



## SACRS Business Meeting Packet

Friday, November 16, 2018

10:00 AM - Upon Adjournment

Renaissance Indian Wells Resort & Spa



SACRS Business Meeting Agenda  
Friday, November 16, 2018  
10:00 AM - Upon Adjournment  
Renaissance Indian Wells Hotel and Spa  
Indian Wells, CA

SACRS Parliamentarian – Lance Kjeldgaard  
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. May 2018 SACRS Business Meeting Minutes

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

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2018 – August 2018 Financials

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

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

**5. SACRS Legislative Committee Update - Vote**

Vacant, SACRS Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. **Orange CERS Proposal – NO ACTION** **ITEM WITHDRAWN**

**6. SACRS Nomination Committee - 2019-2020 SACRS Election Notice – No Action**

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2019-2020

**7. SACRS Audit Report – No Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit Committee Update



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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Fall Conference Evaluations 2018

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

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

- A. SACRS Fall Conference Report 2018

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

Lesley Nettles, Fairview Capital, 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 Fall Conference Breakout Reports – No Action**

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

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

#### **13. Adjournment**

Next scheduled SACRS Association Business Meeting will be held Friday, May 10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA.



## **1. SACRS System Roll Call**

Kathryn Cavness, Mendocino CERA, SACRS Secretary



1. SACRS System Roll Call  
Kathryn Cavness, SACRS Secretary

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



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

Kathryn Cavness, Mendocino CERA, SACRS Secretary

### **A. May 2018 SACRS Business Meeting Minutes**



SACRS Business Meeting Minutes  
Friday, May 18, 2018  
10:00 AM - Upon Adjournment  
Anaheim Marriott  
Anaheim, CA

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

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Meeting called to order at 10:10 am by Dan McAllister, SACRS President.

**SACRS Board of Directors in Attendance:** Dan McAllister, President, Gabe Rodrigues, Vice President, Harry Hagan, Treasurer, Kathryn Cavness, Secretary, Ray McCray, Past President and Lesley Nettles, Affiliate Chair

**1. SACRS System Roll Call**

Kathryn Cavness, SACRS Secretary

**20 SACRS Member Systems Present**

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

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

Kathryn Cavness, SACRS Secretary

A. November 2017 SACRS Business Meeting Minutes

**Motion:** San Diego CERA made motion to approve the minutes as presented.

**2<sup>nd</sup>:** Alameda CERA

**Yes:** All

**No:** 0

**Motion Passes 20-0**

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

Harry Hagen, SACRS Treasurer

A. July 2017 – February 2018 Financials

**Received and Filed.** No roll call taken, San Diego CERA requested that the membership receive and file report. No opposition was noted, all agreed verbally.



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

Dan McAllister, SACRS President

A. SACRS President Update

**Discussion:** No action, verbal report given by Dan McAllister, SACRS President

#### **5. SACRS Legislative Committee Update - Vote**

Tracy Towner, SACRS Legislative Committee Chair

A. 2018 Legislative Update – No Action

B. SB 1270 (Videk) – Vote

SACRS membership will need to vote to sponsor this legislation

**Discussion:** Report was provided by Trent Smith, SACRS Legislative Advocate on behalf of Chair. Trent gave a verbal overview of the legislative issues for 2018 and presented the SB 1270 (Videk) language to the membership. The Tulare County Retirement System has sponsored SB 1270 by Senator Andy Vidak who represents Tulare County in the State Senate. This bill would allow any CERL Board to hire, dismiss, and set compensation for Assistant Administrators and Chief Investment Officers upon agreement with Board of Supervisors in that county. This authority already exists for a number of systems which have been given this statutory authority on a case-by-case. This bill would eliminate the need to go back to the Legislature every time a county and a retirement system agree to this practice.

**Motion:** San Diego CERA made a motion to support the SB 1270 (Videk) language presented.

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

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

**No:** San Mateo

**Abstain:** Merced and Sacramento

**Motion Passes 17-1-2**

#### **6. SACRS Nomination Committee - 2018-2019 SACRS BOD Elections - Vote**

Ray McCray, Nomination Committee Chair

A. SACRS BOD 2018 – 2019 Ballot

**Motion:** San Diego CERA made a motion to accept the recommended slate –

- Dan McAllister, San Diego CERA, President





- Vivian Gray, Los Angeles CERA, Vice President
- Harry Hagen, Santa Barbara CERS, Treasurer
- Kathryn Cavness, Mendocino CERA, Secretary
- Roger Hilton, Orange CERS, General
- Chris Cooper, General

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

**Yes:** All

**No:** 0

**Motion Passes 20-0**

## **7. SACRS Audit Report – No Action**

Steve Delaney, SACRS Audit Committee Chair

A. SACRS Audit Committee Update

**Discussion:** No report, next audit period will begin end of fiscal year June 30, 2018.

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

Christie Porter, SACRS Education Committee Chair

A. SACRS Spring Conference Evaluations 2018

**Discussion:** Report was provided by Sulema Peterson on behalf of Chair. Onsite evaluations were positive overall, online evaluations will be available for attendees that would like to submit electronically. A full report will be submitted to the board on behalf of the committee in June.

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

Gabe Rodrigues, SACRS Program Committee Chair

A. SACRS Spring Conference Report 2018

**Discussion:** A verbal update was provided by Gabe Rodrigues, Gabe thanked the committee members for a great conference. Encouraged attendees to submit potential topics and speaker ideas to the committee for the Fall 2018 conference.

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

Lesley Nettles, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

**Discussion:** A verbal update was provided by Lesley Nettles, Affiliate Committee Chair. Lesley reported that the group had a great turn out for their breakout, kudos to Don Pierce for his assistance coordinating the “Speed Dating” concept with the system CIO’s. The Affiliate membership appreciated everyone that participated.



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

Vivian Gray, SACRS Bylaws Committee Chair

### **A. Bylaws Committee Update**

**Discussion:** Vivian Gray thanked the Bylaws committee for their efforts towards amending the bylaws to include two new board of directors.

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

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

- A. Administrators – Scott Jarvis reported a great session and Dominic Brown, Kern CERA will serve as the Fall moderator.
- B. Counsel – Michael Calabrese reported that they had a great attendance, good discussion and they did not assign a moderator for Fall conference.
- C. Disability/ Operations & Benefits Combo – Carlos Barrios reported a great meeting for the combo session and that Kathy Regalia, Sacramento CERS will serve as the Fall moderator.
- D. Internal Auditors – No Report
- E. Investment Officers – Donald Pierce reported that the session was well attended, good discussion and appreciated the co-session with the affiliate breakout. Don has volunteered to serve as the Fall moderator.
- F. Safety Trustees – Gabe Rodrigues reported that the Safety group had a Medical Trust presentation, good attendance and they did not assign a moderator for Fall conference.
- G. General Trustees – Vivian Gray reported that the Trustee session was well attended, Rich White moderated a lively discussion and the session ended with a roundtable discussion amongst the Trustees. The group did not assign a volunteer for the Fall conference.

### **Other Items:**

At completion of the meeting, Bylaws Chair and new Vice President, Vivian Gray, invited Roger Hilton, Orange CERS and Chris Cooper, Marin CERA to say a few words to the membership. Roger Hilton and Chris Cooper then introduced themselves, gave some background on their current roles at their retirement systems and thanked the membership for its support and both gentlemen are looking forward to serving as board members.

## **13. Adjournment**

Meeting adjourned at 10:57 am by Dan McAllister, SACRS President



Next scheduled SACRS Association Business Meeting will be held Friday, November 16, 2018 at the Indian Wells Renaissance Hotel and Spa in Indian Wells, CA.

Minutes respectfully submitted by:

Kathryn Cavness, SACRS Secretary

Sulema Peterson, SACRS Administrator



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

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

#### **A. July 2018 – August 2018 Financials**

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS****Balance Sheet**

As of August 31, 2018

	<u>Aug 31, 18</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · First Foundation Bank-Checking	231,422.04
1001 · BofA Interest Checking 4389	239,749.45
1002 · First Foundation Bank ICS Acct	57,367.37
<b>Total Checking/Savings</b>	<u>528,538.86</u>
<b>Other Current Assets</b>	
1099 · CalTrust - BlackRock TempFund	7,939.75
1100 · CalTrust - Medium Term	1,135,517.03
1104 · CalTrust - BlackRock FedFund	764,420.61
1201 · Deposits in Transit	20,480.00
<b>Total Other Current Assets</b>	<u>1,928,357.39</u>
<b>Total Current Assets</b>	<u>2,456,896.25</u>
<b>TOTAL ASSETS</b>	<u><b>2,456,896.25</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2100 · Unrealized Gain (Loss)	18,799.40
<b>Total Other Current Liabilities</b>	<u>18,799.40</u>
<b>Total Current Liabilities</b>	<u>18,799.40</u>
<b>Total Liabilities</b>	<u>18,799.40</u>
<b>Equity</b>	
32000 · Retained Earnings	2,194,804.37
Net Income	243,292.48
<b>Total Equity</b>	<u>2,438,096.85</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>2,456,896.25</b></u>

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS****Profit & Loss**

August 2018

Aug 18**Ordinary Income/Expense****Income****4100 · Membership Dues**

4101 · Affiliates 107,500.00

4102 · Non Profit - Organizations 750.00

4103 · Non Profit - Systems 1,500.00

4104 · Systems - Medium 20,000.00

4105 · Systems - Large 24,000.00

**Total 4100 · Membership Dues 153,750.00****4270 · UC Berkeley Program**

4272 · Sponsorships 2,000.00

**Total 4270 · UC Berkeley Program 2,000.00****4300 · Fall Conference Registration**

4301 · Affiliates - Early 93,840.00

4304 · Non Profit 360.00

4305 · Systems 6,240.00

4306 · Non-Members 37,380.00

4307 · Fun Run 270.00

**Total 4300 · Fall Conference Registration 138,090.00****4900 · Interest Earned 47.65****Total Income 293,887.65****Gross Profit 293,887.65****Expense**

5000 · Administrative Fee - SYAi 14,616.61

5003 · Bank Charges/Credit Card Fees 4,007.70

**5010 · Berkeley & Symposium**

5011 · Audio/Visual 2,159.70

5013 · Hotel 889.27

**Total 5010 · Berkeley & Symposium 3,048.97**

5041 · Consulting 1,666.00

**5050 · Fall Conference**

5055 · Program Material 1,029.58

**Total 5050 · Fall Conference 1,029.58**

5072 · Legislative Advocacy 4,718.80

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS****Profit & Loss**

August 2018

	<u>Aug 18</u>
6000 - Board & Committees	
6001 - Board of Directors	
6001.1 - Food & Beverage	1,463.57
6001.2 - Printing/Supplies	877.39
6001.3 - Travel - BOD Meetings	89.76
Total 6001 - Board of Directors	<u>2,430.72</u>
6002 - Legislative Committee Meetings	48.85
6003 - Program Committee Meetings	84.89
Total 6000 - Board & Committees	<u>2,564.46</u>
6010 - Office Expenses / Supplies	384.87
6011 - Postage & Delivery	1,231.95
6020 - Spring Conference	
6025 - Program Material	42.15
6028 - Travel	1,211.73
Total 6020 - Spring Conference	<u>1,253.88</u>
6053 - Technology/AMS/Website	54.98
6054 - Travel	3,871.45
Total Expense	<u>38,449.25</u>
Net Ordinary Income	<u>255,438.40</u>
Net Income	<u><u>255,438.40</u></u>

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit & Loss Budget vs. Actual

July through August 2018

Ordinary Income/Expense	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
Income				
4100 · Membership Dues				
4101 · Affiliates	217,500.00	268,750.00	-51,250.00	80.93%
4102 · Non Profit - Organizations	2,000.00	3,000.00	-1,000.00	66.67%
4103 · Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 · Systems - Medium	48,000.00	52,000.00	-4,000.00	92.31%
4105 · Systems - Large	36,000.00	42,000.00	-6,000.00	85.71%
Total 4100 · Membership Dues	309,500.00	371,750.00	-62,250.00	83.26%
4250 · Product Income				
4252 · Roster	0.00	0.00	0.00	0.0%
4254 · Website Job Board	0.00	500.00	-500.00	0.0%
4255 · Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 · Product Income	0.00	2,500.00	-2,500.00	0.0%
4270 · UC Berkeley Program				
4271 · Registrations	5,000.00	75,000.00	-70,000.00	6.67%
4272 · Sponsorships	9,500.00	50,000.00	-40,500.00	19.0%
Total 4270 · UC Berkeley Program	14,500.00	125,000.00	-110,500.00	11.6%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	113,220.00	180,000.00	-66,780.00	62.9%
4302 · Affiliates - Regular	0.00	90,000.00	-90,000.00	0.0%
4303 · Affiliates - Late/Onsite	0.00	40,000.00	-40,000.00	0.0%
4304 · Non Profit	360.00	1,000.00	-640.00	36.0%
4305 · Systems	6,600.00	26,000.00	-19,400.00	25.39%



# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit & Loss Budget vs. Actual

July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
4306 • Non-Members	50,730.00	255,000.00	-204,270.00	19.89%
4307 • Fun Run	320.00	1,000.00	-680.00	32.0%
Total 4300 • Fall Conference Registration	171,230.00	593,000.00	-421,770.00	28.88%
4350 • Spring Conference Registration				
4351 • Affiliates - Early	0.00	175,000.00	-175,000.00	0.0%
4352 • Affiliates - Regular	0.00	75,000.00	-75,000.00	0.0%
4353 • Affiliates - Late/Onsite	1,280.00	33,000.00	-31,720.00	3.88%
4354 • Non Profit	0.00	1,000.00	-1,000.00	0.0%
4355 • Systems	1,200.00	22,500.00	-21,300.00	5.33%
4356 • Non-Members	0.00	230,000.00	-230,000.00	0.0%
4357 • Fun Run	0.00	1,000.00	-1,000.00	0.0%
Total 4350 • Spring Conference Registration	2,480.00	537,500.00	-535,020.00	0.46%
4900 • Interest Earned	81.88			
Total Income	497,791.88	1,629,750.00	-1,131,958.12	30.54%
Gross Profit	497,791.88	1,629,750.00	-1,131,958.12	30.54%
Expense				
5000 • Administrative Fee - SYAi	29,233.22	175,267.01	-146,033.79	16.68%
5001 • Administrative Services	0.00	3,000.00	-3,000.00	0.0%
5002 • Awards	0.00	1,000.00	-1,000.00	0.0%
5003 • Bank Charges/Credit Card Fees	5,838.06	45,000.00	-39,161.94	12.97%
5010 • Berkeley & Symposium				
5011 • Audio/Visual	2,159.70	1,500.00	659.70	143.98%
5012 • Delivery & Shipping	0.00	0.00	0.00	0.0%
5013 • Hotel	13,858.95	12,000.00	1,858.95	115.49%
5014 • Food & Beverage	0.00	0.00	0.00	0.0%
5015 • Materials/Printing/Design	378.88	1,500.00	-1,121.12	25.26%

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit & Loss Budget vs. Actual

July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
5016 • Travel	0.00	350.00	-350.00	0.0%
5017 • UC Berkeley	0.00	180,000.00	-180,000.00	0.0%
Total 5010 • Berkeley & Symposium	16,397.53	195,350.00	-178,952.47	8.39%
5030 • CERL				
5031 • Materials/Printing/Design	0.00	20,000.00	-20,000.00	0.0%
5032 • Shipping	0.00	3,500.00	-3,500.00	0.0%
Total 5030 • CERL	0.00	23,500.00	-23,500.00	0.0%
5040 • Commissions & Fees	6,100.00	20,000.00	-13,900.00	30.5%
5041 • Consulting	3,332.00	20,000.00	-16,668.00	16.66%
5042 • Dues & Subscriptions	0.00	3,700.00	-3,700.00	0.0%
5050 • Fall Conference				
5051 • Audio/Visual	0.00	40,300.00	-40,300.00	0.0%
5052 • Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 • Entertainment	0.00	0.00	0.00	0.0%
5054 • Hotel				
5054.1 • Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
5054.2 • Conference	0.00	0.00	0.00	0.0%
5054.3 • Food & Beverage	0.00	0.00	0.00	0.0%
5054 • Hotel - Other	0.00	275,000.00	-275,000.00	0.0%
Total 5054 • Hotel	0.00	350,000.00	-350,000.00	0.0%
5055 • Program Material	1,029.58	30,000.00	-28,970.42	3.43%
5056 • Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 • Supplies	0.00	1,000.00	-1,000.00	0.0%
5058 • Travel	0.00	4,000.00	-4,000.00	0.0%
Total 5050 • Fall Conference	1,029.58	477,800.00	-476,770.42	0.22%
5070 • Insurance	0.00	6,000.00	-6,000.00	0.0%

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit & Loss Budget vs. Actual

July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
5071 - Legal & Professional Fees	3,139.00	25,000.00	-21,861.00	12.56%
5072 - Legislative Advocacy	9,437.60	56,901.00	-47,463.40	16.59%
5080 - Magazine				
5081 - Delivery & Shipping	0.00	0.00	0.00	0.0%
5082 - Design/Printing/Etc.	0.00	20,000.00	-20,000.00	0.0%
5080 - Magazine - Other	401.36			
Total 5080 - Magazine	401.36	20,000.00	-19,598.64	2.01%
6000 - Board & Committees				
6001 - Board of Directors				
6001.1 - Food & Beverage	1,418.57	2,500.00	-1,081.43	56.74%
6001.2 - Printing/Supplies	877.39	2,500.00	-1,622.61	35.1%
6001.3 - Travel - BOD Meetings	445.72	15,000.00	-14,554.28	2.97%
6001.4 - Travel - Miscellaneous BOD	365.51	1,000.00	-634.49	36.55%
6001 - Board of Directors - Other	0.00	1,500.00	-1,500.00	0.0%
Total 6001 - Board of Directors	3,107.19	22,500.00	-19,392.81	13.81%
6002 - Legislative Committee Meetings	88.01	250.00	-161.99	35.2%
6003 - Program Committee Meetings	136.30	400.00	-263.70	34.08%
6004 - Nominating Committee	0.00	0.00	0.00	0.0%
6000 - Board & Committees - Other	17.64			
Total 6000 - Board & Committees	3,349.14	23,150.00	-19,800.86	14.47%
6010 - Office Expenses / Supplies	2,213.21	2,500.00	-286.79	88.53%
6011 - Postage & Delivery	2,327.38	3,200.00	-872.62	72.73%
6020 - Spring Conference				
6021 - Audio/Visual	0.00	45,000.00	-45,000.00	0.0%
6022 - Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 - Entertainment	343.72	0.00	343.72	100.0%

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit & Loss Budget vs. Actual

July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
6024 • Hotel				
6024.1 • Wednesday Night Event	56.68	75,000.00	-74,943.32	0.08%
6024.2 • Conference	134,705.91			
6024.3 • Food & Beverage	10,000.00			
6024 • Hotel - Other	5,710.97	275,000.00	-269,289.03	2.08%
Total 6024 • Hotel	150,473.56	350,000.00	-199,526.44	42.99%
6025 • Program Material	1,060.97	30,000.00	-28,939.03	3.54%
6026 • Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 • Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 • Travel	7,708.16	3,000.00	4,708.16	256.94%
Total 6020 • Spring Conference	159,586.41	481,500.00	-321,913.59	33.14%
6051 • Taxes & Licenses	0.00	100.00	-100.00	0.0%
6053 • Technology/AMS/Website	6,709.97	15,000.00	-8,290.03	44.73%
6054 • Travel	5,404.94	25,000.00	-19,595.06	21.62%
Total Expense	254,499.40	1,622,968.01	-1,368,468.61	15.68%
Net Ordinary Income	243,292.48	6,781.99	236,510.49	3,587.33%
Net Income	243,292.48	6,781.99	236,510.49	3,587.33%



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

Dan McAllister, San Diego CERA, SACRS President

##### **A. SACRS President Update**



**No Printed Materials For This Item**



**5. SACRS Legislative Committee Update - Vote** Vacant, SACRS  
Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. Orange CERS Proposal – NO ACTION - ITEM WITHDRAWN



## **State Association of County Retirement Systems 2018 Legislative Update September 14, 2018**

The Legislature adjourned its 2017-2018 Legislative Session just before midnight on August 31, having passed 1,562 bills to the Governor in the final months of the legislative session. The Governor has until September 30 to sign or veto all the bills before him. At the time of this writing, the Governor has yet to act on about half of the bills before him.

Members of the Legislature, in the meantime, have returned to their districts to campaign for re-election, travel, meet with constituents and begin preparing for the 2019 Legislative Session. The Legislature will return briefly on December 3 to swear-in members elected in November.

The following is a brief recap of the 2018 Legislative Session as it applies to the State Association of County Retirement Systems (SACRS).

### **SACRS Sponsored Legislation**

#### **SB 1270 (Vidak) -- County Retirement System Personnel –Signed by Governor**

At the 2018 Spring Meeting, SACRS voted to co-sponsor SB 1270 with the Tulare County Retirement System. SB 1270 is authored by Senator Andy Vidak and would authorize a county retirement board to appoint an assistant administrator and chief investment officer to serve at the pleasure of the appointing board. This authority would be granted subject to the approval and adoption of a resolution by the relevant County Board of Supervisors for that system.

SB 1270 is consistent with the long-standing SACRS goal of providing retirement boards the tools needed to best manage and recruit talented and skilled employees in order to protect the assets of retirees and to fulfill the fiduciary responsibility of the retirement systems. SB 1270 is structured so that retirement boards and the boards of supervisors work collaboratively in this regard.

There are already five county retirement systems with this authority granted by the Legislature. SB 1270 puts in place a statutory mechanism that will save future retirement systems and counties from coming back to the Legislature each time a local agreement on these personnel matters is made.

Governor Brown signed this bill into law on July 16.



### **Other County Retirement Legislation**

#### **AB 2076 (Rodriguez) – LACERA – Signed by Governor**

This bill will authorize LACERA to correct a prior board decision determining the date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision. The bill would further authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provisions become operative.

Governor Brown signed this bill into law on July 16.

#### **SB 866 and SB 846 – Budget Trailer Bill and Trailer Bill Cleanup – KCERA**

The Legislature passed and the Governor signed a budget trailer bill that, among other things, required the Kern County Hospital to enroll all new hires in the Kern County Employee Retirement Association (KCERA). That bill, SB 866, was negotiated by the public employee union representing hospital workers in Kern County, the Legislature, and the Governor's office in the final days leading to adoption of the state budget and had no substantive public review. It became apparent to KCERA, after the fact, that the wording in the newly adopted law could jeopardize KCERA's tax status with the Internal Revenue Service.

KCERA's General Counsel, Executive Director, and outside counsel reached out to the legislative team to seek guidance and help on how to rectify this problem during the short window remaining in the 2018 Legislative Session.

We helped by providing strategic guidance on working with the public employee union and brought the issue to the attention of the Governor's Office and the Legislative Leadership. We were able to secure important phone calls between KCERA and staff within the Governor's office. Further, KCERA provided us with a suggested legislative fix that we shared with the Assembly and Senate budget staff and the Governor's office.

Working with the KCERA team, we were able to secure a budget trailer cleanup bill that was heard in committees of both houses and voted on the floors of each house -- all within the course of just one month. We are pleased to report that SB 846 is currently awaiting action by the Governor and we expect it will be signed.

### **Retirement Legislation of Interest**

#### **AB 1912 (Jones-Sawyer) – JPA Liability for Retirement**

As originally introduced, this bill would have required member agencies of a Joint Powers Agency to be jointly and severally liable for the retirement obligations of its employees. This bill arose out of the dissolution of a JPA in Los Angeles that resulted in the JPA's insolvency and inability to pay retirement contributions to PERS. As it passed the Assembly, it applied to all JPA's contracting with a retirement system. AB 1912 was strongly opposed by cities, counties and special districts and it did not appear likely that it would pass the Senate policy committee. Prior to the hearing in the Senate Public Employment and Retirement Committee (PE&R), an agreement was made to amend the bill to require proportional liability for JPA's that become insolvent. With that amendment, local government associations removed their opposition and the bill passed both policy committees and the Senate. At the time of this writing, the bill is awaiting action by the Governor.

#### **AB 3084 (Levine) – OPEB Funding**

This bill would have required all state and local retirement systems to describe contribution, funding and investment progress of other post-employment benefits (OPEB) in the audited financial statements of the system. The SACRS Legislative Committee opposed this bill due to the fact that most OPEB plans are sponsored and financed by an entity other than the retirement system and it would be inappropriate and confusing to make the retirement system responsible for reporting on OPEB liabilities. Armed with that information, we successfully lobbied the author to remove the reporting obligation placed on retirement systems. The amended bill passed its first policy committee but was held in the Assembly Appropriations Committee due to the cost on the government employer.

### **Pension Reform**

The 2018 Legislative Session commenced concurrently with the release by the League of California Cities' Retirement System Sustainability Study. This report gained a lot of media and public attention and highlights local government's concern that funding for pensions is impacting funding for existing services. This report, and others like it, help drive legislative efforts on pension reform.

The 2018 Legislative Session yielded a handful of introduced bills that would be labeled "pension reform" by the authors and proponents. Generally, these bills are characterized as a means to reduce or eliminate long-term pension liabilities of government agencies. These bills tend to try to change public retirement from defined

benefit programs to defined contribution programs and are typically introduced by Republicans. Most of these bills do not even get set for hearings. Below, however, are bills that were heard, voted on, and defeated in legislative committees.

**SB 1031 (Moorlach) – Cost of Living Adjustments**

This bill would prohibit a cost of living adjustment to beneficiaries or survivors if the unfunded liability for that retirement system is greater than 20 percent. Senator Moorlach is an Orange County Republican who believes that his efforts are in the long-term interest of public employees. This bill was supported by the Orange County Cities Association and opposed by a coalition of public employee unions. It failed on a 1-3 vote in committee.

**SB 1149 (Glazer) – PERS Defined Contribution Plan**

This bill would create an optional defined contribution plan for new state employees who are eligible to become members of PERS and who choose not to make contributions into the defined benefit program under PERL.

Senator Glazer, a Democrat from Contra Costa County, argued that his bill recognizes the changing demographic nature of the state workforce, who are now trending younger and less likely to spend their whole career in state civil service. He believes these employees want and need portable retirement benefits.

SB 1149 was opposed by a coalition of public employee unions and it failed passage in the Senate PE&R Committee on a 1-3 vote.

**SCA 8 (Moorlach) – Constitutional Amendment: Benefit Reductions**

This constitutional amendment would allow a government employer, including a county, to reduce retirement benefits on work not yet performed. This would mean that the employee's defined benefit could be changed mid-career. Senator Moorlach argued that he is protecting retirees from the actions of a judge who may do something worse in the case of an insolvent retirement system. The public employees opposed the bill arguing that benefits can be reduced through bargaining. The bill failed passage in the Senate PE&R Committee on August 13 on a 2-3 vote.

**SCA 10 (Moorlach) – Constitutional Amendment: Voter Approval of Benefits**

This constitutional amendment would prohibit any government employer from approving a retirement benefit increase unless that increase is approved by a two-thirds vote of the electorate of that government jurisdiction. This bill was heard in committee on August 13. Senator Moorlach argued that this method of approving benefits works in San Francisco and should work for the state. The public employee unions argued that this undermines collective bargaining. The bill failed on a 2-3 vote.

### **November Election**

The November election will be held on November 6. While there are a lot of California Congressional seats “in play” for the General Election that could tip the balance of power in Washington DC, there will be no partisan shakeup in the California Legislature. Nor will Republicans gain any statewide elected offices.

Most political pundits agree that the only statewide partisan seat that is competitive will be the race for Insurance Commissioner which pits Democrat State Senator Ricardo Lara against former Insurance Commissioner Steve Poizner who is no longer registered with a political party.

### **Governor**

It is widely expected that the current Lt. Governor, Democrat Gavin Newsom, will prevail in the race for Governor against Republican John Cox. If that occurs, this will be the first time since the 1990 election that a new Governor will be from the party of the departing Governor.

### **Legislature**

As noted above, there are only a handful of competitive legislative seats. The only electoral suspense will be whether Democrats in the Senate regain the two-thirds supermajority that it lost in 2018 and whether Democrats in the Assembly hold or build on their existing supermajority.

We look forward to discussing all of this and more at the SACRS Conference in November.



**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Tuesday, September 04, 2018 10:58:23 AM  
**Last Modified:** Tuesday, September 04, 2018 2:55:14 PM  
**Time Spent:** 03:56:50  
**IP Address:** 12.52.174.18

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Page 1

**Q1 Title of Issue:**

Compensation of Board Members

**Q2 Retirement Association/System:**

Orange County Employees Retirement System

**Q3 Contact Person:**

Gina M. Ratto

**Q4 Contact e-mail:**[gratto@ocers.org](mailto:gratto@ocers.org)**Q5 Contact Phone #:**

(714) 558-6221

**Q6 Description of issue:**

The amount of the stipend paid to appointed members and the retiree member of the board of retirement for attendance at meetings of the board and committees has remained the same (\$100 per meeting) and has not been adjusted (not even for inflation) for at least 20 years.

**Q7 Recommended solution:**

Amend Government Code section 31521 to increase the per meeting stipend to \$200 per meeting, to be adjusted annually.

**Q8** Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers:

Amend section 31521 so that it reads as follows: "The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2 , the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than two hundred dollars (\$200) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, adjusted annually by the amount of the adjustment approved by the board in accordance with Article 16.5 of this chapter (commencing with Section 31870), together with actual and necessary expenses for all members of the board."

**Q9** Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?

Because all county retirement systems stand to benefit from the amendment.

**Q10** Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?

No.

**Q11** Who will support or oppose this proposed change in the law?

Some county retirement systems may support this proposed change in the law. Some county retirement systems may oppose this proposed change in the law.

**Q12** Who will be available from your retirement association/system to testify before the

Legislature? Gina M. Ratto, OCERS General Counsel



**6. SACRS Nomination Committee - 2019-2020 SACRS Election Notice – No Action**

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2019-2020





November 16, 2018

To: SACRS Trustees & SACRS Administrators/CEO's  
From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair  
SACRS Nominating Committee  
Re: SACRS Board of Director Elections 2019-2020 Elections

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SACRS BOD 2019-2020 election process will begin **January 2019**. Please review the following timeline and distribute to your Board of Trustees.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations prior to the first Business Day after March 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election.
March 25, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

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

**Section 1. Board of Directors.** The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediately 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.

**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 prior to the first Business Day after March 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election.

The Nominating Committee will report a final ballot 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 recommended ballot and final ballot 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 with 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.

Interested candidates should submit their letter of intent and the form included in this letter to the Nomination Committee no later than the cut-off dates listed in the schedule.

The elections will be held at the SACRS Spring Conference May 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

If you have any questions, please contact me at Ray McCray, [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) or (209) 417-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

*Ray McCray*

Ray McCray, San Joaquin CERA Trustee  
SACRS Nominating Committee Chair

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



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2019-2020**

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, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) 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) 441-1850.

<b>Name of Candidate</b>	
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	
<b>Name of Retirement System Candidate Currently Serves On</b>	
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"><li><input type="radio"/> President</li><li><input type="radio"/> Vice President</li><li><input type="radio"/> Treasurer</li><li><input type="radio"/> Secretary</li><li><input type="radio"/> Regular Member</li></ul>
<b>Brief Bio</b>	



## **7. SACRS Audit Report – No Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

### **A. SACRS Audit Committee Update**



**No Printed Materials For This Item**



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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

### **A. SACRS Fall Conference Evaluations 2018**



**No Printed Materials For This Item**



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

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

### **A. SACRS Fall Conference Report 2018**





**No Printed Materials For This Item**



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

Lesley Nettles, Fairview Capital, SACRS Affiliate Committee Chair

### **A. Affiliate Committee Update**



**No Printed Materials 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 Materials For This Item**



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

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

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



### **13. Adjournment**

Next scheduled SACRS Association Business Meeting will be held Friday, May 10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA.