



Date: January 15, 2020
To: Board of Retirement
From: James Wilbanks, Ph.D., Executive Director
Subject: Administrative Report

Comprehensive Annual Financial Report (CAFR)

The fiscal year 2019 CAFR is complete and has been posted to the Association website.

Ethics Training

Several Trustees are due for the biennial required ethics training. Judy has sent emails to those who are required to take the training in 2020. Once you have completed the training, please send a copy of your certificate to Judy for our records.

Fiduciary Insurance Renewal, Waiver of Recourse Payments

If you forgot last month, please bring a check for \$9, made out to MCERA, to the December Board meeting for the Waiver of Recourse payment.

Form 700 Filing

Form 700s will be due to MCERA after the beginning of the year. The deadline for submitting the form is April 1, 2020.

Legislative Update

Please see the attached Legislative Update from SACRS.



January 10, 2020

TO: State Association of County Retirement Systems

FROM: Mike Robson, Trent Smith, and Bridget McGowan, Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – January 2020**

Overview

The Legislature returned to Sacramento on January 6, marking the end of interim recess and the beginning of the second year of session. Legislators will begin introducing new bills and moving their two-year bills. The bill introduction deadline is February 21.

The two-year bills that did not make it out of their first house last year will need to pass out and be transmitted to their second house by January 31, meaning they will move quickly. The two-year bills that made it into the second house before the first year of session closed will follow the normal legislative calendar for passage.

Two Year Bills of Interest

SB 783 (Committee on Labor, Public Employment and Retirement) – SACRS Sponsored Bill. This cleanup bill makes technical changes to withdrawn employer liabilities, service purchase for parental leave, military leave, board approval of retirements, 60-day advance application windows, reinstatement from retirement and lump sum payments for minimum age distribution.

New language for SB 783 was drafted by the SACRS Legislative Committee and approved by the SACRS board and membership. The consultants for the Senate Labor, Public Employment and Retirement Committee are reviewing the language before it is amended into the bill.

This bill is in its second house and will likely be heard in the Spring.

AB 315 (C. Garcia) – Government Lobbying Associations. This bill limits how associations funded by local governments/special districts can use their funds. Specifically, the bill would prevent local agency associations from using funds for activities that are not lobbying or strictly educational activities. Further, the bill would require that an association publicly disclose the amount of money spent on these activities and prohibits an association from incurring travel-related expenses except for

the association to hold an annual conference or send its members to attend educational activities.

The bill will be heard next in the Assembly Local Government Committee.

Chaptered Legislation of Interest

Several bills monitored by SACRS in 2019 became law in 2020. Although none of the bills below apply to County retirement systems, it is worthwhile to follow the development of bills that affect CalPERS, CalSTRS and local government as they reflect trends in the Legislature. Below is a brief overview of key bills that went into effect on January 1 of this year.

AB 672 (Cervantes) - Reinstatement from Disability Retirement. This bill prohibits a person who has retired for disability from being employed by any employer without reinstatement if the position is the same position that the person retired from or has similar duties to the position the person retired from. The bill was sponsored by CalPERS. It was signed by the Governor on July 12.

AB 931 (Boerner Horvath) - Local Board Representation. This bill prohibits the membership of appointed boards and commissions in cities with a population of 50,000 from having more than 60% of the same gender identity. Smaller boards are prohibited from being comprised only of members of one gender. The bill was signed by the Governor on October 12.

AB 1320 (Nazarian) – Turkey Divestment. This bill prohibits CalPERS and CalSTRS from making or renewing investments in vehicles owned, issued, controlled or managed by the government of Turkey if the federal government imposes sanctions on the government of Turkey for failing to officially acknowledge its responsibility for the Armenian Genocide. The bill was signed into law by the Governor on October 2.

The US House of Representatives and US Senate recently voted to recognize the Armenian genocide. However, sanctions were not imposed so AB 1320 was not triggered in California.