] The vacancy in the second, third, or eighth member position on the board of retirement shall be filled for the duration of the current term except that, if the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term.*”

The Board Elections Policy provides: “If a vacancy in an elective seat on the Board of Retirement occurs, a successor shall be elected in the same manner as his/her predecessor. Upon official notification of a vacancy, the Board of Retirement shall adopt a resolution calling for an election. Nominations and voting shall be substantially in the manner prescribed for a regular election. The candidate receiving the highest number of votes for the vacated seat shall be declared elected to that seat. Such candidate shall serve for the remainder of the unexpired term from and after the first day of the first month following the declaration of his/her election.”

Trustee Rogers was up for re-election in 2021. That election process is scheduled to begin in July and conclude in December. If the Board were to call for an earlier election, we could use that election to fill the rest of the current term and the succeeding term. However, the Registrar of Voters is unsure it will be able to accelerate their work to accommodate an earlier election.

**Recommendation:** Given the unlikely ability of the Registrar of Voters to conduct an earlier election, and the fact that the regular election begins in less than three months, I recommend the Board of Retirement resolve to fill the vacant Seat 2 through the regular election cycle, beginning in July of 2021. Trustee Walker would fill this seat until the conclusion of the election.

## **NEW BUSINESS**

- 7.B. Motion to direct the Chief Executive Officer (or his Designee) on how to vote on behalf of the Board of Retirement for the SACRS Business Meeting items via electronic proxy voting.**





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*Office of the Chief Executive Officer  
Office of Administration*

DATE: April 15, 2021  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer  
**SUBJECT: Voting Proxy on SACRS Business Meeting Action Items**

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As you are aware, the State Association of County Retirement Systems (SACRS) will be conducting its Business Meeting at the virtual Spring Conference on May 14, 2021. There are five action items the Board of Retirement can vote on, via electronically, if it chooses to do so. The action items are as follows:

- Secretary's Report-Receive and File
- Treasurer's Report-Receive and File
- Audit Committee Report-Approve Annual Audit
- Legislative Committee Report-Sponsorship of a Bill
- Nomination Committee Report-Board of Directors Election

The first three items are common, and fairly pro-forma. I would recommend you support their adoption. The last two items are more significant.

*Legislative Committee Report:* There is a legislative bill that has been developed by the SACRS Legislative Committee, approved by the SACRS Board, and is up for a sponsorship vote by SACRS membership. The bill is a consolidated CalPERS, CalSTRS, and '37 Act correction bill. The provisions related to the '37 act are very non-controversial, and are outlined in the business meeting packet. I recommend supporting sponsorship of this legislation.

*Board of Directors Election:* The SACRS Nominating Committee has provided a recommended slate of candidates, and two additional members who were nominated for a role as regular members on the Board, but were not recommended by the Nominating Committee. You can vote to support the slate, or support either or both of the non-recommended candidates.

Your options are to:

1. Instruct the CEO (or his Designee) on how to vote on each individual SACRS action item.
2. Give the CEO (or his Designee) authority to vote proxy on all the SACRS action items using his discretion on behalf of the Board of Retirement, which include voting for the candidates recommended by the Nominating Committee, or some other combination of candidates, including the additional candidates not recommended by the Nominating Committee.

Enclosure: 1) SACRS Business Meeting Packet

**ENCLOSURE 1**



## SACRS Business Meeting Packet

Friday, May 14, 2021

10:00 AM - Upon Adjournment

SACRS Event Tech Platform

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



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

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

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**1. SACRS System Roll Call**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

**2. Secretary's Report - Receive and File**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2020 SACRS Business Meeting Minutes

**3. Treasurer's Report - Receive and File**

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2020 – January 2021 Financials

**4. SACRS President Report - No Action**

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

**5. SACRS Legislative Committee Update – Action**

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

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Elections 2021-2022

**7. SACRS Audit Report – Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2019-2020 Annual Audit



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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

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

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

Roger Hilton, Orange CERS, SACRS Program Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Report

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

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

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

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

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

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

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

**13. Adjournment**

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



**1. SACRS System Roll Call**

Kathryn Cavness, Mendocino CERA, SACRS Secretary



## SACRS Business Meeting Roll Call of the System Membership

<b>System</b>	<b>Delegate</b>	<b>Alternate</b>	<b>Present</b>	<b>Absent</b>
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				
<b>Total</b>				





**2. Secretary's Report - Receive and File**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2020 SACRS Business Meeting Minutes



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

**Meeting Called to Order at 9:04 am**

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

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**1. SACRS System Roll Call**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

**19 SACRS Member Systems Present**

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

**Arrived at 9:25 am:** Imperial

**Absent:** Merced

**2. Secretary's Report - Receive and File**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2019 SACRS Business Meeting Minutes

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

**2nd:** San Diego CERA

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

**No:** 0

**Absent:** Merced, Imperial

**Motion Passes** 18-0-2

**3. Treasurer's Report - Receive and File**

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – August 2020 Financials



B. 2020 – 2021 Annual Budget

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

**2nd:** Orange

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

**No:** 0

**Absent:** Merced, Imperial

**Motion Passes 18-0-2**

**4. SACRS President Report - No Action**

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

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

**5. SACRS Legislative Committee Update – No Action**

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

A. 2020 Legislative Report – No Action

B. Los Angeles CERA Proposal – No Action

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

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

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

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

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

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair



A. SACRS Election Notice 2021-2022

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

**7. SACRS Audit Report – Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2018-2019 Annual Audit

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

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

**2nd:** Kern

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

**No:** 0

**Absent:** Merced

**Motion Passes 19-0-1**

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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Fall 2020 Conference Evaluations/Feedback

**Discussion:** No report

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

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Fall Conference Report 2020

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

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

Teri Noble, Pathway, SACRS Affiliate Committee Chair



A. Affiliate Committee Update

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

**11. SACRS Bylaws Committee Report – Action**

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Use of SACRS' Intellectual Property

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

**2<sup>nd</sup>:** Marin

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

**No:** 0

**Absent:** Merced

**Motion Passes 19-0-1**

B. Termination of Membership

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

**2<sup>nd</sup>:** San Bernardino

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

**No:** 0

**Absent:** Merced

**Motion Passes 19-0-1**

C. Electronic Meetings

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

**2<sup>nd</sup>:** Contra Costa

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



**No:** 0

**Absent:** Merced

**Motion Passes 19-0-1**

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

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

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

## **13. Adjournment**

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

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

**2<sup>nd</sup>:** Orange

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

**No:** 0

**Absent:** Merced

**Motion Passes 19-0-1**

**Minutes submitted by;**

*Kathryn Cavness, SACRS Secretary*

*Sulema Peterson, SACRS Executive Director*



**3. Treasurer's Report - Receive and File**

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Balance Sheet As of January 31, 2021

Jan 31, 21

### ASSETS

#### Current Assets

##### Checking/Savings

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

Total Checking/Savings 444,278.51

##### Other Current Assets

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

Total Other Current Assets 1,773,476.97

Total Current Assets 2,217,755.48

**TOTAL ASSETS 2,217,755.48**

### LIABILITIES & EQUITY

#### Liabilities

##### Current Liabilities

##### Credit Cards

2200 - First Foundation Credit Card 1,854.14

Total Credit Cards 1,854.14

Total Current Liabilities 1,854.14

Total Liabilities 1,854.14

#### Equity

32000 - Retained Earnings 1,981,948.99

Net Income 233,952.35

Total Equity 2,215,901.34

**TOTAL LIABILITIES & EQUITY 2,217,755.48**



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2020 through January 2021

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

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit & Loss

July 2020 through January 2021

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

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

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2020 through February 2021

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2020 through February 2021

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



**4. SACRS President Report - No Action**

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed material for this item



**5. SACRS Legislative Committee Update – Action**

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

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





April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelman Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

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

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

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

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

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

We have a few observations.

### **That's not a lot of Strings**

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

### **Lots of Money, Lots of People Want it**

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

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

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

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

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

### **New Attorney General**

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

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

March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

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

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

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

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

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

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

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

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

## 2021 CERL Amendments

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

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

February 19, 2021

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

LEGISLATIVE COUNSEL'S DIGEST

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This bill would make various technical and stylistic changes.

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

O



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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022



March 25, 2021

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

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

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

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

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

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

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

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

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



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

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

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

**SACRS Nominating Committee Final Ballot:**

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

**Additional Candidates Submitted:**

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

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

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

Thank you for your prompt attention to this timely matter.

Sincerely,

*Dan McAllister*

Dan McAllister, San Diego CERA Trustee  
SACRS Nominating Committee Chair

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

Attached: Candidate submissions

## **Submissions for President**



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

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

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

# VIVIAN H. GRAY

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

February 23, 2021

VIA EMAIL

SACRS Nominating Committee  
Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

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

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

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

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

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

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

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

Sincerely,

*Vivian Gray*

cc: Sulema Peterson, SACRS

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## **Submissions for Vice President**





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

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

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

Kathryn Cavness  
6500 Ridgewood Road  
Willits, CA 95490

February 4, 2021

Dan McAllister, SACRS Nominating Committee Chair  
SACRS Nominating Committee

Dear Dan and Nominating Committee Members,

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

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

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

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

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

Sincerely,



Kathryn Cavness,  
SACRS BOD Secretary,  
Mendocino CERA Trustee

## **Submissions for Treasurer**



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

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

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

Harry E. Hagen  
Bio for SACRS Nomination Submission Form

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

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

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

February 22, 2021

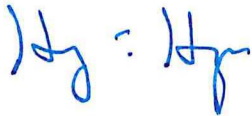
To Dan McAllister, SACRS Nominating Committee Chair,

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

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

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

Thank you for your consideration.

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

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

## **Submissions for Secretary**



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

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

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



Thomas Garcia  
107 South B Street  
Imperial, CA 92251

February 5<sup>th</sup>, 2021

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

Nomination Committee,

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

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

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

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

Sincerely,



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

## **Submissions for General Member**



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

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

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

David J MacDonald, MD

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

January 26, 2021

SACRS Nominating Committee  
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

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

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

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

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

Thank you for your time and consideration.

Sincerely and Respectfully,

*David J MacDonald, MD*

David J MacDonald, MD



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

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

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

Applying as regular member for SACRS.

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

Bio:

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

Thank you for the opportunity and your consideration.

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







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

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

<b>Name of Candidate</b>	Name: Vere Williams
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	Mailing Address: <u>8379 Icicle Drive, Pinon Hills, CA 92372</u> Email Address: <u>verevlw@aol.com</u> Phone: <u>760.486.6311</u>
<b>Name of Retirement System Candidate Currently Serves On</b>	System Name: <u>San Bernardino County Employees' Retirement Association</u>
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<ul style="list-style-type: none"> <li>○ <u>General Elected</u></li> </ul>
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"> <li>○ <u>Regular Member</u></li> </ul>
<b>Brief Bio</b>	<p>I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification on Retirement System Management courses at UCLA, Pepperdine and Wharton. I have been an enrolled Agent for over 20 years along with over 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit Committee.</p> <p>A guiding quote – <b>“I always wondered why somebody didn't do something about that, then I realized I was somebody.”</b> – Lily Tomlin</p>

March 1, 2021

VIA Email

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

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

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

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

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

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

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

Please find attached the completed SACRS nomination form.

Respectfully,

*Vere Williams*

Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS





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

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

SACRS  
Attn: Dan McAlister  
Nominations Committee

February 22, 2021

Dear Dan,

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

Regards,

A handwritten signature in black ink, appearing to read "Chris Prevatt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chris Prevatt  
Elected General Member Trustee  
Orange County Employees Retirement System

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

CITY OF SAN JUAN  
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY  
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN &  
FAMILIES COMMISSION

ORANGE COUNTY  
DEPARTMENT OF EDUCATION  
(CLOSED TO NEW MEMBERS)

ORANGE COUNTY  
EMPLOYEES RETIREMENT  
SYSTEM

ORANGE COUNTY FIRE  
AUTHORITY

ORANGE COUNTY IN-HOME  
SUPPORTIVE SERVICES PUBLIC  
AUTHORITY

ORANGE COUNTY LOCAL  
AGENCY FORMATION  
COMMISSION

ORANGE COUNTY PUBLIC LAW  
LIBRARY

ORANGE COUNTY  
SANITATION DISTRICT

ORANGE COUNTY  
TRANSPORTATION  
AUTHORITY

SUPERIOR COURT OF  
CALIFORNIA, COUNTY  
OF ORANGE

TRANSPORTATION  
CORRIDOR AGENCIES

UCI MEDICAL CENTER AND  
CAMPUS (CLOSED TO NEW  
MEMBERS)

February 23, 2021

By email to [Dan.McAllister@sdcounty.ca.gov](mailto:Dan.McAllister@sdcounty.ca.gov) and Regular Mail

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

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

Dear Mr. McAllister:

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

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

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

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

Thank you.

Best regards,



Steve Delaney  
Chief Executive Officer

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

02-26-21

Dear Nomination Committee,

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

Thank you,

Roger Hilton

SACRS and OCERS Board Member



**7. SACRS Audit Report – Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit





JAMES MARTA & COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF  
COUNTY RETIREMENT SYSTEMS**

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

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

701 HOWE AVENUE, E3  
SACRAMENTO, CA 95825

(916) 993-9494  
(916) 993-9489 FAX  
[WWW.JPMCPA.COM](http://WWW.JPMCPA.COM)

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020

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**BOARD OF DIRECTORS**

**Vivian Gray**  
President

**Roger Hilton**  
Vice President

**Harry Hagen**  
Treasurer

**Kathryn Cavness**  
Secretary

**Dan McAllister**  
Immediate Past President

**Teri Noble**  
Affiliate Chair

**John Kelly**  
Board Member

**David MacDonald**  
Board Member

\* \* \* \*

**Sulema Peterson**  
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020 AND 2019

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**James Marta & Company LLP**  
**Certified Public Accountants**

*Accounting Auditing Tax and Consulting*

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statement***

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

### ***Management's Responsibility for the Financial Statement***

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

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

***Basis of Accounting***

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

***Other Information***

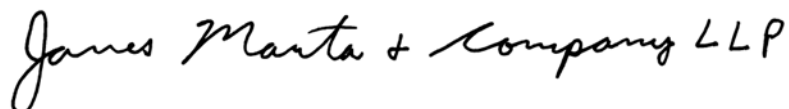
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are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

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

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

***Restricted Use***

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



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

## **FINANCIAL SECTION**

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

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

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

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

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## NOTES TO THE FINANCIAL STATEMENT

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

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. ORGANIZATION

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

##### B. BASIS OF ACCOUNTING

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

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

##### C. INCOME TAXES

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

##### D. CONTRACTUAL AGREEMENTS

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

##### E. COMPARATIVE DATA

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



**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**NOTES TO THE FINANCIAL STATEMENT**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. COMPARATIVE DATA (CONTINUED)**

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

**2. CASH AND INVESTMENTS**

Cash and Cash Equivalents

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

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

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

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

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

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

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

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**NOTES TO THE FINANCIAL STATEMENT**

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

Investments

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

**3. CONTRACTS**

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

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

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

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

**4. DONATED SERVICES**

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

**5. SUBSEQUENT EVENTS**

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

## **SUPPLEMENTARY INFORMATION**

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

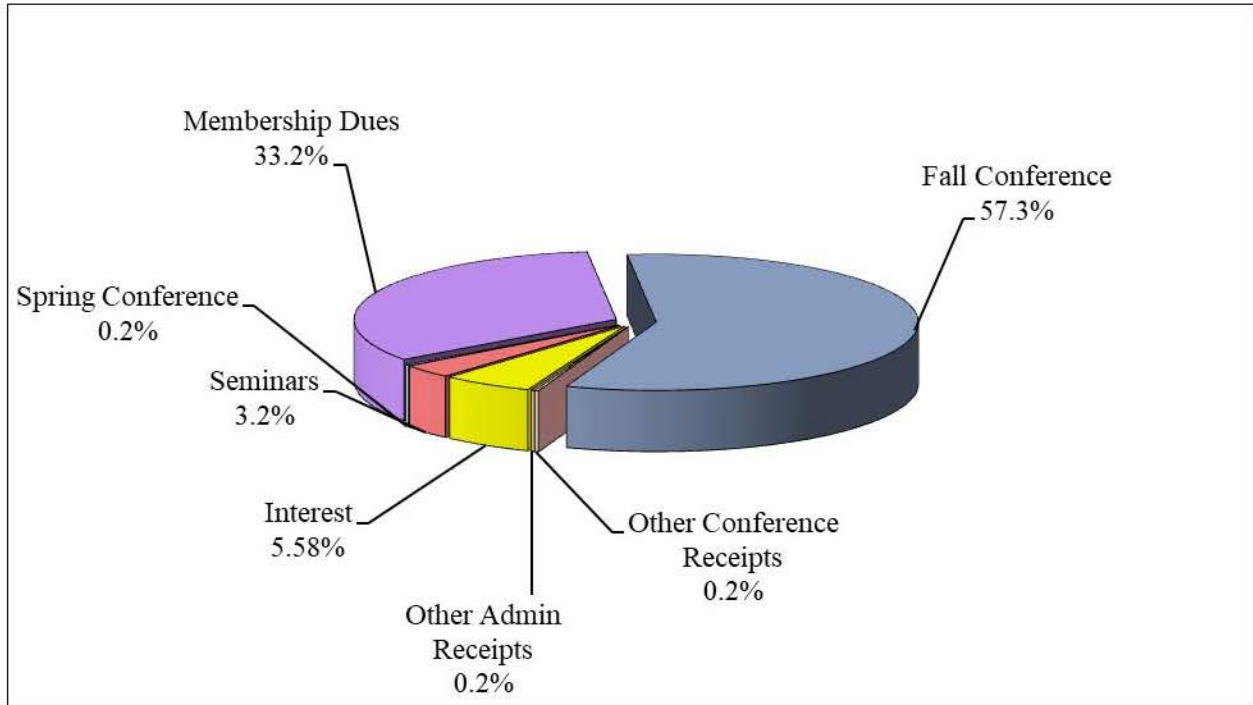
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<b><u>Cash Receipts</u></b>			
Dues	\$ -	\$ 364,000	\$ 364,000
Conference			
Fall	628,070	-	628,070
Spring	2,520	-	2,520
Seminars	35,000		35,000
Other Admin Receipts	-	2,340	2,340
Other Conference Receipts	2,450	-	2,450
Interest	61,108	-	61,108
	<u>729,148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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH RECEIPTS BY SOURCE



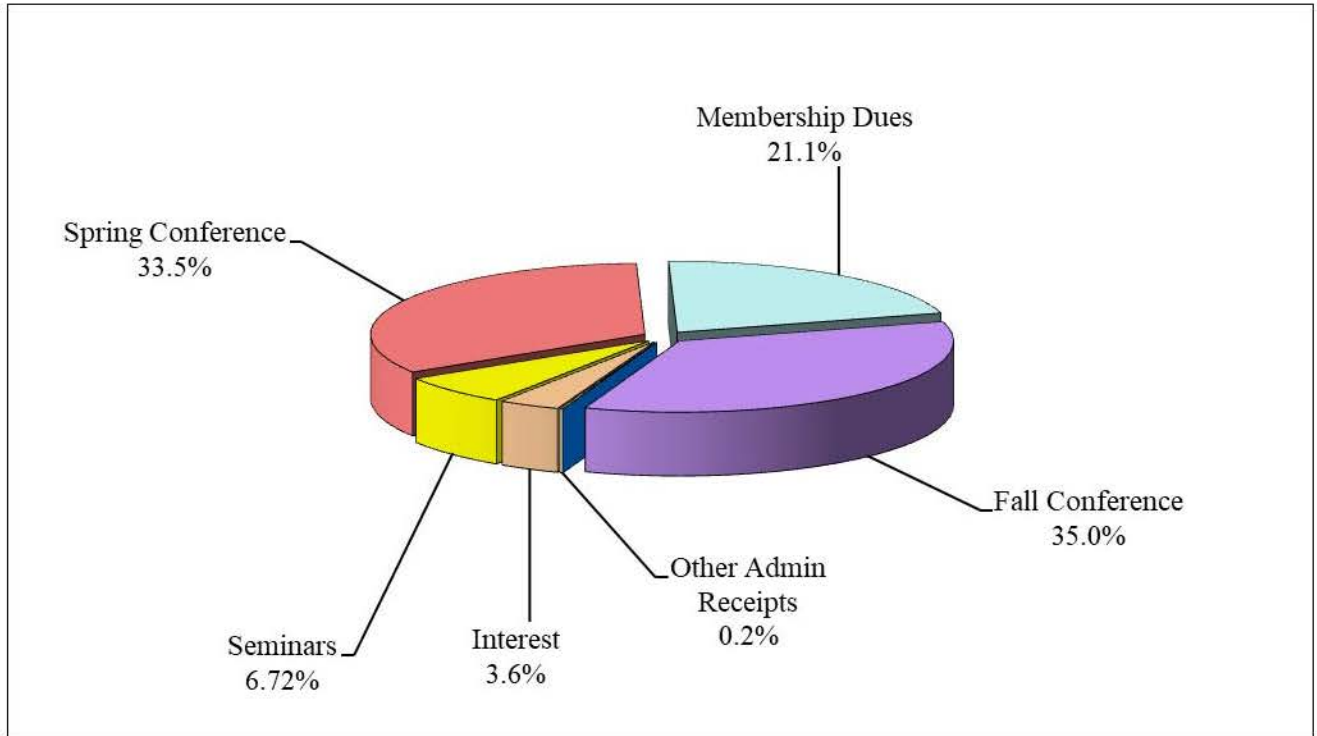
**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**GRAPHICAL PRESENTATION OF CASH RECEIPTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**CASH RECEIPTS BY SOURCE**

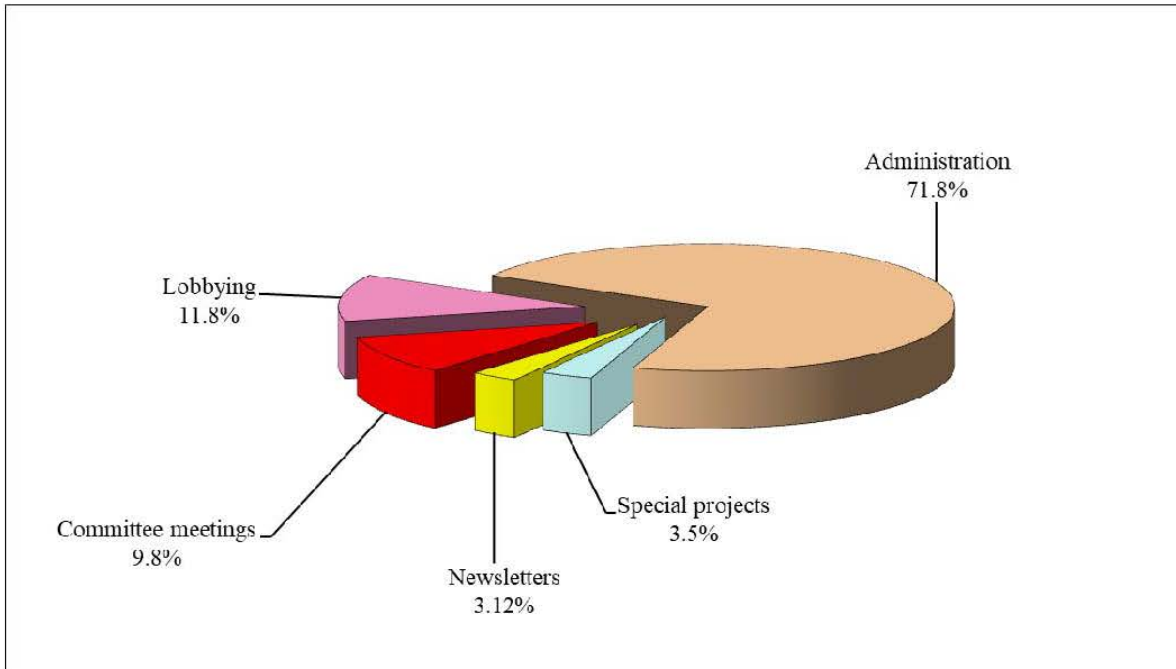


**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

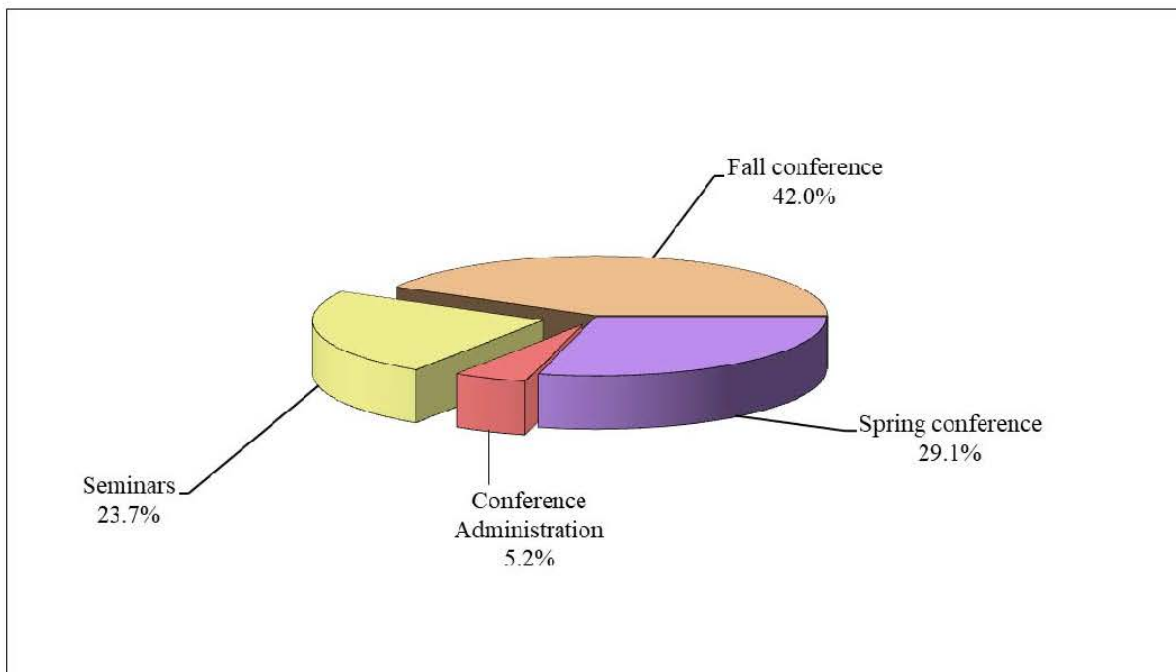
**GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**ADMINISTRATION CASH DISBURSEMENTS**



**CONFERENCE CASH DISBURSEMENTS**

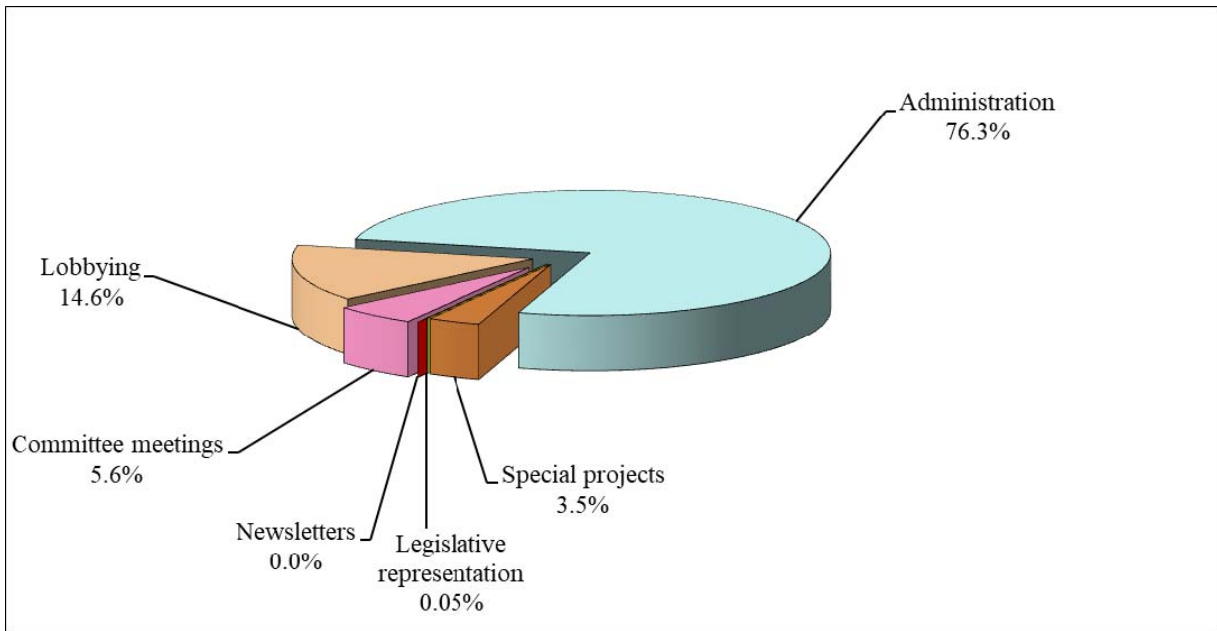


**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

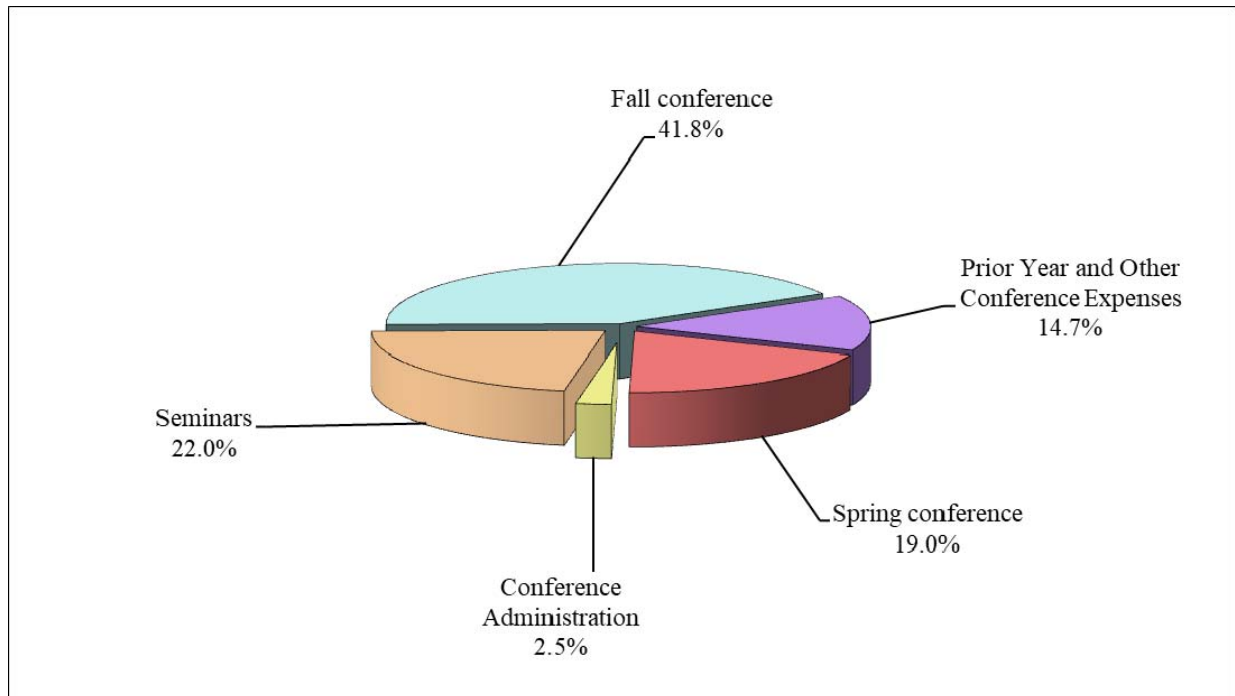
**GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**ADMINISTRATION CASH DISBURSEMENTS**



**CONFERENCE CASH DISBURSEMENTS**





**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**CONFERENCE SUMMARY REPORT**

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



**James Marta & Company LLP**  
**Certified Public Accountants**

*Accounting Auditing Tax and Consulting*

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**COMMUNICATION WITH THOSE CHARGED  
WITH GOVERNANCE**

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

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

**Our Responsibility in Relation to the Financial Statement Audit**

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

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

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

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

**Planned Scope and Timing of the Audit**

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

### **Compliance with All Ethics Requirements Regarding Independence**

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

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

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

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

#### *Significant Accounting Estimates*

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

#### *Financial Statement Disclosures*

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

### **Significant Difficulties Encountered during the Audit**

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

### **Uncorrected and Corrected Misstatements**

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

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

### **Disagreements with Management**

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

### **Representations Requested from Management**

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

### **Management's Consultations with Other Accountants**

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

### **Other Significant Matters, Findings, or Issues**

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

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

*James Marta & Company LLP*  
*Certified Public Accountants*

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

*James Marta & Company LLP*

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

**Adjusting Journal Entries:**

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

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

**Reclassifying Journal Entries:**

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



## MANAGEMENT REPRESENTATION LETTER

October 23, 2020

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California

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

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

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

### Financial Statement

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



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

### Information Provided

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

### Supplementary Information in Relation to the Financial Statement as a Whole

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





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

### **Additional Representations**

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



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

*Sulema H. Peterson*

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Sulema Peterson, SACRS Executive Director



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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## MANAGEMENT LETTER

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

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

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

**Current Year Recommendations**

**2020-1 Unrealized Gain/Loss**

Observation:

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

Recommendation:

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

Management Response:

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

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

**Prior Year Recommendations**

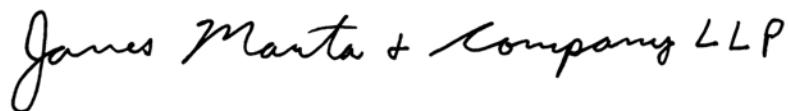
None

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

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

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

Sincerely,



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



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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

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

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

**Internal Control over Financial Reporting**

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

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

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

**Purpose of this Report**

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

*James Marta & Company LLP*

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



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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

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



No printed material for this item



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

Roger Hilton, Orange CERS, SACRS Program Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Report





No printed material for this item



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

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No printed material for this item



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

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No printed material for this item



## **12. SACRS Spring Conference Breakout Reports – No Action**

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

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



No printed material for this item



### **13. Adjournment**

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





No printed material for this item

## **NEW BUSINESS**

- 7.C. Update on Results of the Vote regarding Council of Institutional Investors' (CII) Agenda Items/2021 Board of Director Election Results.**

## **NEW BUSINESS**

**7.D. Chief Executive Officer's Report.**



*Office of the Chief Executive Officer  
Office of Administration*

DATE: April 15, 2021  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: **Chief Executive Officer's Report**

**Senior Manager Recruitment**

None.

**Committee/Board Action Items**

**ASSIGNED FOLLOW-UP ITEMS**

<b>Follow-Up Board Item</b>	<b>Assigned Senior Leader</b>	<b>Estimated Completion Date</b>	<b>Completion Date</b>	<b>Notes</b>
Develop ACERA Re-Opening Plan.	Dave Nelsen	July 2020	On-going	The general guidelines of the Plan have been developed and implemented. We are responding to changes as necessary based on new information.
Additional Contributions from the County to pay on County Unfunded Actuarial Accrued Liability.	Dave Nelsen	June 2021		This is regarding the on-going efforts to accept extra pension contributions from the County.

## **Conference/Event Schedule**

None.

## **Other Items**

### *COVID-19 Responses*

All of California is beginning to see the positive effects of robust vaccination efforts and continued diligence in combating the virus. While the potential for another surge exists due to the lessened restrictions and the presence of highly contagious variants, it is not unreasonable to assume that the conditions for bringing customers back into the building could be forthcoming.

We are currently planning a phased approach to re-establishing on-site service and are developing the Staffing model to accommodate that approach. At this time, most of our employees have not been or are not currently eligible to receive a vaccine. Our protocols and infrastructure to accommodate protection and safety guidelines for employees and customers remain in place, and will be applied once customers are allowed on-site. There is no set date for customers to be able to access Staff in the building at this time. However, based upon conversations with County Administration we are targeting early fall as a likely time to begin phasing on-site customer service into our service model. It is anticipated that remote or virtual service will continue to be the primary source of service. We will continue, even after the virus, to encourage customers to use this service channel, rather than go back to on-site customer interaction as the primary method of service delivery. We will continue to monitor the circumstances and respond accordingly.

At this point, the majority of team members are still working from home. Our on-site presence is limited to mail handling and imaging, IT support, occasional Benefits Team members, and management. We are working on establishing long-term work from home policies for eligible employees. As always, we are taking into account the safety of our team members and our customers, while still providing value added services.

### *Pension Administration System Update*

The project is continuing to work through its phases. We have completed the first deliverable. Issues are being followed up on and worked through by LRS. As we are working through the second deliverable, we have encountered a potential delay. We have been working with the County for the pilot effort to work through some of the design changes that will impact Participating Employers. However, the County will be unable to program some of the required changes into their systems until early summer, due to priority work for available resources. Testing these changes is necessary to complete deliverable two. We are looking at ways to prevent a three month project timeline delay due to this issue, such as doing work on deliverable three that doesn't rely on deliverable two changes being completed.

Other Items

In December 2020, the County Board of Supervisors approved the possible payment of up to \$800 million in additional funds to address their UAAL. Discussions continue to work through the details of this possible transfer of funds. Representatives of ACERA, the County and both our Actuaries are meeting weekly to discuss the various steps necessary to make this happen. The goal is to complete this process by the end of June of 2021.

The refresh of the Lobby, Boardroom, and Board Breakroom is complete. We only have art to hang. A large video monitor was installed in the Waiting Room which will show informative clips while customers wait to meet Staff. Pictures of past Board members and Chairs of the Boards will be digitized and placed on the internet site for all to see!

Discussions are underway to facilitate a Board of Retirement Strategic Planning Session. At our last off-site session, Tom Ionnucci from Cortex presented on this topic. Unfortunately, as I was working with Tom to facilitate this session, he accepted a job at a Canadian pension plan and will be unable to work with us. I am now communicating with others for this role. This strategic goal setting will help Staff develop business plan items to implement your stated goals.

**Key Performance Indicators**

Below are the high level performance indicators for ACERA, with the latest scores included:

Scorecard KPI	2020 Performance Goal
<b>PRUDENT INVESTMENT PRACTICES</b>	
Portfolio Performance vs. Policy Benchmark	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level Through January 2021: +.01%.</i>
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2021 approved budget As of end of February 2021: 5% under budget.</i>
<b>COMPREHENSIVE ORGANIZATION DEVELOPMENT</b>	
Employee Engagement Survey Results	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?" As of last survey (Fall of 2020): 65%.</i>
<b>SUPERIOR CUSTOMER SERVICE</b>	
Service Excellence Survey	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?" As of all of 2020: 93%</i>

## **CLOSED SESSION**

- 12. A.** Conference With Legal Counsel--Existing Litigation (Gov't Code § 54956.9(d)(1)):

*Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association*, Contra Costa County Superior Court, Case No. MSN12-1870

**IF THERE ARE ANY MATERIALS TO BE DISTRIBUTED FOR THE ABOVE-REFERENCED MATTER(S), IT WILL BE DISTRIBUTED UNDER SEPARATE COVER.**