



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
www.tcera.org

AGENDA OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, April 14, 2021 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE OF TEMPORARY PROCEDURES FOR BOARD OF RETIREMENT MEETINGS

On March 17, 2020, California Governor Gavin Newsom issued Executive Order N-29-20, relating to the convening of public meetings in light of the COVID-19 pandemic. The Tulare County Employees' Retirement Association (TCERA) hereby provides notice that it will continue to convene its regularly scheduled public meetings of the Board of Retirement in the Board Room at 136 N. Akers Street, Visalia, as provided in the publicly posted agenda notice, and until further notice.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may address the Board of Retirement in person at the meeting. Members of the public may also submit public comment via email to BORPublicComment@tcera.org before the meeting. The comments received via email before the meeting will be read to the Board of Retirement in open session during the meeting as long as the comments meet the requirements for Public Comments as posted in the agenda. Persons wishing to listen to the meeting and/or participate in public comment remotely may call the TCERA Office during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.) within 48 hours of the meeting at 559-713-2900 for login information. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

As a courtesy to those in attendance, all individuals are requested to place cell phones and other electronic devices in the non-audible alert mode.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

V. X-AGENDA ITEMS

VI. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of March 24, 2021.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services in the amount of \$20,000 for the month ended March 31, 2021.
 - b. Hanson Bridgett – invoice for legal services to the Board of Retirement in the amount of \$211.50 for the period ending February 28, 2021.
3. Pension Board Reports
 - a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of March 2021.
 - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of March 2021.

VII. INVESTMENTS

1. Presentation from PIMCO regarding TCERA's investment allocation to International Value Equity. Discussion and possible action.
2. Presentation from Ivy regarding TCERA's investment allocation to Large Cap Growth Equity. Discussion and possible action.
3. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

VIII. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Dave Kehler regarding the Administrative Committee meeting of March 24, 2021. Discussion and possible action regarding the following items:
 - a. TCERA and TCERA Property, Inc. Financial Statements – December 31, 2020 and January 31, 2021.
 - b. Supplemental Retiree Benefit Reserve (SRBR) Analysis.
 - c. TCERA Staffing – Secretary Vacancy and Recruitment.

IX. NEW BUSINESS

1. Discussion and possible action regarding Resolution Regarding Pay Codes Included as Pensionable Income – Tulare County.
2. Discussion and possible action regarding Resolution Regarding Pay Codes Included as Pensionable Income – Tulare County Superior Court.
3. Discussion and possible action regarding SACRS Board of Director Elections 2021-2022 – Final Ballot.
4. Discussion and possible action regarding SACRS sponsorship for omnibus bill SB634 (Committee on Labor, Public Employment and Retirement).
5. Discussion and possible action regarding Resolution Ordering Board of Retirement Trustee Special Election - Second Member Position (Elected General Member).

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Mary Warner – CALAPRS General Assembly, March 8-9, 2021, 7.75 hours.
2. Discussion and possible action regarding available educational events.

XI. COMMUNICATIONS

1. SACRS Legislative Update
2. SACRS Business Meeting Packet for Spring SACRS, Friday, May 14, 2021

XII. UPCOMING MEETINGS

1. Investment Committee Meeting April 14, 2021
2. Board of Retirement Meeting April 28, 2021, 8:30 a.m.
3. Special Board of Retirement Meeting April 29, 2021, 8:30 a.m.
4. Administrative Committee Meeting April 29, 2021, 12:00 noon.

XIII. TRUSTEE/STAFF COMMENTS

Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

XIV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board of Retirement at (559) 713-2900. Notification 48 hours prior to the meeting will help enable staff to make reasonable arrangements to ensure meaningful access. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at TCERA, 136 N. Akers Street, Visalia, CA. during normal business hours.



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
www.tcera.org

MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, March 24, 2021 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 8:30 a.m. by Wayne Ross, Chair.

II. ROLL CALL

Voting Trustees Present:	Cass Cook (departed 10:10 a.m.), Roland Hill, Laura Hernandez, Wayne Ross, Gary, Reed, Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel (arrived at 8:34 a.m.)
Alternate Trustees Present:	George Finney, Paul Sampietro, Dave Vasquez
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Board Counsel Participating	
Remotely:	Jennifer Shiffert, Deputy County Counsel
Consultants Present:	Scott Whalen, Verus
Consultants Participating	
Remotely:	Mike Kamell, Verus

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

None

V. X-AGENDA ITEMS

None

VI. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of March 10, 2021.
2. Approve payments to:
 - a. BNY Mellon – invoice for master trust custodial services in the amount of \$81,063.70 for the quarter ended December 31, 2020.
 - b. Verus – invoice for investment consulting services in the amount of \$20,755.96 for the month ended February 28, 2021.

Motion to approve the consent calendar as presented.

Motion: Young

Second: Hernandez

Motion passed unanimously (absent Vander Poel).

VII. INVESTMENTS

1. Investment Refresher Course - Educational Presentation from Scott Whalen, Verus.

Mr. Whalen provided investment-related education. The Chair authorized 1.25 hours of education credit.

2. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

No discussion or action.

VIII. INVESTMENT COMMITTEE REPORT

1. Update by Gary Reed regarding the Investment Committee meeting of March 10, 2021. Discussion and possible action regarding the following items:

- a. Asset Allocation Status

Mr. Reed reported that the Committee reviewed the report and the rebalancing activity that is in process.

- b. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Mr. Reed reported that the Committee discussed the reports and provided guidance to Mr. Whalen regarding the Investment Refresher Course and the Active/Passive discussion.

- c. Asset/Liability Study

Mr. Reed reviewed the discussion regarding topics to be included in the upcoming asset/liability study. The Committee directed Mr. Whalen to include the following in the report:

- Return expectations compared to TCERA's investment return assumption of 7%.
- Risk/return considerations in asset allocation construction.
- Appropriate level of risk for TCERA's portfolio.
- Liquidity study to help assess potential to add private market investments.

d. Rules-Based Investment Manager Scorecard

Mr. Reed informed the Board that Mr. Whalen provided the scorecard for TCERA's consideration as an additional reporting tool for analyzing investment managers. Pros and cons of the report were discussed. The Board affirmed the Committee's recommendation to include a customized report for TCERA in the annual fiscal year end investment performance report beginning with the upcoming report for June 30, 2021.

e. Investment Managers

1) Verus Flash Report – All Managers

Mr. Reed reported that the Committee reviewed the report with Mr. Whalen.

2) Managers of Interest

- a) Franklin Templeton – Manager Review – Mr. Reed noted that there is some improvement in performance for the one-month data. It is too soon to tell if this trend will continue.
- b) Sixth Street – Partnership with Dyal Capital Partners – Mr. Reed indicated that Mr. Whalen had reviewed the concerns regarding the partnership. The Committee directed that Sixth Street remain as a manager of interest to allow for discussion of future developments or effects on portfolio management.
- c) Boston Partners – Personnel Changes – Notification only. No action required.

f. Investment Consultant RFP Responses

Mr. Reed indicated that the Committee recommends the following firms be designated as finalists:

- AndCo
- Meketa
- NEPC
- Verus

The Board indicated that they wanted to allow sufficient time for the presentations and subsequent discussion and directed Staff to schedule the presentations on two separate days. The tentative dates will be Wednesday, April 28, 2021 and Thursday, April 29, 2021, pending confirmation with the firms. The Board also indicated that because of the significance of the investment consultant relationship, in person presentations should be required. The Investment Committee, at its next meeting, intends to discuss and develop standard questions to be posed to each firm during the finalist presentations. Trustees were encouraged to send ideas for questions to the Retirement Administrator for the Committee's consideration.

Motion to identify AndCo, Meketa, NEPC, and Verus as finalists eligible to make presentations to the Board of Retirement. The presentations will be scheduled in person on two separate days.

Motion: Vander Poel

Second: Hernandez

Motion approved unanimously.

IX. NEW BUSINESS

1. Discussion and possible action regarding SACRS Voting Proxy Form for the virtual spring conference.

Motion to authorize the Retirement Administrator as the voting delegate and the Assistant Retirement Administrator as the Alternate Voting Delegate for the virtual spring conference to be held May 11-14, 2021.

Motion: Kehler

Second: Young

Motion approved unanimously (Sampietro voting in the absence of Cook)

2. Discussion and possible action regarding Resolution Regarding Pay Codes Included as Pensionable Income – Strathmore Public Utilities District.

Ms. Malison informed the Board that this resolution is intended to clarify the previous action of the Board where the Strathmore Public Utilities District pay codes were incorporated by reference into an earlier Board resolution. This resolution lists the codes used by the district, independent of codes used by other employers.

Motion to approve the resolution identifying the pensionable status of the Strathmore Public Utilities District pay codes as presented.

Motion: Vander Poel

Second: Young

Motion passed unanimously (Sampietro voting in the absence of Cook)

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Dave Kehler – PIMCO Webinar: Why Bonds Remain Essential, March 4, 2021, 1 hour
 - b. Dave Kehler – CALAPRS Virtual General Assembly, March 8 & 9, 2021, 6.5 hours
 - c. Leanne Malison – PIMCO Webinar: Why Bonds Remain Essential, March 4, 2021, 1 hour
 - d. Leanne Malison -- CALAPRS Virtual General Assembly, March 8 & 9, 2021, 5 hours

Motion to approve the Summary Education Reports as filed.

Motion: Hill

Second: Young

Motion passed unanimously (Sampietro voting in the absence of Cook)

2. Discussion and possible action regarding available educational events.

No discussion or action.

XI. COMMUNICATIONS

1. SACRS Legislative Update – March 2021

XII. UPCOMING MEETINGS

1. Administrative Committee Meeting March 24, 2021, 10:30 a.m.
2. Board of Retirement Meeting April 14, 2021, 8:30 a.m.

3. Investment Committee Meeting April 14, 2021, 10:30 a.m.
4. Board of Retirement Meeting April 28, 8:30 a.m. – Note possible special meeting on April 29, 2021.
5. Administrative Committee Meeting April 28, 10:30 a.m.

XIII. TRUSTEE/STAFF COMMENTS

Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

Ms. Malison provided an office update, reporting that with the upgrade in the COVID status for Tulare County from purple to red, staff have returned full time to the office. Safety protocols remain in place and the lobby continues to be closed to the public except for Board meetings and special appointments.

Mr. Hill announced that this will be his last Board of Retirement meeting. He is retiring from County employment effective March 27, 2021. Chairman Ross presented a plaque to Mr. Hill recognizing his many years of service on the Board.

Ms. Hernandez asked for a brief description of what is necessary for a Golden Handshake and how it affects TCERA. Ms. Malison indicated that this is an employer-initiated action and provided a quick summary of the Golden Handshake process as defined in the California Government Code.

Ms. Malison noted that Mr. Hill's trustee seat would remain vacant until the next election in December of 2021 as required by TCERA policy. She briefly reviewed the role of the alternate trustees during the vacancy noting that the alternate safety trustee can act as the voting member for the vacancy. If the regular safety member and the alternate safety member are absent, the alternate retiree representative can act as the voting member for the safety absence (not the vacancy).

XIV. ADJOURNMENT

The meeting was adjourned at 10:20 a.m.

Wayne Ross, Chair



800 Fifth Avenue, Suite 3900
Seattle, WA 98104
(206) 622-3700 www.verusinvestments.com

Invoice

Date	Invoice#
4/1/2021	INV030023
Due Date	Terms
5/1/2021	Net 30

Bill To

Ms. Mary Warner
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291

Services Provided to: Tulare County Employees' Retirement Association

Service Dates: March 2021

Services Rendered	Amount
Monthly Billing	\$20,000.00

SubTotal	\$20,000.00
Past Due Balance	\$20,755.96 Pd
Total	\$40,755.96

We accept wire and EFT payments. Call us to learn more.

Thank you for choosing Verus Advisory, Inc. We sincerely appreciate your business.

Please let us know if you would like to receive a copy of our disclosure brochure Form ADV Part II.

Tax ID Number: 91-1320111

RECEIVED

MAR 22 2021



TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

March 15, 2021
Invoice# 1287550

Tulare County Employees Retirement Association
Leanne Malison, Administrator
136 N. Akers St.
Visalia, CA 93291-1521

Client # 029918 Tulare County Employees Retirement Association
Matter # 029918.000001 Public Retirement System Tax Compliance

For Legal Services rendered through February 28, 2021

Invoice Summary

Total Fees	<u>\$211.50</u>
Total Amount Due (upon receipt)	<u><u>\$211.50</u></u>

APPROVED FOR PAYMENT

Time Detail

Date	Description	Tkpr	Hours
02/11/21	Review inquiry from TCERA and discuss with L. Malison.	NGH	0.50
02/12/21	Address concerns J. Kuhn raised regarding resolution amending TCERA's 415 regulations and update L. Malison regarding the same.	NGH	0.50

Total Hours 1.00

Total for Services \$211.50

***** **Attorney Summary** *****

Timekeeper	Initials	Title	Rate	Hours	Value
Nancy G. Hilu	NGH	Partner	211.50	1.00	211.50
Total Fees				<u><u>1.00</u></u>	<u><u>\$211.50</u></u>

Total For This Invoice, Due and Payable On Receipt

\$211.50

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
March 31, 2021
RETIREMENT APPLICATIONS**

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Age at Retirement	Length of Service Continuance From
ALCALA DINA Unknown General - Tier III	Unmodified Option Service §31760.1	02/01/2021 59	0.6923 years N/A
CALVARY CAROLINA D DA-Action/Visalia Safety - Tier III	Unmodified Option §31760.1	01/10/2021 70	11.6192 years CALVARY ERNEST
FERNANDEZ GENE Prob-Admin-Visalia Safety - Tier III	Unmodified Option Service §31760.1	02/26/2021 49	21.9231 years N/A
HIGHTOWER JUDITH CAO-GS-Custodial South General - Tier III	Unmodified Option Service §31760.1	02/27/2021 70	12.4615 years N/A
JONES DAVID General - Tier I	Option 2 §31762	12/01/2019 2	1.2528 years JONES ALEXIS
KAWANO RODNEY Unknown General - Tier III	Option 1 Service §31761	02/01/2021 55	5.8462 years N/A
LEHMAN DENNIS Capital Project Fund General - Tier III	Unmodified Option Service §31760.1	02/27/2021 68	9.3077 years N/A
MCCRONE ROBERT Information Technology General - Tier III	Option 2 Service §31762	02/13/2021 65	13.2191 years N/A
MOBERLY MICHAEL DA-Visalia Courthouse General - Tier III	Unmodified Option Service §31760.1	01/23/2021 61	19.3331 years N/A
MORALES MANUEL D 9550 General - Tier I	Unmodified Option §31760.1	01/02/2021 87	24.1083 years MORALES MAE
NIX ANNETTE Unknown General - Tier III	Unmodified Option Service §31760.1	01/29/2021 55	5.0000 years N/A
ROBLES MARTINA HHS-MH-Visalia Adult Clinic General - Tier III	Unmodified Option Service §31760.1	02/25/2021 57	12.3462 years N/A
SEDILLO GWENDOLEN DA-Visalia Courthouse General - Tier III	Unmodified Option Service §31760.1	02/17/2021 56	10.1542 years N/A
SMITH HAROLD Prob-Juvenile Justice Safety - Tier III	Option 2 Service §31762	02/06/2021 52	26.2714 years N/A

VATCHER PENNIE	Option 2	12/01/2019	1.2528 years
General - Tier I	§31762	2	JONES ALEXIS
WEDDLE THOMAS	Unmodified Option	03/27/1999	10.5861 years
Unknown	Service	61	N/A
General - Tier I	§31760.1		

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
March 31, 2021
DECEASED PENSIONERS**

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Date of Death Age at Death	Length of Service Paid Continuance to Age at Retirement
ARNOLD FRANK DA-Investigations-Doe Safety - Tier II	Unmodified Option Service §31760.1	11/09/2013 01/22/2021 65	28.3077 years 58
BELCHER JAMES 9550 General - Tier I	Unmodified Option Service §31760.1	03/29/1993 12/04/2020 89	24.3472 years 61
CALVARY ERNEST DA-Action/Visalia Safety - Tier III	Unmodified Option Service §31760.1	03/26/2011 01/09/2021 77	11.6192 years CALVARY CAROLINA D 67
CARRASCO ANGIE HHS-HS-Tulare District Off General - Tier I	Unmodified Option Service §31760.1	08/22/1999 12/28/2020 71	24.0083 years 50
CRABLE JUDITH Sher-Dt-Transport Safety - Tier II	Unmodified Option Service §31760.1	04/12/2000 09/25/2020 80	7.9194 years 60
GIVENS SYLVIA 9550 General - Tier II	Unmodified Option Service §31760.1	01/09/1993 01/02/2021 98	6.1472 years 70
JONES ALEXIS General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years VATCHER PENNIE 64
JONES ALEXIS General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years JONES DAVID 64
JONES ALEXIS General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years 64
JONES STUART General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years JONES ALEXIS 64
JONES STUART General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years JONES DAVID 64
JONES STUART General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years VATCHER PENNIE 64
JONES STUART General - Tier I	Option 2 Service §31762	12/29/1990 01/27/2020 93	1.2528 years 64
MCEWEN CHARLOTTE General - Tier I	Unmodified Option Service §31760.1	04/19/1981 01/03/2021 103	10.6333 years 63

MORALES MAE 9550 General - Tier I	Unmodified Option Service §31760.1	07/07/1995 01/01/2021 83	24.1083 years MORALES MANUEL D 58
RUSSELL EUGENE General - Tier I	Unmodified Option Service §31760.1	07/02/1983 01/08/2021 102	18.9194 years 65
VANNORSALL JUANITA Child Support Services Dept General - Tier III	Unmodified Option Service §31760.1	03/27/2010 01/16/2021 79	19.8538 years 68

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
March 31, 2021
DECEASED ACTIVE EMPLOYEES**

Name	Type	Date of Death	Length of Service
Department		Age at Death	Paid Continuance
Status - Tier			Death Benefit

30 Year Board Report

March 2021

New 30-
Year
Member?

First Name	Last Name	Effective Date	Department	New 30- Year Member?
Craig	Anderson	2/14/2021	RMA-MG#2-Design,Const,Develop	No
Karen	Baldwin	7/5/2020	HHS-Admin Fiscal A/R	No
Nora	Barrera	11/27/2005	Assessor-Clerk/Recorder	No
Mike	Betzinger	10/15/2017	Solid Waste Visalia	No
Bruce	Bigham	10/11/2020	Ag Commissioner/Sealer	No
Steffany	Bischel	3/4/2018	HHS-HS-MCal Proc Center	No
Anthony	Boland	12/10/2017	RMA-TR-Operations	No
Michael	Boudreaux	5/28/2017	Sher-Op-Sheriff's Office	No
Sandra	Burnitzki	1/19/2020	HHS-Admin Human Resources	No
LUCIA	CANABA-GONZALEZ	8/2/2020	Court Reporters	No
Linda	Cantu	3/29/2020	Assessor-Clerk/Recorder	No
David	Case	8/6/2018	Ag Commissioner/Sealer	No
Gayline	Casey	5/22/2011	HHS-HS-Ben Elg Sup Team	No
Lori	Catuto	6/24/2018	HHS-Admin-Project Management	No
Rachel	Cazares	10/11/2020	HHS-HS-Dinuba District Off	No
William	Clark	2/14/2021	Information Technology	No
Connie	Cordeiro	3/8/2015	HHS-HS-CWS Creekside	No
KATHY	CORREIA	7/17/2011	Court Reporters	No
Rosie	DeLeon	9/27/2020	HHS-HS-PDO	No
Gracie	Delgadillo-Johnson	12/8/2019	TCSO-Youth Services	No
MARTINA	DELGADO	11/10/2019	Ab 1058 Commissioner	No
Robert	Dempsie	7/22/2018	DA-Visalia Courthouse	No
Lisa	Dougherty	5/17/2015	CAO-GS-Printing Services	No
Keith	Douglass	8/21/2016	Sher-Op-Sheriff's Office	No
SUSAN	EMBREY	9/3/2017	Collections Division	No
Cheryl	Fallert	8/16/2020	DA-Visalia Courthouse	No
Sherry	Franco	6/6/2010	Child Support Services Dept	No
Samantha	Franks	9/29/2019	RMA-LP-Geographic Info Systems	No
Catarino	Galicia	10/10/2010	Treasurer	No
Rebecca	Garcia	11/8/2020	HHS-HS-Dinuba District Off	No
Helen	Gonzalez	2/4/2018	HHS-HLTH-Fville WIC	No
John	Gonzalez	11/27/2016	Sher-Op-Captains	No
Eric	Grant	4/16/2017	DA-Visalia Courthouse	No
Maria	Gutierrez	12/22/2019	HHS-Admin Mental Health Svs	No
Robert	Haines	10/12/2008	Ag Commissioner/Sealer	No
Lance	Heiden	11/11/2018	Sher-Dt-Main Jail	No
Deborah	Hernandez	1/11/2015	HHS-HS-Hyde Adopt/Special	No
Kimberly	Hernandez	9/27/2020	Child Support Services Dept	No
Roland	Hill	4/26/2009	Assessor-Administration	No
CINDY	HOLWAY	10/25/2020	Court Reporters	No
Robert	Hurtado	10/25/2020	HHS-Admin Health Services	No
Ursula	Ihl	9/29/2019	DA-Visalia Courthouse	No
Keith	Jahnke	4/28/2019	HHS-HLTH-Environmental Health	No
Jay	Jones	1/19/2020	Information Technology	No
Cleopatra	Juarez	12/9/2007	Child Support Services Dept	No
Phillip	Kelly	3/1/2020	Prob-Center Street	No

30 Year Board Report
March 2021

First Name	Last Name	Effective Date	Department	New 30-Year Member?
Melodee	Krenk	5/10/2020	Prob-Electronic Monitor Ctr	No
Gary	Kupfer	10/4/2015	HHS-HS-CWS Processing Center	No
Cheri	Lehner	12/25/2016	Sher-Op-Sheriff's Office	No
Rebecca	Lopez	3/8/2015	HHS-HS-Visalia District Off	No
Sandra	Maldonado	2/2/2020	HHS-HLTH-Visalia Hlth Ctr	No
Joel	Martens	5/14/2017	HHS-HLTH-Environmental Health	No
PATRICIA	MARTENS	10/27/2019	Visalia Division	No
Raul	Martin	7/24/2016	Solid Waste Visalia	No
Bertha	Martinez	11/18/2012	CAO-GS-Property Management	No
AMBER	MATTHEWS	2/18/2018	Pre Trial Facility	No
John	Mauro	4/17/2016	HHS-Admin Human Services	No
Patricia	McCurry	10/11/2020	HHS-Admin Human Resources	No
Patricia	Mendoza	10/19/2014	HHS-HS-CWS Creekside	No
LESIA	MERVIN	5/3/2015	Court Reporters	No
SUSAN	MILLER	1/31/2021	Family Court Services	No
Donna	Moralez	1/31/2021	HHS-HLTH-Tulare Public CCS	No
Sylvia	Munoz	9/15/2019	HHS-HS-Dinuba District Off	No
Socorro	Munoz	4/26/2020	HHS-HLTH-Visalia Hlth Ctr	No
Martina	Navarro	10/11/2020	HHS-MH-SCIU	No
LOUISE	NELSON	11/12/2017	Family Court Services	No
Steven	Noland	4/1/2018	RMA-TR-Fleet Central Shop	No
Jane	Nystrem	2/16/2020	TCSO-Inmate Programs Unit	No
Scott	O'Neill	6/11/2017	Sher-Op-Porterville	No
Andrew	Pacheco	7/28/2013	RMA-Project Processing	No
Rodney	Parker	4/16/2017	Sher-Op-Pixley	No
Maria	Pasillas	1/31/2021	HHS-MH-Visalia AOD Inter_Prev	No
Ginger	Peck	12/10/2017	Purchasing	No
Tracye	Peck	9/29/2019	Prob-Electronic Monitor Ctr	No
Andy	Phetsada	7/8/2018	HHS-MH-Visalia Adult Clinic	No
Julie	Poochigian	6/22/2008	Assessor-Clerk/Recorder	No
Melissa	Powell	4/2/2017	HHS-Admin Fiscal A/P	No
Vickie	Rabago	1/15/2012	DA-Visalia Courthouse	No
Katherine	Reim	10/13/2019	Prob-Admin-Visalia	No
Sabrina	Robinson	5/15/2016	Information Technology	No
Angela	Rose	11/22/2020	County Counsel	No
Sharon	Rowton	11/18/2012	RMA-TR-Fleet Central Shop	No
John	Rozum	3/31/2019	County Counsel	No
James	Russell	9/1/2019	CAPITAL PROJ-Facilities	No
Judith	Sanchez-Duran	3/1/2020	HHS-HLTH-Hillman Lab	No
Mona	Sauceda	11/15/2015	HHS-Admin Fiscal A/P	No
Ermerejildo	Saucedo	12/6/2020	Tulare County Fire Dept	No
Gregory	Scroggins	6/24/2018	Prob-Electronic Monitor Ctr	No
Nelda	Sell	8/19/2007	RMA-TR-Visalia Rd Yd 2	No
Bernice	Soto	8/2/2020	HHS-HS-IMAGING UNIT	No
Angelina	Stanfill	5/28/2017	HHS-HS-Dinuba District Off	No
Patricia	Stanley	9/2/2018	Public Defender	No

30 Year Board Report
March 2021

First Name	Last Name	Effective Date	Department	New 30- Year Member?
Karen	Trevino	5/26/2019	HHS-HS-Hyde Adopt/Special	No
Jesusita	Vasquez	1/31/2021	HHS-HLTH-Environmental Health	No
Stella	Velasquez	2/9/2014	Sher-Op-Communications	No
Alma	Villarreal	1/20/2019	HHS-HS-CWS S Mooney Blvd	No
Karen	Whited	2/24/2013	HHS-HS-CWS S Mooney Blvd	No
LeAnne	Williams	1/17/2021	Prob-Admin-Visalia	No
David	Winters	4/28/2019	Sher-Dt-Bob Wiley Det. Fac.	No
Johnny	Wong	6/10/2018	RMA-TR-Operations	No
DAVID	WOOTEN	10/14/2018	Judicial Officers	No

Tulare County Employees' Retirement Association

RAE Global ex-US



**LIPPER FUND AWARDS
FROM REFINITIV**

**Best Group over 3 Years Large Equity
(2019, 2013, 2012, 2011, 2010)**

Lipper Asset Class Group Awards are awarded to eligible fund family groups and not individual funds.

The Lipper Fund Best Group over 3 Years Large Equity award recognizes funds that have delivered consistently strong risk-adjusted performance, relative to peers.

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Biographical information

Raji O. Manasseh, CFA

Mr. Manasseh is a senior vice president and equity strategist in the Newport Beach office. Prior to joining PIMCO in 2012, he was a vice president and client portfolio manager on Goldman Sachs Asset Management's (GSAM) fundamental equity team, working with a variety of clients from financial advisors to institutional consultants. Previously he was a product manager and an internal sales consultant at GSAM, and a medical researcher at Loyola University Chicago Stritch School of Medicine. He has 21 years of investment experience and holds an undergraduate degree in biology from Wheaton College in Illinois. He is a member of the CFA Society of Orange County.

Benjamin Ruffel, CFA

Mr. Ruffel is an account manager in the Newport Beach office, working primarily with U.S. public pension plans. Prior to joining PIMCO in 2020, he worked in client services at NISA Investment Advisors, an institutional asset manager. He has five years of investment experience and holds an MBA in analytic finance from the University of Chicago Booth School of Business. He received an undergraduate degree from Washington and Lee University.

Agenda: PIMCO RAE Strategy

1

Firm overview

2

RAE philosophy & methodology

3

RAE performance & portfolio characteristics

4

General discussion

5

Appendix

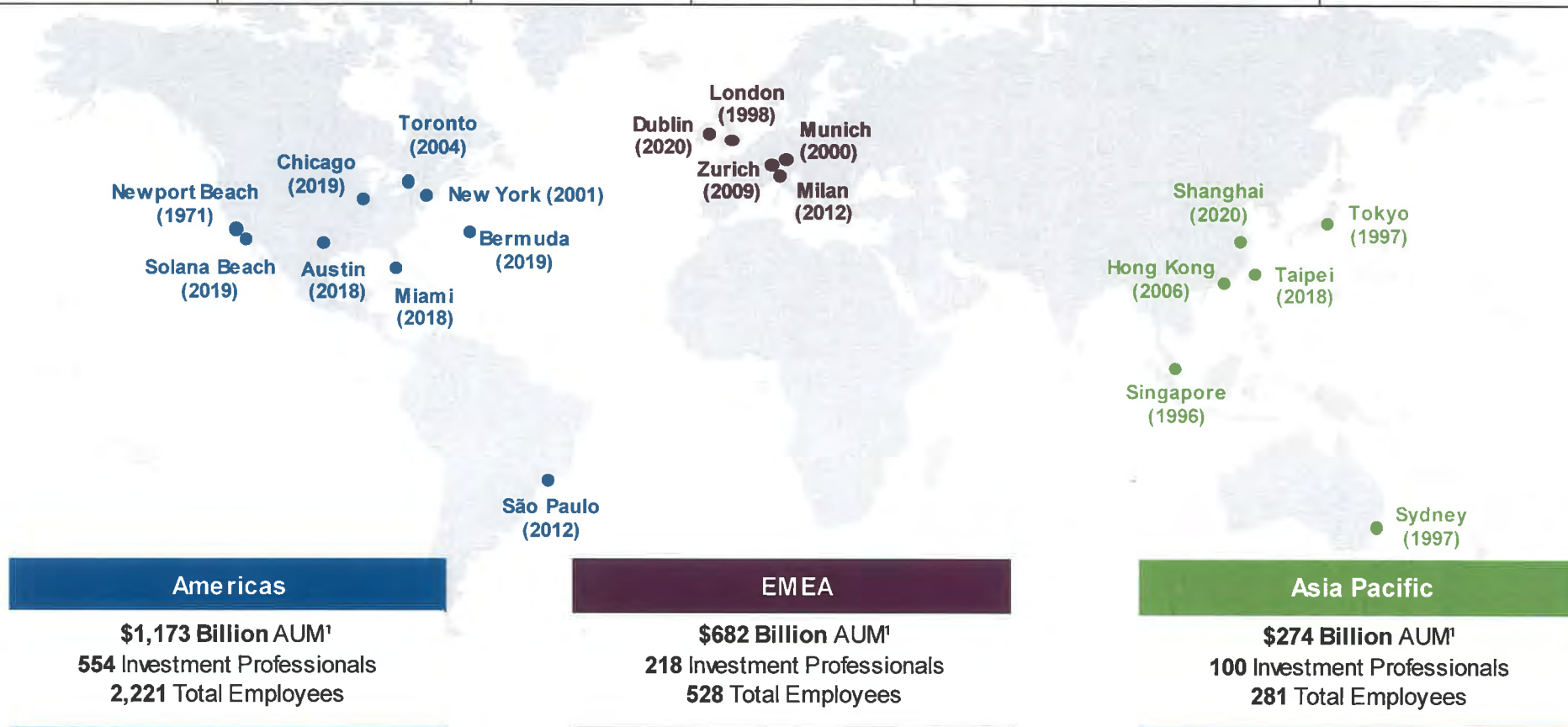
Firm overview



PIMCO at a glance

PIMCO

\$2.21 trillion in AUM*	50 years in industry	870+ investment professionals	3,025+ total employees**	260+ Portfolio Managers with an average of 17 years experience	50+ countries in which clients are based***
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As of 31 December 2020. SOURCE: PIMCO.

*PIMCO manages \$2.21 trillion in assets, including \$1.63 trillion in third-party client assets as of December 31, 2020. Assets include \$17.1 billion in assets of clients contracted with Gurtin Fixed Income Management, LLC and \$79.7 billion in assets of clients contracted with Allianz Real Estate, affiliates and wholly-owned subsidiaries of PIMCO.

**Excludes Allianz Real Estate employees

***Based on client account tax domicile

1Due to data lag, regional breakdown of AUM does not include assets of clients contracted with Allianz Real Estate.

Assets under management by strategy

PIMCO manages \$2.21 trillion in assets*, including \$1.63 trillion in third-party client assets

Alternatives [^]		Billions (\$)
Diversifying Absolute Return	Global macro, long/short credit, relative value commodities, alternative risk premia, and insurance linked securities	14.64
Alternative Credit & Private Strategies [#]	Opportunistic vintage, private lending, semi-liquid evergreen, and specialty mandates	33.54
Asset Allocation		
Asset Allocation Strategies	Global Core Asset Allocation, All Asset, EM Multi Asset, RealPath, Inflation-Response Multi Asset, DRA	41.69
Equities		
Equity Strategies	StocksPLUS®, systematic value, and smart beta equities	31.16
Real Return		
Real Return Strategies	Inflation linked strategies, actively managed commodities, and real-estate linked exposure	52.54
Fixed Income		
Total Return ¹⁻²	Total Return	90.07
Intermediate ²	Core Strategies, Moderate Duration	119.46
Credit	Investment Grade Credits, Bank Loans, High Yield	287.14
Long Duration	Focus on long-term bonds; asset liability management	207.35
Income	Income-oriented, insurance income	300.26
Global	International and global multiple currency formats	130.02
Liquidity Management ²	Money Market, Short-Term, Low Duration	136.32
Liquid Absolute Return	Dynamic Bond strategies, Credit Opportunities Bond, other absolute return strategies	19.57
Emerging Markets	Local debt, external debt, currency	36.85
Mortgages	Agency MBS, structured credit (non-Agency MBS, CMBS, and ABS)	48.07
Diversified Income	Global credit combining corporate and emerging markets debt	33.90
Municipals ⁴	Tax-efficient total return management	41.43
Other	Custom mandates	11.68
Total assets under management⁴		\$ 1,635.68 B
Stable Value ²	Stable income with emphasis on principal stability	25.88
Tail-Risk Hedging ³	Pooled and customized portfolios of actively managed tail-risk hedges	30.07

As of 31 December 2020. SOURCE: PIMCO. Past performance is not a guarantee or a reliable indicator of future results.

[^]Including \$79.7 billion in assets of clients contracted with Allianz Real Estate, an affiliate and wholly-owned subsidiary of PIMCO.

[#]Starting 31 March 2020, assets have been re-categorized accordingly. #AUM includes both reported and previous quarter data due to data availability limitations.

¹ Total Return has been segregated to isolate the assets of PIMCO sponsored U.S. Total Return 1940-act fund and foreign pool fund accounts. All other U.S. Total Return portfolios are included in the Intermediate category.

² Stable value assets have not been netted from U.S. Total Return, U.S. Moderate Duration and U.S. Low Duration assets.

³ Tail-risk hedging assets reflect total notional value of dedicated mandates and are not counted towards PIMCO total assets under management.

⁴ Assets reflect those managed on behalf of third-party clients and exclude affiliated assets. Fund of funds assets have been netted from each strategy. Potential differences in asset totals are due to rounding. As of 31 December 2020, assets include \$17.1 billion in assets of clients contracted with Gurtin Fixed Income Management, LLC, an affiliate and wholly-owned subsidiary of PIMCO.

PIMCO and Research Affiliates: strategic partners for the benefit of investors for over 17 years



- **PIMCO All Asset (2002):** \$21 billion
- **PIMCO RAE (2004):** \$13 billion
- **PIMCO RAE PLUS (2005):** \$5 billion



- **PIMCO RAFI Dynamic Multi-Factor (2017):** \$933 million
- **PIMCO RAFI ESG (2019):** \$12 million

About Research Affiliates

- Founded by Rob Arnott in 2002
- Industry thought leaders with over 400 published pieces of content and online interactive tools
- PIMCO's first sub advisor, jointly managing \$40 billion in assets under management across equity and asset allocation strategies

As of 31 December 2020

SOURCE: PIMCO, Research Affiliates

Refer to Appendix for additional index, investment strategy, risk and strategy availability information.

Research Affiliates' team

RAE portfolio managers



Rob Arnott
Research Affiliates
Chairman



Chris Brightman
Research Affiliates Chief
Investment Officer

Research and Investment Management

Feifei Li, Ph.D.,
Partner, Head of Equities

Campbell Harvey, Ph.D.,
Partner, Senior Advisor
• Professor of Finance at Fuqua School
of Business at Duke University

30+ person team including the following groups:

Equity Research

- Collaborate with PMs to develop new and improve existing quantitative signals; test those ideas for persistence, robustness, pervasiveness, and intuition

Investment Systems

- Create and maintain the software code used to generate replicable portfolios

Strategy Implementation

- Build portfolios and test for quality control using the Investment Systems team's software

RAE philosophy & methodology



Research Affiliates Equity (RAE)

RAE is a systematic value strategy that seeks to outperform by capturing robust sources of excess returns



» A disciplined framework that takes advantage of mean reversion in equity markets

» Stock selection through the use of quantitative signals

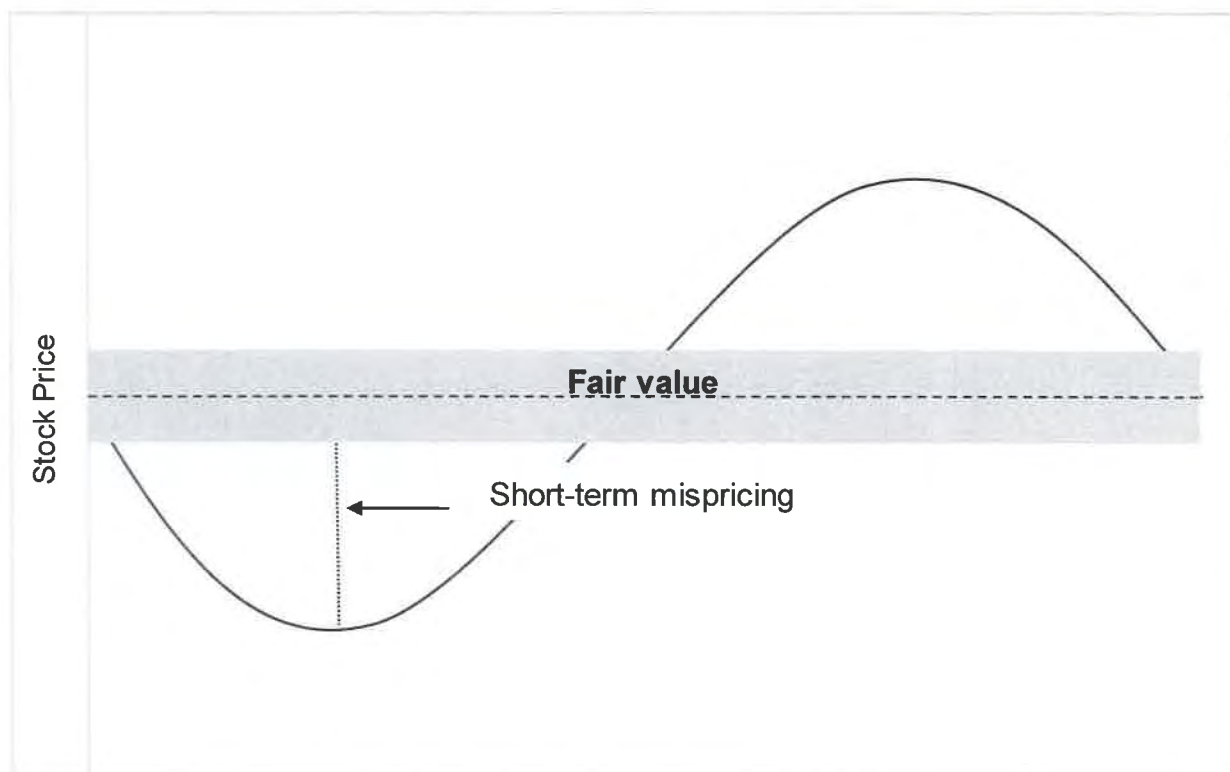
» An active investment process that benefits from the latest research insights of Research Affiliates

Refer to appendix for additional investment strategy and risk information

RAE's value-oriented investment philosophy

“The largest and most persistent active investment opportunity is long-horizon mean reversion.”

– Research Affiliates



In the short term stock prices **deviate from “fair value”** but over time **revert back** towards it

Investors can profit from this mean reverting pattern, by **systematically trading against the market**

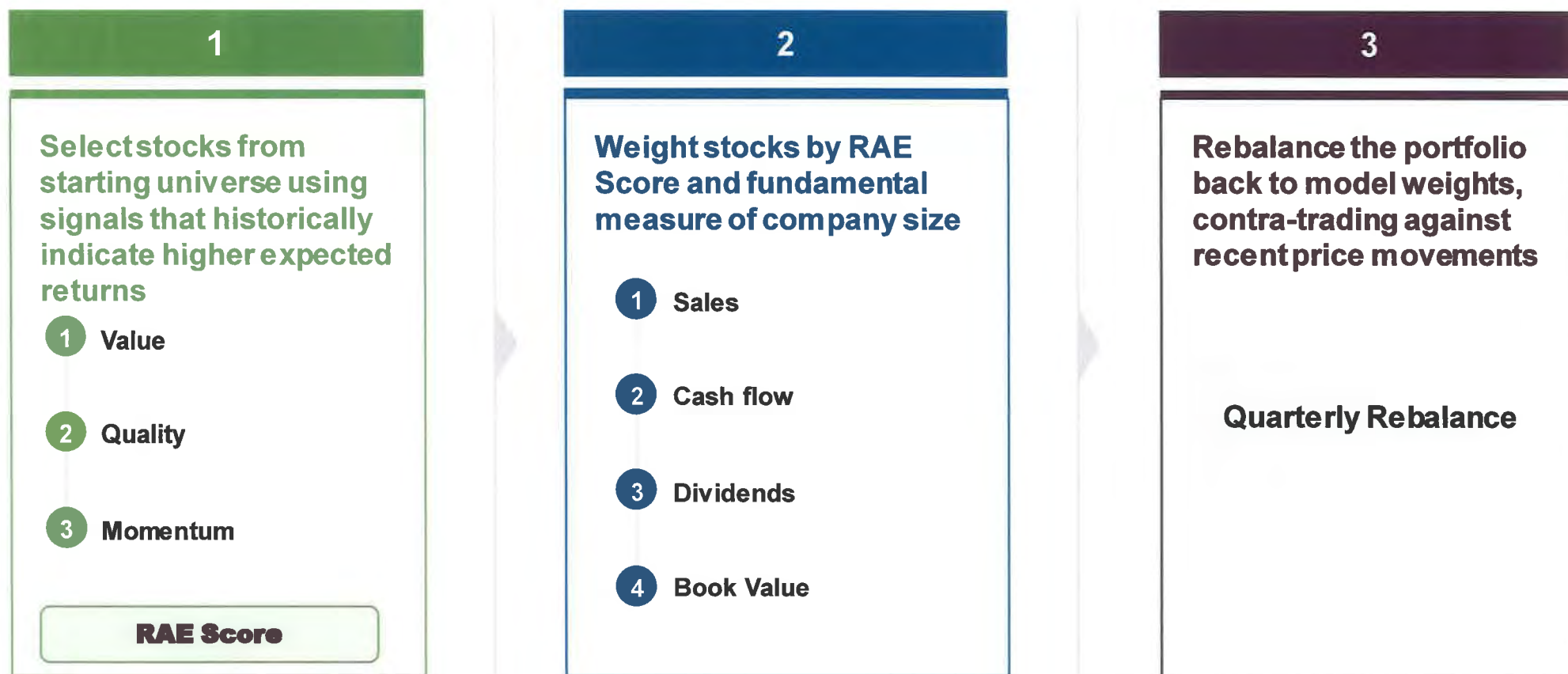
This involves **buying stocks that have underperformed** (hence becoming cheaper and better value), while **selling those that are popular** (and hence expensive and over-priced)

SOURCE: Research Affiliates

Refer to Appendix for additional investment strategy, risk, and valuation information.

A systematic, contrarian approach to equity investing

PIMCO RAE methodology



As of 31 December 2020

SOURCE: Research Affiliates

Past performance is not a guarantee or a reliable indicator of future results.

Refer to Appendix for additional investment strategy, and risk information.

Benefits of RAE

RAE is a systematic value strategy designed to outperform over time

Any single measure of value, quality, and momentum can be noisy
Quantitative strategies are prone to data mining

Systematic strategies can have a static value orientation

Many systematic strategies can have high turnover and implementation costs

RAE combines several peer-reviewed measures seeking to reduce noise and better capture returns over time

RAE will exhibit a dynamic value tilt depending on the opportunity

RAE's quarterly rebalancing approach seeks to reduce market impact and implementation costs

Refer to Appendix for additional investment strategy and risk information.

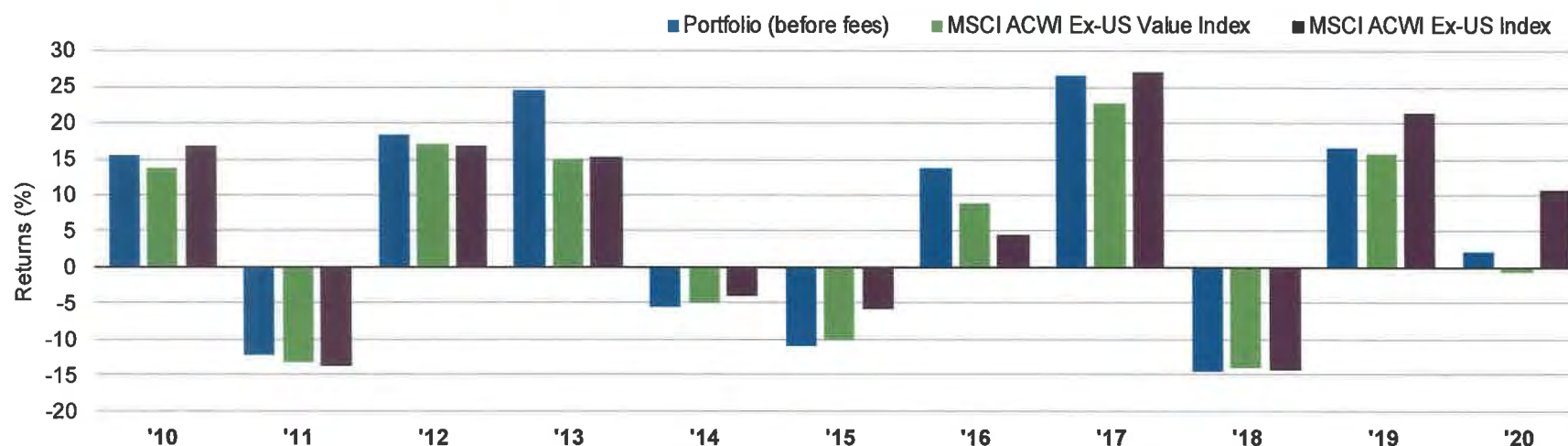
RAE performance & portfolio characteristics

PIMCO RAE Global ex-US Composite performance

Tulare County Employees' Retirement Association

Market value as of Dec '20 \$ 92,013,966

Performance



	S.I. 1 Mar '10	Account S.I. 29 May '15	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.
Before fees (%)	5.78	3.88	7.94	0.60	2.25	26.95	23.20
After fees (%)	5.29	3.41	7.41	0.10	1.72	26.64	23.07
MSCI ACWI Ex-US Value Index (%)	3.80	2.09	5.70	-0.41	-0.77	23.16	20.42
MSCI ACWI Ex-US Index (%)	6.04	5.54	8.93	4.88	10.65	24.33	17.01
Before fee alpha vs value (bps)	198	179	224	101	302	379	278
Before fee alpha vs core (bps)	-26	-166	-99	-428	-840	262	619

As of 31 December 2020

Performance presented prior to June 2015 represents the historical track record of the sub-adviser and should not be interpreted as the actual historical performance of PIMCO. PIMCO has adhered to the performance record portability requirements outlined in the GIPS standards in regard to the presentation and linking of this performance track record.

PIMCO RAE Global ex-US vs MSCI AC World ex-US Value

Q4 2020 sector and country attribution

GICS sector	RAE GLOBAL EX-US		MSCI AC WORLD EX-US Value		ATTRIBUTION ANALYSIS			
	Average weight (%)	Total return (%)	Average weight (%)	Total return (%)	Allocation effect (bps)	Selection + interaction (bps)	Total currency effect (bps)	Total effect (bps)
Materials	12.7	37.41	9.0	27.53	27	111	0	138
Industrials	12.5	23.19	10.8	16.08	-5	80	6	80
Consumer Discretionary	13.6	27.73	9.7	23.58	17	43	5	65
Energy	4.5	28.28	7.3	22.42	-4	30	-6	20
Real Estate	1.8	10.01	4.0	11.96	15	0	3	18
Health Care	5.2	3.11	5.8	3.42	11	5	-2	14
Utilities	6.6	15.21	5.8	13.08	-5	8	5	9
Information Technology	9.4	25.86	6.3	30.19	31	-34	-6	-9
Financials	20.8	26.55	28.5	25.85	-26	20	-4	-10
Consumer Staples	5.8	9.69	6.1	11.19	-3	-10	1	-12
Communication Services	7.1	14.14	6.8	16.49	-2	-20	9	-12
Total	100.0	23.43	100.0	20.42	57	234	10	301

Country	Average weight (%)	Total return (%)	Average weight (%)	Total return (%)	Allocation effect (bps)	Selection + interaction (bps)	Total currency effect (bps)	Total effect (bps)
Top three countries								
Luxembourg	2.11	71.18	0.11	57.46	59	21	1	80
Germany	9.09	22.51	7.57	15.50	-7	63	1	56
India	3.38	34.53	2.80	16.94	2	51	-1	52
Bottom three countries								
Brazil	1.24	36.95	1.50	46.19	-5	-7	-3	-14
Japan	21.07	14.35	15.84	13.38	-27	19	-11	-18
Switzerland	5.07	12.39	4.52	15.61	-2	-16	1	-18

As of 31 December 2020

SOURCE: PIMCO, FactSet

The attribution analysis contained herein is calculated by PIMCO and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. The attribution results contain certain assumptions that require elements of subjective judgment and analysis. Attribution analysis is not a precise measure and should generally be considered within a range (e.g., +/- 5 bps). Further, attribution analysis should not be relied upon for investment decisions. Returns are in USD

PIMCO RAE Global ex-US characteristics

Portfolio characteristics	Number of holdings	P/E (Trailing 12-Mo)	P/S	P/B	Dividend yield	Weighted avg market cap (\$mm)
PIMCO RAE Global ex-US	1196	14.7	0.5	1.0	3.1	35,372
MSCI ACWI ex-US Value Index	1547	14.4	1.0	1.2	3.4	45,525
MSCI ACWI ex-US Index	2284	19.5	1.5	1.8	2.3	74,320

Top 10 Holdings	RAE (%)	MSCI ACWI ex-US Value (%)	MSCI ACWI ex-US (%)
Arcelormittal	2.4	0.0	0.1
Panasonic	1.6	0.2	0.1
Lufthansa	1.5	0.0	0.0
Hitachi	1.4	0.2	0.2
RIO TINTO	1.3	0.7	0.3
Magna International	1.1	0.2	0.1
Shell	1.1	1.1	0.5
Covestro	0.9	0.1	0.0
Deutsche Bank	0.9	0.1	0.1
VALEO	0.9	--	0.0

Sector Allocations	RAE (%)	MSCI ACWI ex-US Value (%)	MSCI ACWI ex-US (%)
Financials	18.9	28.3	17.9
Materials	15.0	8.9	8.1
Consumer Discretionary	14.3	9.3	13.8
Industrials	12.5	9.9	11.6
Information Technology	10.2	6.7	12.7
Communication Services	6.5	7.1	7.1
Utilities	6.2	5.6	3.3
Consumer Staples	5.4	7.7	9.0
Health Care	4.7	5.7	9.6
Energy	4.6	6.6	4.3
Real Estate	1.7	4.2	2.6

Top 5 countries	RAE (%)	MSCI ACWI ex-US Value (%)	MSCI ACWI ex-US (%)
Japan	20.3	15.2	15.8
Germany	8.8	7.2	5.9
United Kingdom	6.7	9.9	7.7
Australia	6.4	5.4	4.8
France	6.0	7.2	6.7

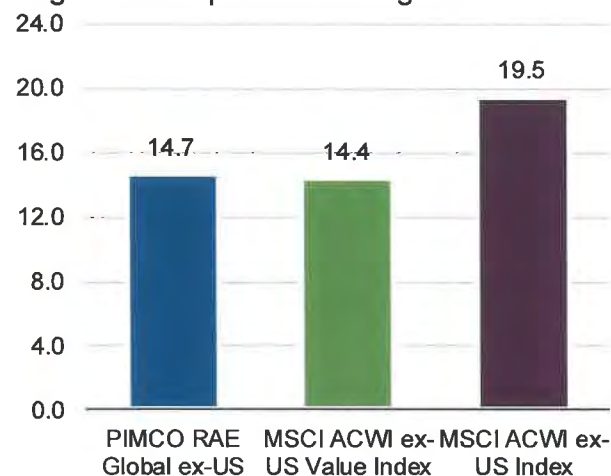
Market Cap Weights (\$mm)	RAE (%)	MSCI ACWI ex-US Value (%)	MSCI ACWI ex-US (%)
> 50,000	22.5	38.8	44.6
10,000 - 50,000	43.7	43.9	41.1
2,000 - 10,000	29.6	17.2	14.3
0 - 2,000	4.3	0.1	0.1

Market Cap Weights (DM vs. EM)	RAE (%)	MSCI ACWI ex-US Value (%)	MSCI ACWI ex-US (%)
Developed markets	73.3	67.3	66.4
Emerging markets	26.8	32.7	33.6

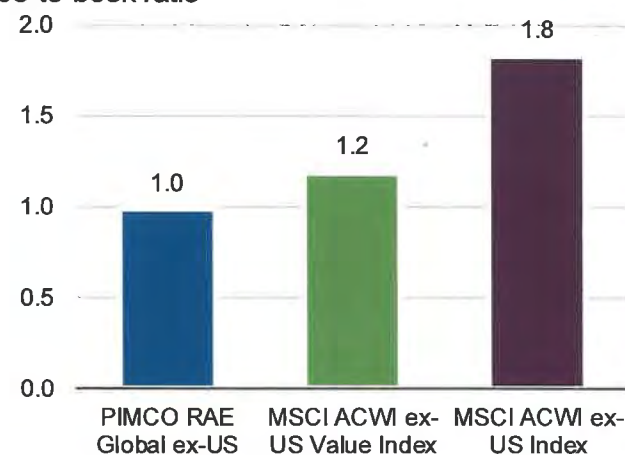
As of 31 December 2020

PIMCO RAE Global ex-US continues to demonstrate an attractive valuation discount

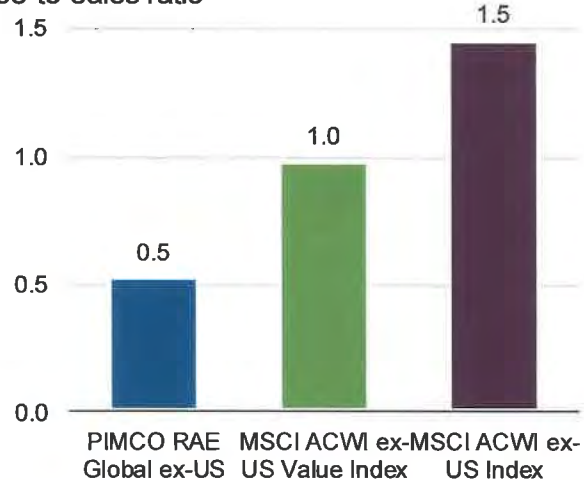
Trailing 12-month price-to-earnings ratio



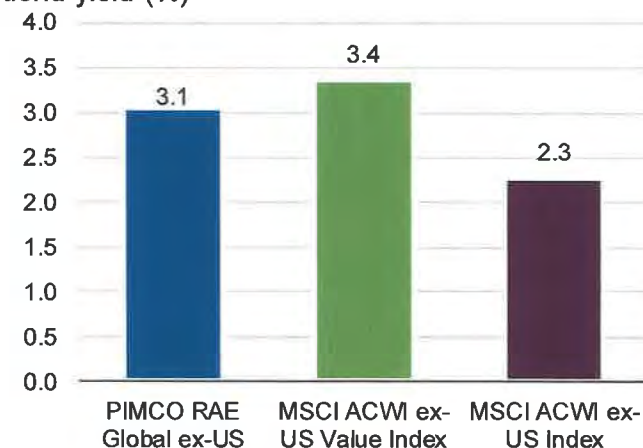
Price-to-book ratio



Price-to-sales ratio



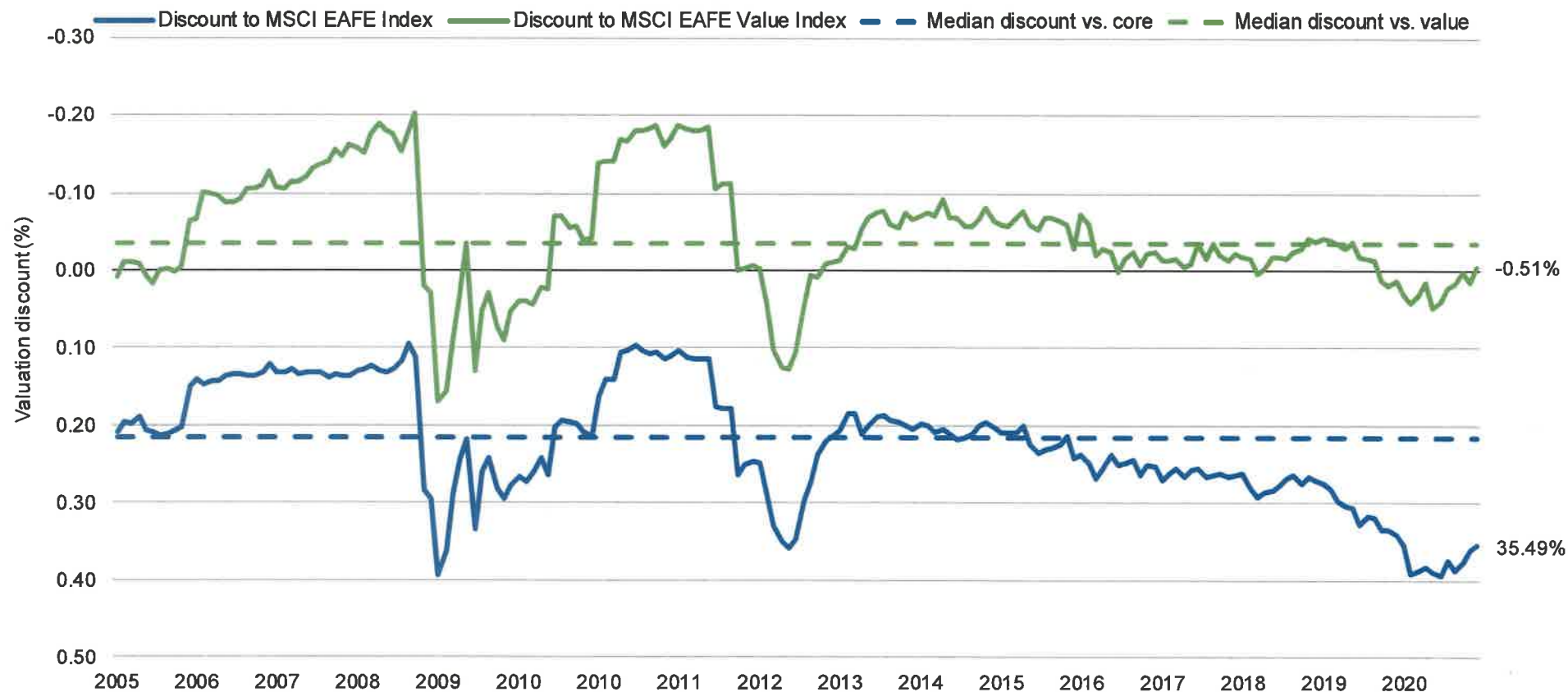
Dividend yield (%)



As of 31 December 2020

RAE systematically trades against price movements, deepening its discount to the market when value is cheapest

Example: RAE International Representative Account: Aggregate valuation discount*

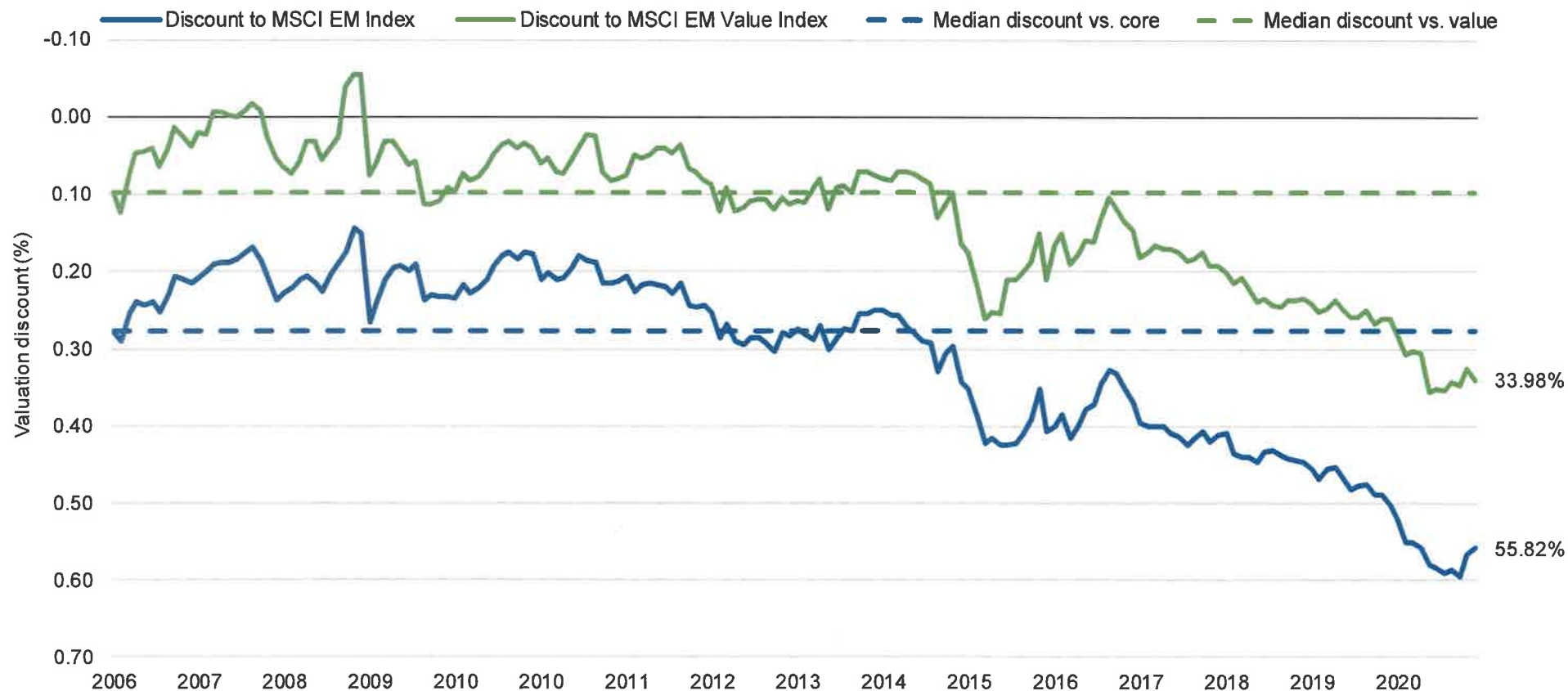


As of 31 December 2020

*Average valuation discount based on price-earnings, price-sales, price-cash flow, price-dividends, price-book since representative account inception.

RAE systematically trades against price movements, deepening its discount to the market when value is cheapest

Example: RAE EM: Aggregate valuation discount*



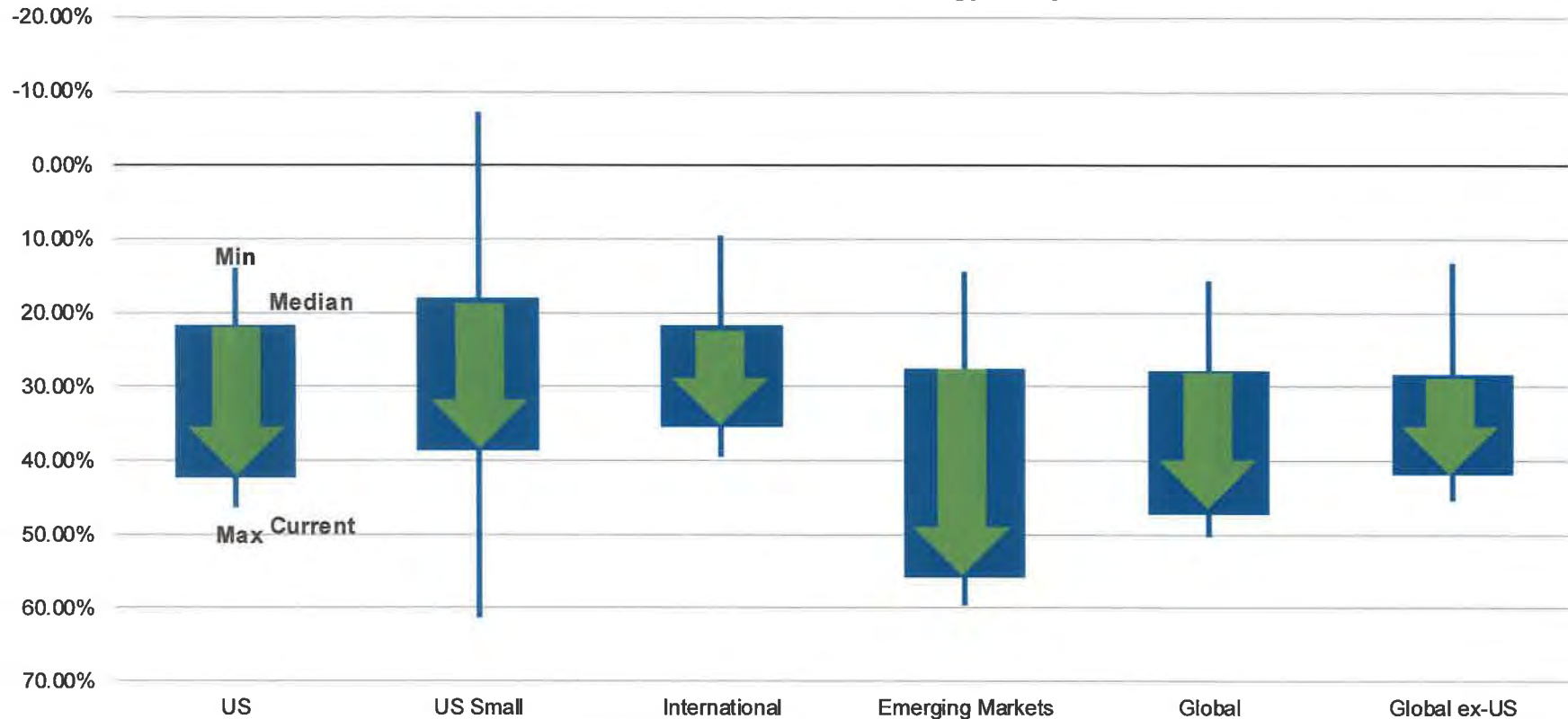
As of 31 December 2020

*Average valuation discount based on price-earnings, price-sales, price-cash flow, price-dividends, price-book since Fund inception

RAE valuation discount

All strategies are currently cheaper than long-term medians

RAE: Average valuation discount range vs. a core index since strategy inception



As of 31 December 2020

SOURCE: PIMCO

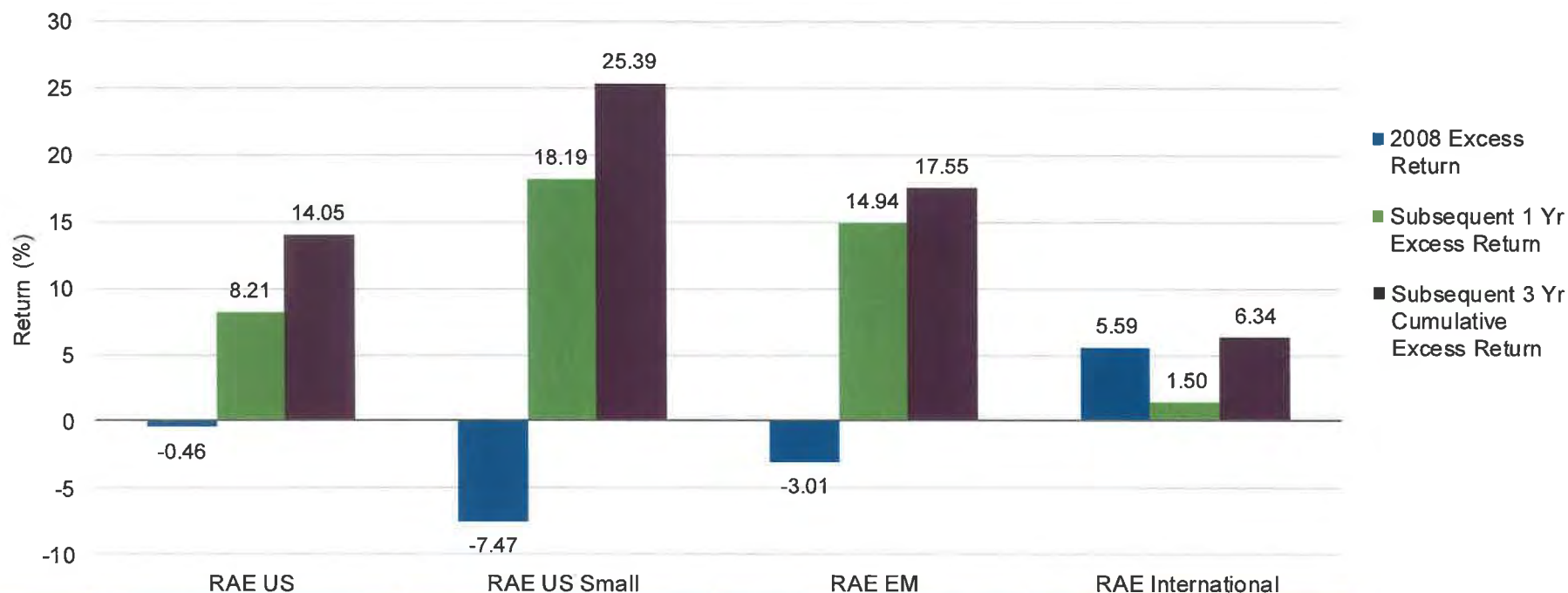
The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

Average valuation discount based on price-earnings, price-sales, price-cash flow, price-dividends, price-book since strategy inception

US: PIMCO RAE U.S. Composite vs. S&P 500, inception (12/31/2004); US Small: PIMCO RAE U.S. Small Composite vs. Russell 2000, shown since PIMCO inception (6/30/2015); International: PIMCO RAE Composite vs. MSCI EAFE, inception (6/30/2005); Emerging Markets: PIMCO RAE Composite vs. MSCI Emerging Markets, inception (5/31/2006); Global: PIMCO RAE Global Composite vs. MSCI ACWI, inception (12/31/2009); Global exUS: PIMCO RAE Global ex-U.S. Composite vs. MSCI ACWI ex-U.S., inception (2/28/2010)

Following the last recession in 2008, RAE's contrarian approach delivered meaningful alpha

RAE Performance Rebound vs. Value



Portfolio's valuation vs. value	RAE US	RAE US Small	RAE EM	RAE International
12/31/2007	6.39%	23.67%	0.86%	15.53%
12/31/2008	23.81%	35.39%	5.48%	1.96%
12/31/2020	15.38%	7.90%	33.98%	0.51%

Portfolio trading at a:
Discount
Premium

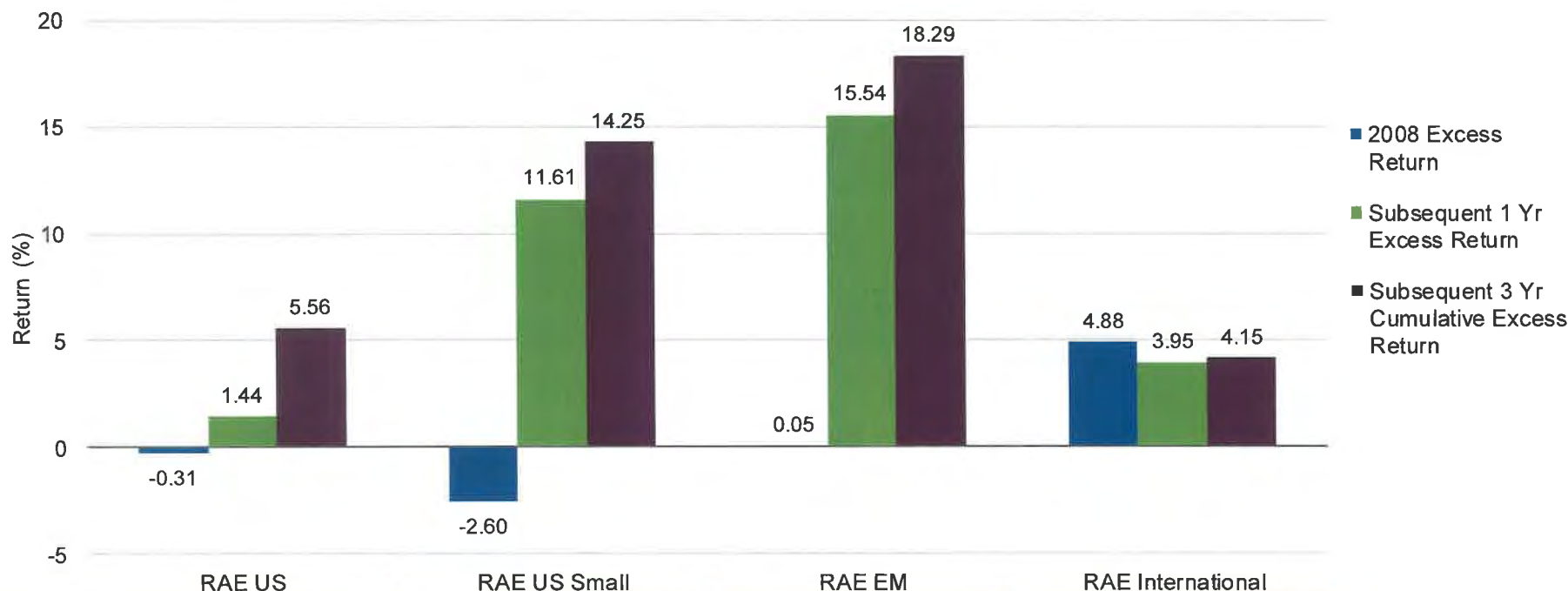
As of 31 December 2020

SOURCE: PIMCO

Performance is shown for a representative account before fees. Portfolio's discount value is calculated using price-to-cash-flow, price-to-book, price-to-earnings, and price-to-yield ratios. Discounts: RAE US vs. Russell 1000 Value, RAE US Small vs. Russell 2000 Value, RAE EM vs. MSCI EM Value, RAE International vs. MSCI EAFE Value

Following the last recession in 2008, RAE's contrarian approach delivered meaningful alpha – today's discount is even larger

RAE Performance Rebound vs. Core



Portfolio's valuation vs. core	RAE US	RAE US Small	RAE EM	RAE International
12/31/2007	18.11%	10.23%	18.66%	13.44%
12/31/2008	38.74%	42.13%	14.33%	28.43%
12/31/2020	42.39%	38.57%	55.82%	35.49%

Portfolio trading at a:
Discount
Premium

As of 31 December 2020

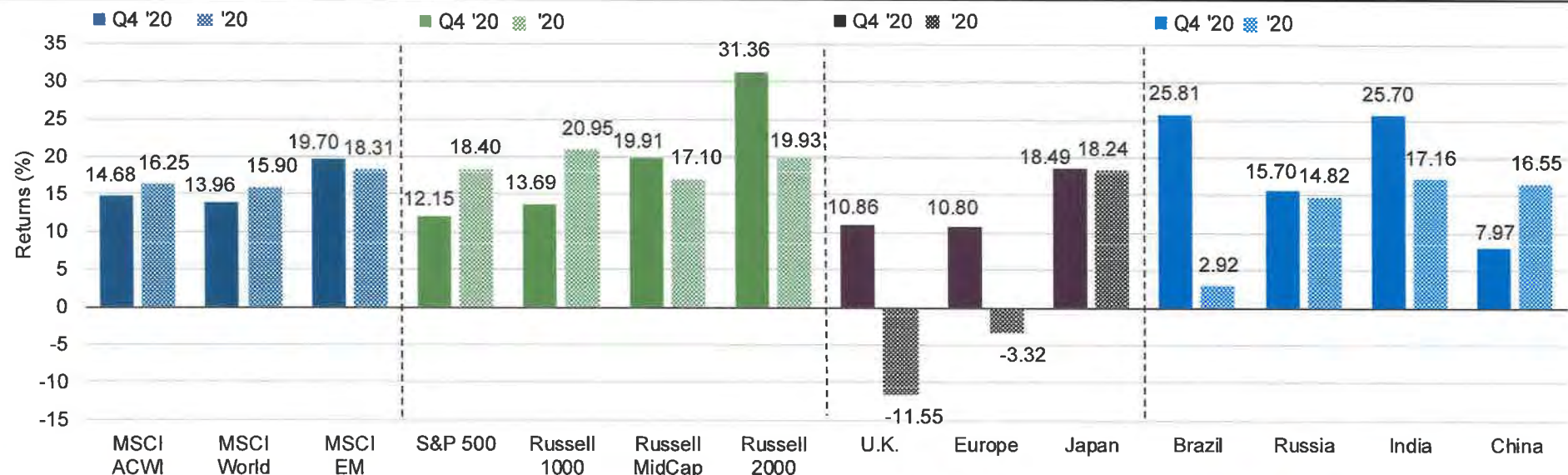
SOURCE: PIMCO

Performance is shown for a representative account before fees. Portfolio's discount value is calculated using price-to-cash-flow, price-to-book, price-to-earnings, and price-to-yield ratios. Discounts: RAE US vs. S&P 500, RAE US Small vs. Russell 2000, RAE EM vs. MSCI EM, RAE International vs. MSCI EAFE

General discussion



In Q4 investors looked through lockdowns to the roll out of the Covid-19 vaccine



Global

- Developed market stocks rallied 14.0% in the fourth quarter as nations approved and began to administer COVID-19 vaccinations.
- Emerging market equities returned 19.7% in the fourth quarter led by a 34.8% rally in Latin American equities on optimism of an economic recovery.

U.S.

- U.S. equities gained 12.1%, hitting record highs over the quarter, supported by the passage of an additional \$900bn fiscal stimulus bill.
- From a market cap perspective, small-caps outperformed mid and large caps.

Non-U.S. developed markets

- European national governments passed funding for a €1.8 trillion recovery package and the U.K. and EU reached a post-Brexit trade agreement; European equities returned 10.8% on the news.
- Despite record levels of COVID-19 cases, news of additional stimulus and reports that many Japanese-listed companies revised net profit forecasts up for the fiscal year led Japanese equities 18.5% higher.

Emerging markets

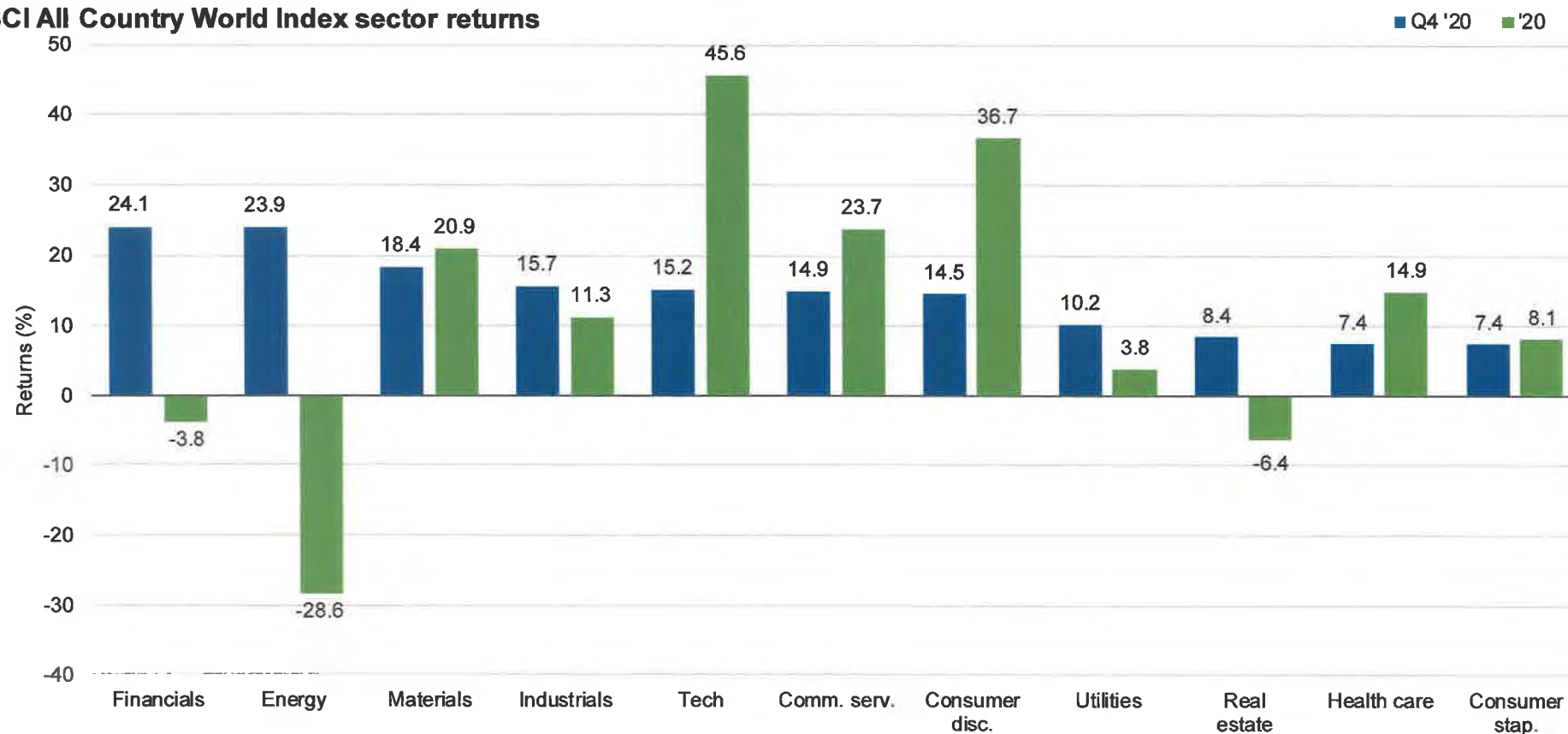
- Brazilian equities ended the year with positive returns, posting a 25.8% gain in Q4 as investors' cheered news that the country's current account deficit fell to its lowest level in more than two years amid ongoing concerns about government spending.
- Chinese local equities returned 8.0% on strong Q3 GDP growth figures and vaccine optimism, despite a wave of corporate defaults and anti-trust investigations into tech giant Alibaba.
- Indian equities reached record highs as export data and a positive earnings season indicated that the nation's economic recovery was gaining momentum.
- A surge in the price of crude oil led Russian equities to rally 15.7% as the energy sector led global equity markets.

As of 31 December 2020. SOURCE: Bloomberg, PIMCO

Global and U.S. Equity indexes represent returns in USD. Non-US Developed and EM indexes represent returns in local currency.

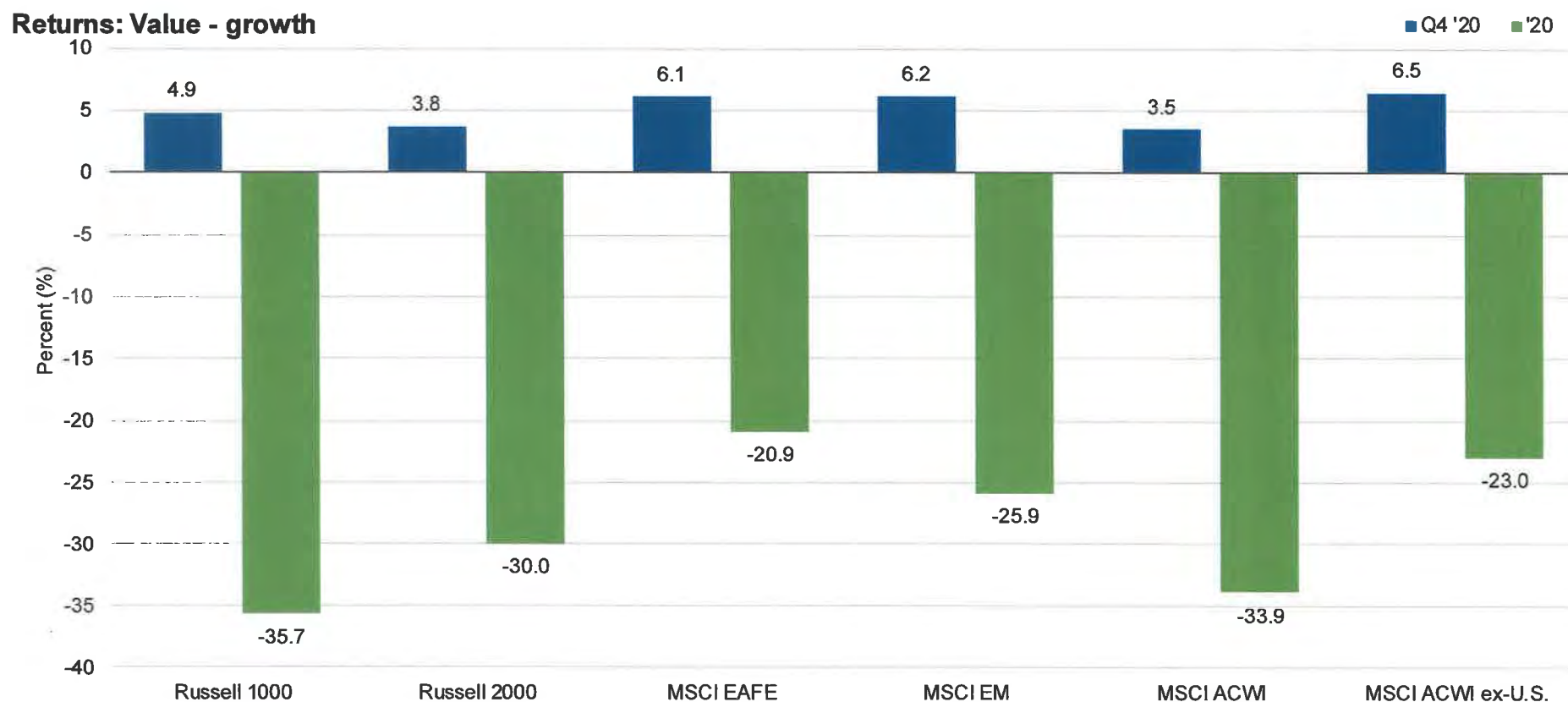
Cyclicals led the market recovery in Q4 while all sectors rallied

MSCI All Country World Index sector returns



As of 31 December 2020
SOURCE: PIMCO

Value outperformed growth across all regions and market capitalizations

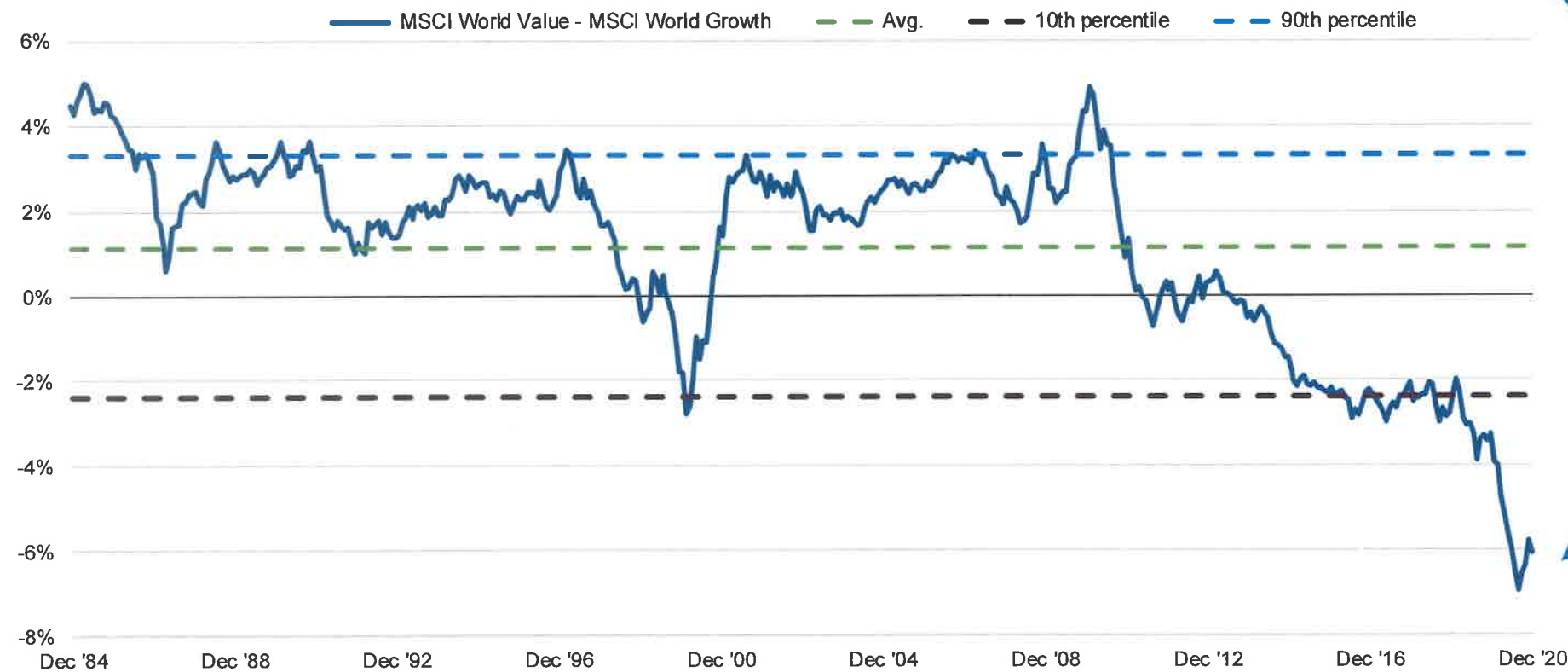


As of 31 December 2020
SOURCE: Bloomberg

The underperformance of value remains elevated near all time highs

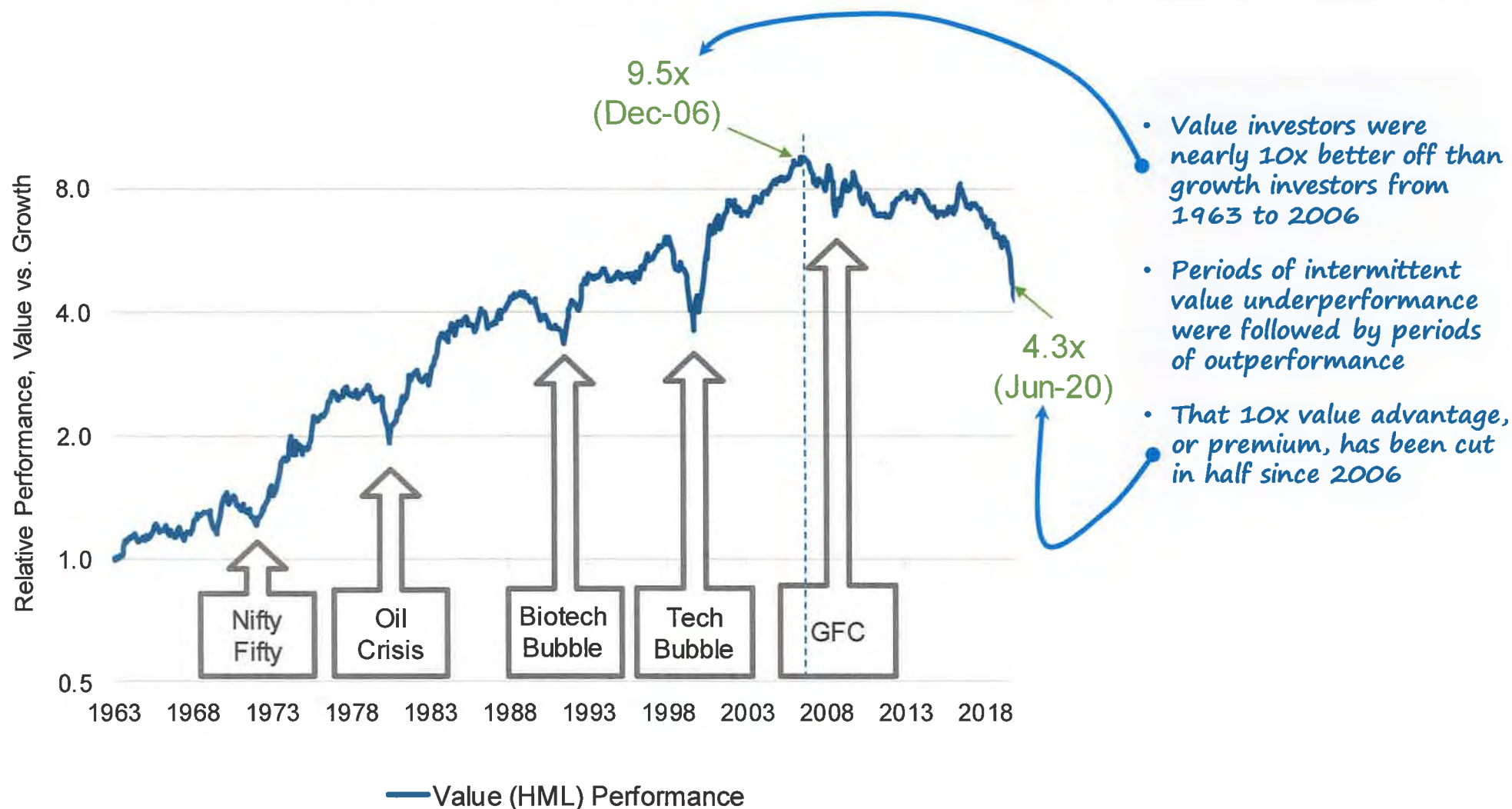
Global equities: Value minus growth

Annualized trailing 10-year relative total return



As of 31 December 2020
SOURCE: Bloomberg

After generating a long-term premium, value has underperformed since 2006



As of 30 June 2020

Past performance is not a guarantee or a reliable indicator of future results.

SOURCE : Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2020.

HML is high (value) minus low (growth) long-short portfolio balanced by size around the median by the NYSE market capitalization.

HML is a standard academic value factor. It is a long-short market neutral portfolio that is long the cheapest 30% by Book Value/ Market Price (B/M) and short the most expensive 30% by B/M

This is value's longest and deepest drawdown since 1963

Value vs. Growth Worst Drawdowns, United States, July 1963 – June 2020

Rank	Event	Dates			Length in Years	Drawdown
		Start Date	Bottom	End Date		
Deepest Drawdowns						
1	Current	2006/12	2020/06		13.5	−54.8%
2	Tech Bubble	1998/08	2000/02	2001/02	2.4	−40.6%
3	Iran Oil Crisis	1979/07	1980/11	1982/02	2.5	−28.2%
Longest-Lasting Drawdowns						
1	Current	2006/12	2020/06		13.5	−54.8%
2	Biotech Bubble	1989/06	1991/12	1993/02	3.6	−24.9%
3	Nifty Fifty	1970/08	1972/06	1973/04	2.6	−17.1%

As of 30 June 2020

Past performance is not a guarantee or a reliable indicator of future results.

SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 – June 2020.

The above exhibit tracked the returns of the HML value factor. This is a standard academic value factor. It is a long-short market neutral portfolio that is long the cheapest 30% by Book Value/Market Price (B/M) and short the most expensive 30% by B/M

Three drivers of the value premium

What drives value's long-term premium? What is structural? What is temporary?

1. Migration: When a value stock becomes more expensive (trades at a higher price-to-book ratio) and is reclassified into either the growth or the neutral portfolio, or vice versa as when a growth or neutral stock becomes cheaper and moves into the value portfolio – (structural tailwind for value)
2. Profitability: Growth companies are more profitable than value companies and generate a premium – (structural headwind for value)
3. Revaluation: Value's discount to growth can widen (cheapen) or narrow (richen) over time (temporary swing factor)

	Drivers	Explanation	Long-run contribution to value factor, July 1963 - June 2007
Structural	Migration	Rebalance away from newly expensive stocks into newly cheap stocks	19.2%
	Profitability	Cheap stocks are cheap because they are less profitable	-13.2%
Temporary	Revaluation	Multiple expansion or contraction can detract from or contribute to value premium	0.2%
Long-Term Value Premium (July 1963 - June 2007)			6.1%

SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2007. The methodology represents the decomposition of log returns on log HML (high minus low).

The rate of stocks migrating across value/growth styles has been relatively constant

July, 1963 - Dec, 2006		Portfolio Next Year					
Current Portfolio		Small			Big		
		Growth	Neutral	Value	Growth	Neutral	Value
Small	Growth	69%	23%	4%	4%	0%	0%
	Neutral	15%	57%	24%	1%	2%	0%
	Value	3%	18%	77%	0%	1%	1%
Big	Growth	6%	2%	0%	78%	13%	0%
	Neutral	1%	5%	2%	12%	69%	11%
	Value	0%	1%	6%	1%	24%	68%

Jan, 2007 - June, 2020		Portfolio next year					
Current portfolio		Small			Big		
		Growth	Neutral	Value	Growth	Neutral	Value
Small	Growth	67%	23%	4%	5%	1%	0%
	Neutral	13%	60%	23%	1%	2%	0%
	Value	2%	17%	79%	0%	1%	1%
Big	Growth	4%	2%	0%	82%	12%	0%
	Neutral	0%	5%	2%	14%	68%	10%
	Value	0%	1%	9%	1%	24%	66%

- A big tailwind for value is when value and growth stocks migrate out of their respective categories and mean revert. When this happens, value is buying low and selling high while growth is buying high and selling low
- A heat map of the rates of this migration that favors value is nearly identical before 2007 as it is since 2007

✓ **Structural driver intact:** the rate of migration that favors value has been consistent before 2007 and since 2007

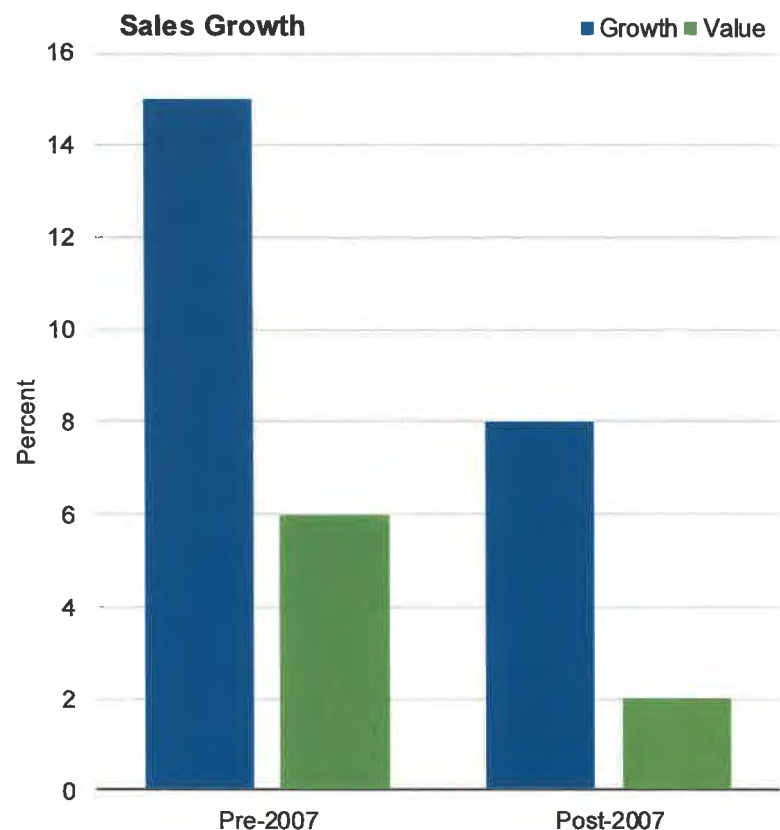
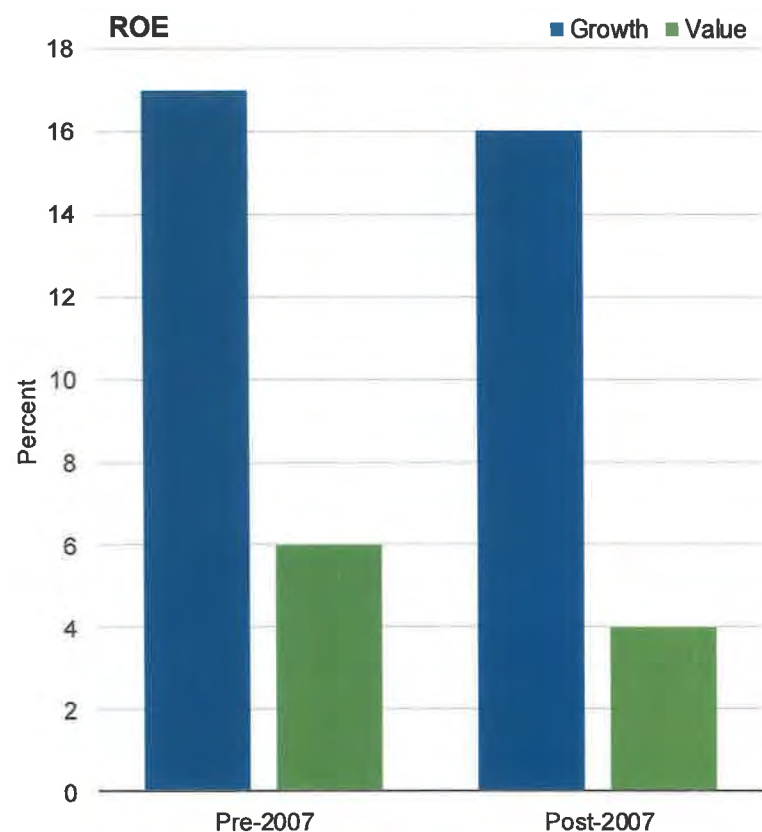
For illustrative purposes only

As of 30 June 2020

SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2020.

Charts are provided for illustrative purposes and are not indicative of the past or future performance of any PIMCO product. Small represents US small cap equities as defined by Research Affiliates. Big represents US large cap equities as defined by Research Affiliates. Current portfolio is US small and large cap equities in a given year in the date range, and portfolio next year is those same listed equities in the next calendar year. Methodology examines changes in market cap (i.e. migration of companies) over time.

Value stocks are no less profitable than growth stocks today than they were before 2007



✓ *Structural driver intact: the difference in profitability between growth and value look remarkably the same before 2007 and since 2007*

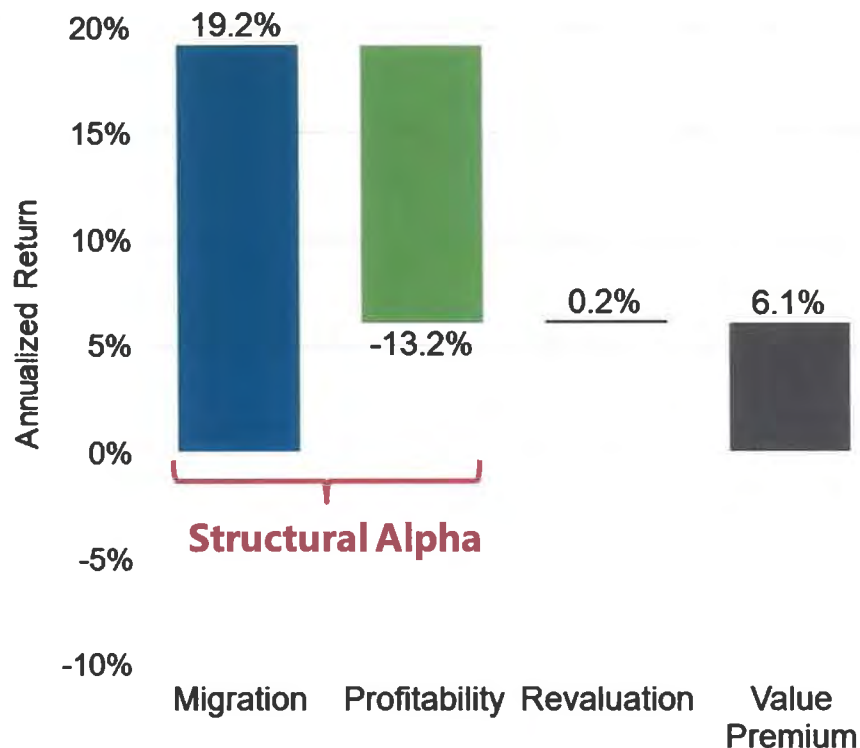
For illustrative purposes only

As of 30 June 2020

SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2020. ROE and Sales Growth are shown as the average over the pre-2007 period (July 1963 – 2007) and over the post-2007 period (2007 – June 2020) for US growth and US value.

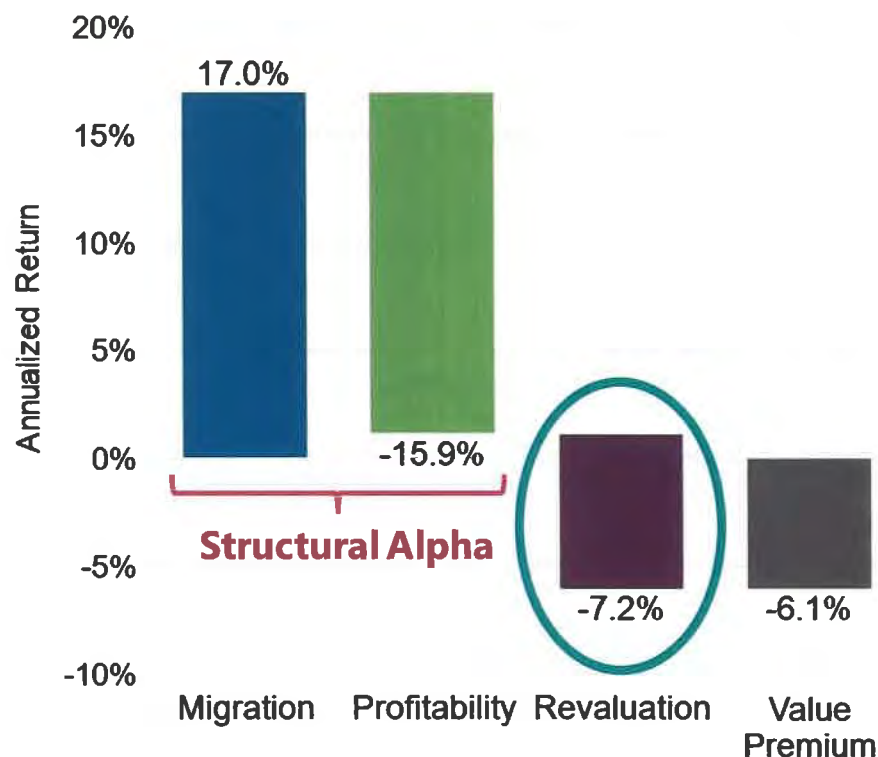
Valuation change has accounted for more than 100% of value's underperformance since 2007

July 1963 - June 2007



✓ **Revaluation tailwind:** Before 2007 the "value premium" was mostly the net effect of migration and profitability over time (with a slight benefit from revaluation)

July 2007 - June 2020



✗ **Revaluation headwind:** Since 2007 all of value's underperformance can be explained by value getting cheaper

For illustrative purposes only. As of 30 June 2020

SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2020. Methodology represents the decomposition of log returns on log HML (high minus low).

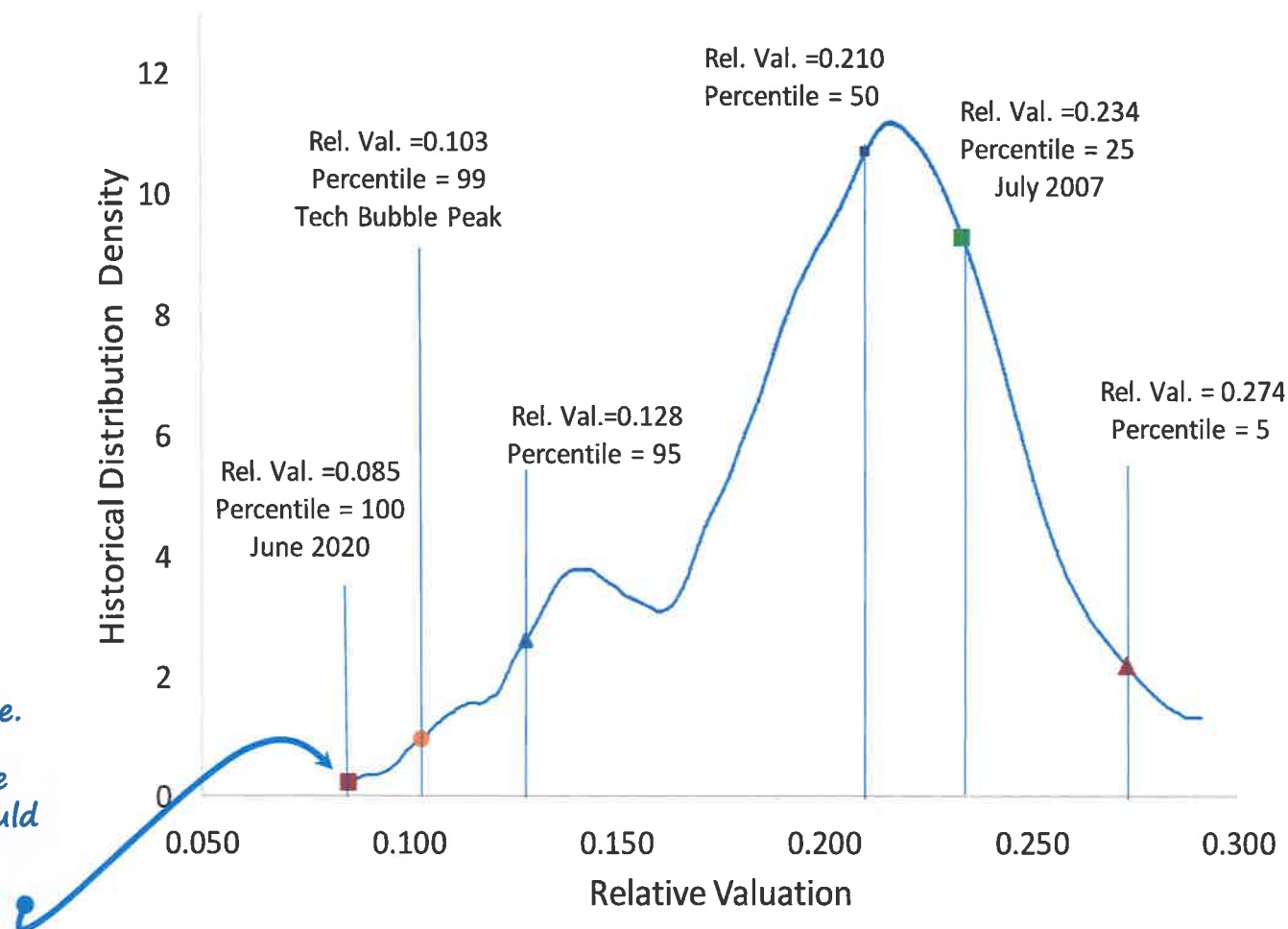
Migration occurs when value stocks appreciate (i.e., trade at higher book-to-price, or B/P, ratios) and move from the value portfolio to the neutral or growth portfolio, only to be replaced with newly unloved value stocks. Migration also occurs when growth stocks become cheaper and fall out of the growth portfolio, to be replaced with new highfliers. **Profitability** is defined as stocks that exhibit faster relative growth in sales and profits. Profitability captures the growth advantage that growth companies have. Companies that grow their future profits more quickly have a future return advantage. **Revaluation** is the changes in relative valuation of growth versus value stocks. **Value premium** is value portfolio returns in excess of market returns. Migration captures the effect of companies moving between the "value" and "growth" portfolios as defined above. By definition, in order for a company to graduate out of value it has to outperform, because it has become less cheap. By definition, in order for a company to fall out of growth it has to underperform, because it has become less expensive. **Value premium** is the return premium associated with value equities, and it results from migration, profitability, and revaluation.

Value is currently trading in the 100th percentile of historic valuations

- We began the drawdown in the 22nd percentile of the relative valuation.
- Today we are at the 100th percentile.

Can value get cheaper from here? Sure.

But... current relative valuations in the context of historical measurements could make for favorable and asymmetrical outcomes for value.



As of 30 June 2020

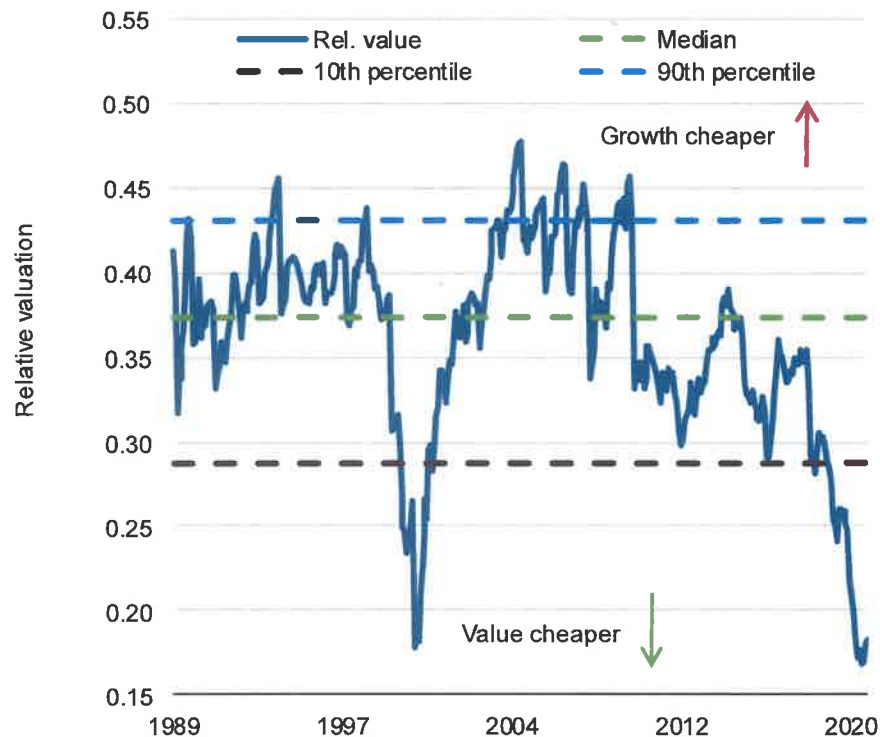
SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2020.

Hypothetical example for illustrative purposes only. The above exhibit shows the distribution of the relative valuations of growth versus value.

Research Affiliates believes that all of value's underperformance since 2007 is attributable to revaluation

There is value in Value – Value is priced attractively across the globe

International (July 1989 - December 2020)



Emerging Markets (July 2002 - December 2020)



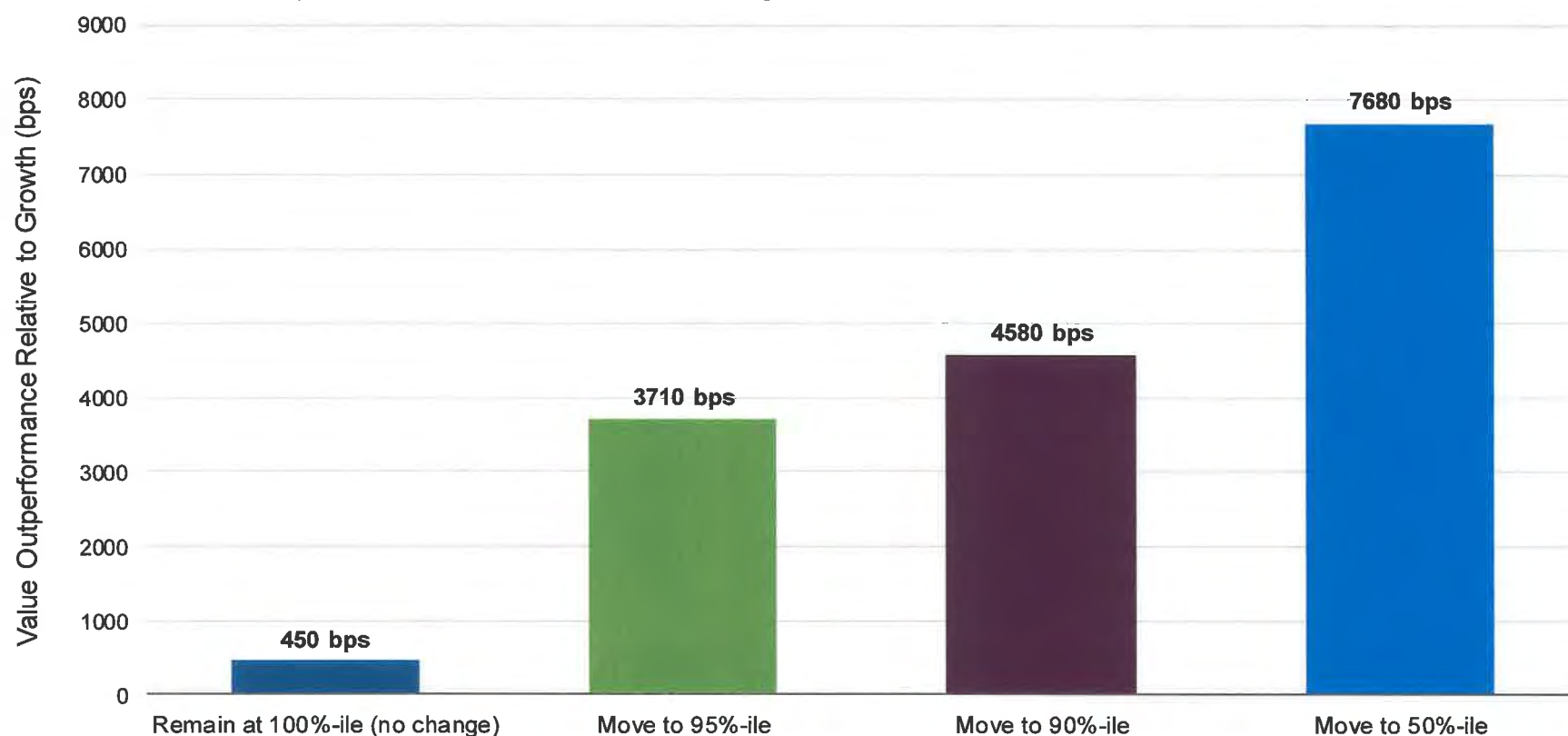
Relative valuation (Value/Growth)	Median	Dec-18	Dec-19	Dec-20	Inception
International	37.4%	30.3%	25.9%	18.3%	1989
Emerging Markets	28.2%	20.8%	20.7%	14.3%	2002

As of 31 December 2020. SOURCE: Research Affiliates, CRSP, Compustat, Worldscope, Datastream. US universe comprised of US companies in the CRSP/Compustat database. International and emerging markets universes are comprised of developed ex-US and emerging markets companies in the Worldscope/Datastream database. The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss. Valuation based on price-earnings, price-sales, price-cash flow, price-dividends, price-book.

The forward-looking outlook for value is promising

Even if we stay in the 100th percentile, the contribution of migration + profitability generates a 4.5% outperformance of value relative to growth

Forward-Looking Expected Returns Scenario Analysis



Hypothetical example for illustrative purposes only.

As of 30 June 2020

SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. United States, July 1963 - June 2020.

Estimated information provided for illustrative purposes only; Charts are provided for illustrative purposes and are not indicative of the past or future performance of any PIMCO product.

Value outperforms during recoveries

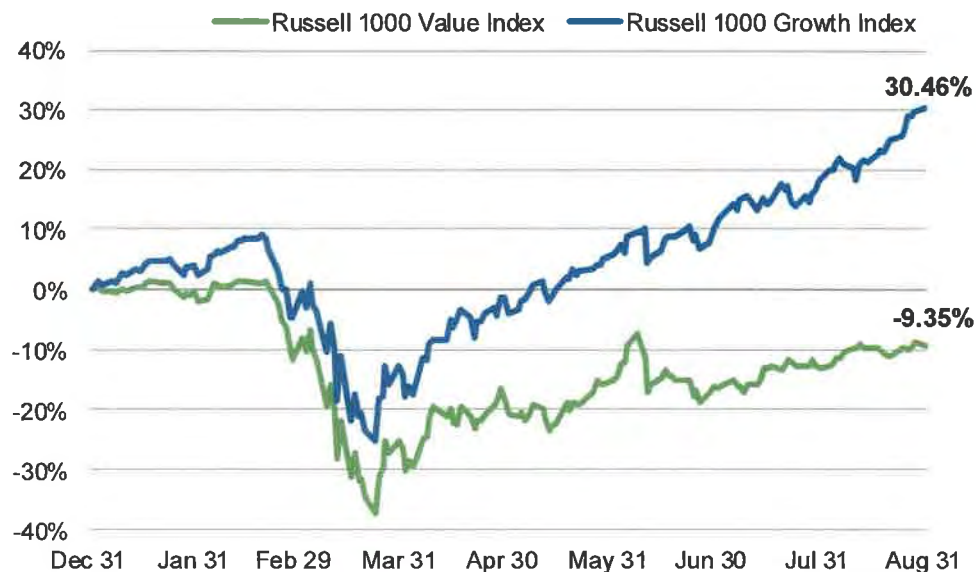
At the very least, maintain a value allocation if you anticipate future economic and market recovery

Market Event	Bear Market		Subsequent Two Years		Full Period Excess Return
	Value Cumulative Return	Excess Return	Value Cumulative Return	Excess Return	
Nifty Fifty/Oil Crisis (11/72 – 9/74)	-37.5%	12.6%	86.1%	28.2%	37.5%
Monetary Policy Tightening (12/80 – 7/82)	-6.1%	22.5%	66.1%	23.2%	53.9%
Mon. Policy Tightening/Japan Bubble (6/90 – 10/90)	-31.6%	-14.2%	75.9%	34.1%	3.2%
Tech Bubble Crash (4/00 – 9/02)	-4.7%	41.7%	53.5%	18.7%	74.0%
Global Financial Crisis (10/07 – 2/09)	-59.9%	-10.1%	114.0%	32.5%	-5.2%

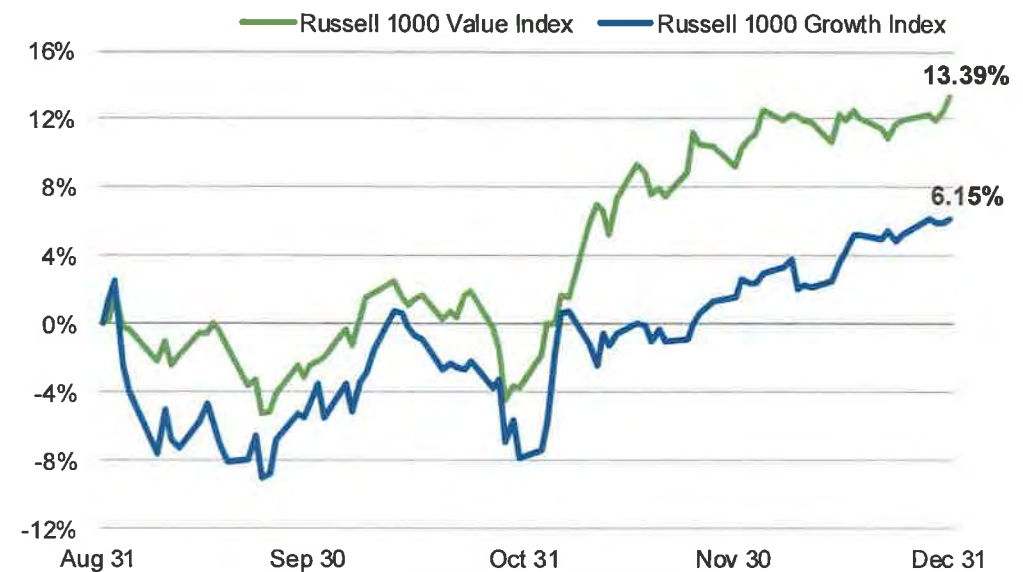
SOURCE: Research Affiliates, LLC, using CRSP and Compustat data. The chart represents the performance of a long only value factor strategy, (High B/P, top 30%, United States), versus the S&P 500..

Value rotated into favor in September – its current valuation and the prospects of economic growth could sustain the rally

Growth outpaced Value following the market bottom in March...



... but Value has beaten Growth by *more than 7%* since August*



- Market breadth has increased since August as more cyclical sectors have begun to outperform, sparking value's recent resurgence

- While it is still too soon to call a style rotation towards value, we believe the outlook is bright for several reasons:

- **Value has tended to outperform in recovery environments**, so outperformance may persist as economies continue to rebound from Q1 '20 troughs
- **Value has historically led in reflationary periods**, which may bode well as many economies look to propel record-low inflation back towards target levels

As of 31 December 2020. SOURCE: PIMCO, Bloomberg.

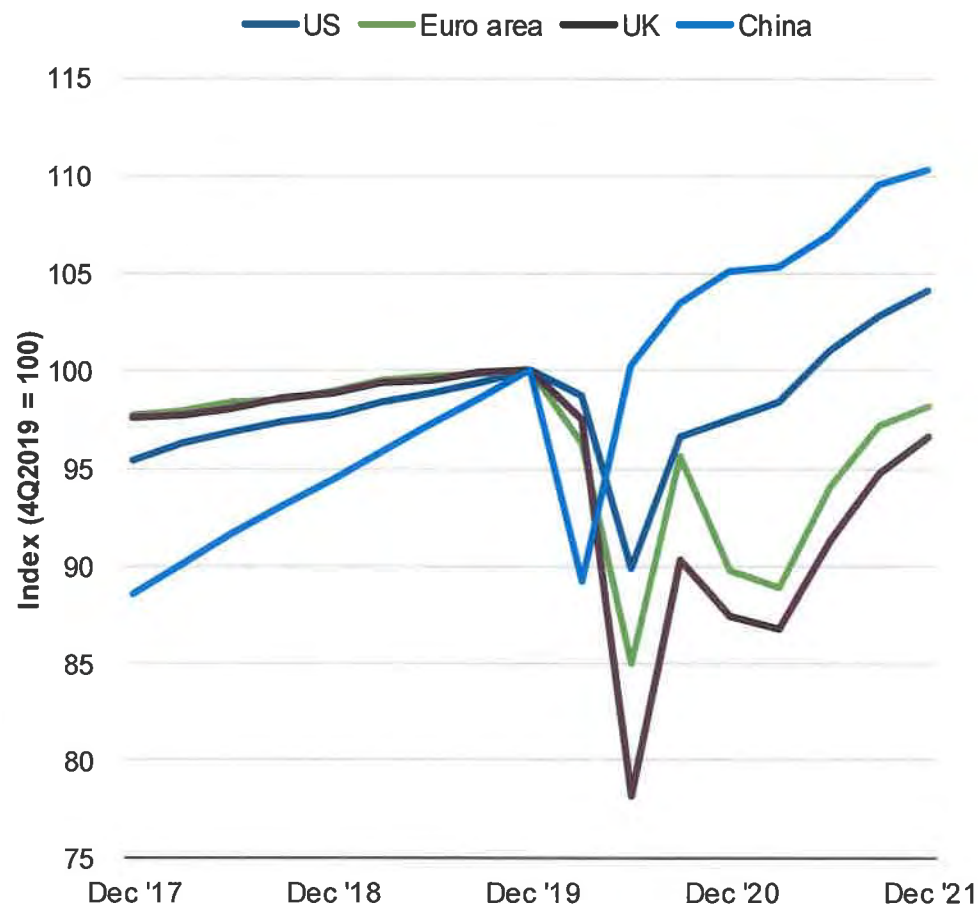
*Equity market rotation towards cyclicals (small cap, value, etc.) began at the end of August 2020.

Cyclical Outlook: Bounded Optimism on the Global Economy

Key Highlights

- Global output and demand likely to rebound strongly in 2021, driven by the rollout of vaccines and continued policy support
- Inflation should creep up only moderately in 2021
- Central banks to remain supportive, keeping policy rates low and continuing asset purchases continuing through the year
- Key risks to baseline outlook include:
 - Fiscal fatigue or gridlock
 - A negative credit impulse in China
 - Pandemic-related economic scarring

Real GDP levels (4Q 2019 = 100)

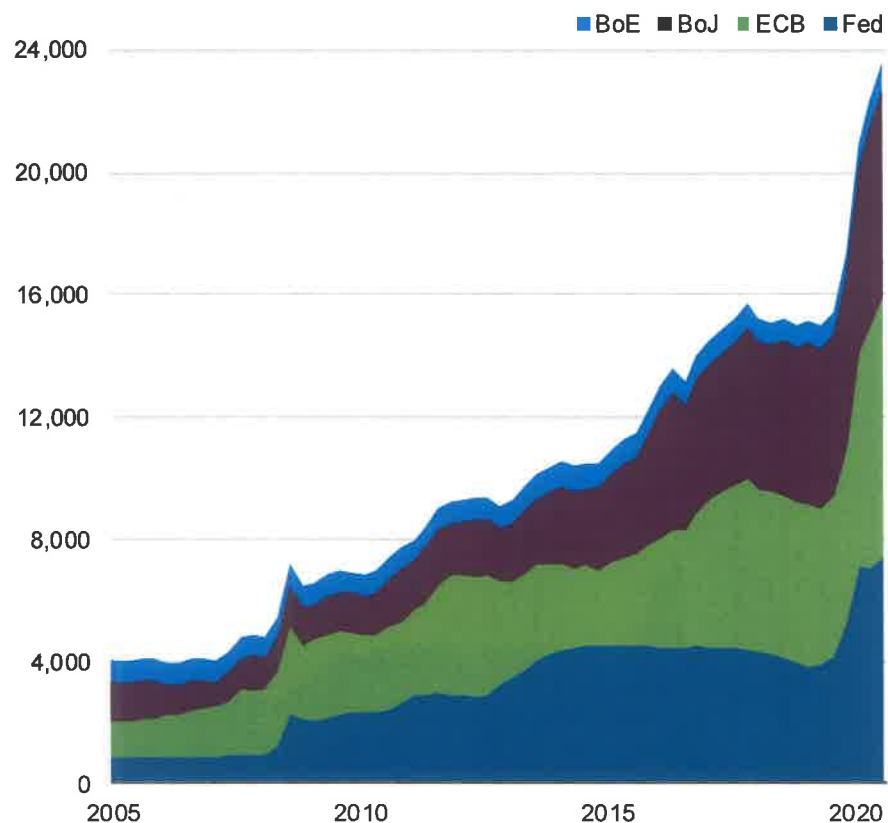


As of January 2020. SOURCE: PIMCO, Haver
Refer to Appendix for additional outlook information.

Vaccine rollout and policy support to spur strong growth rebound in 2021

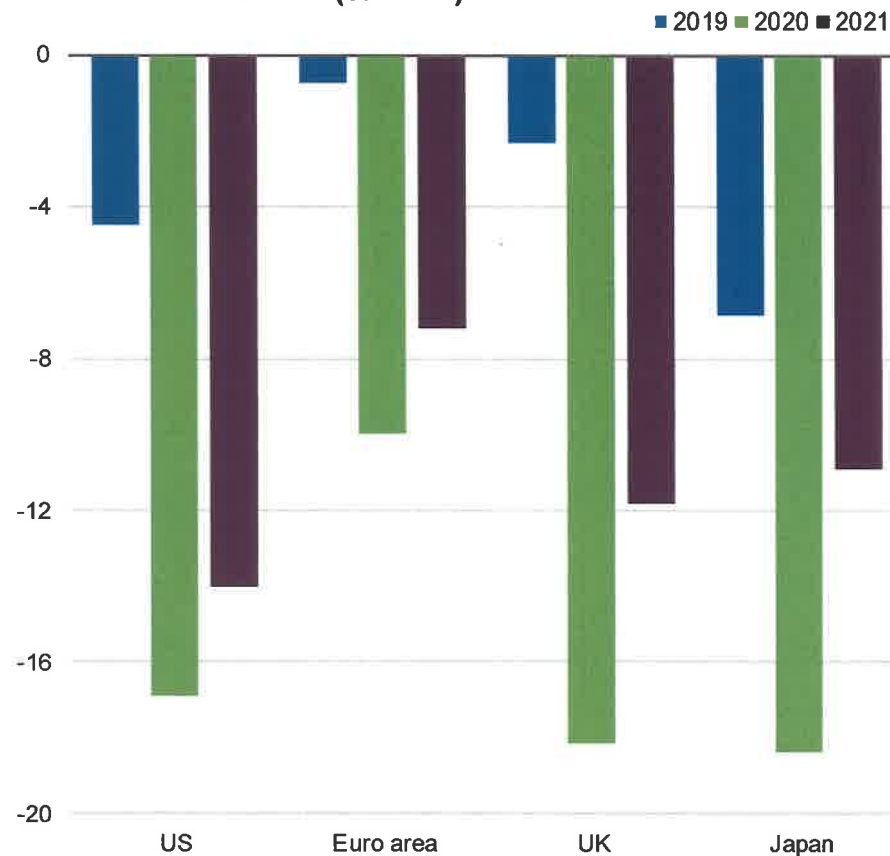
Central banks stay the course with bias for easing

Balance sheet (USD, billions)



Fiscal policy supportive (for now)

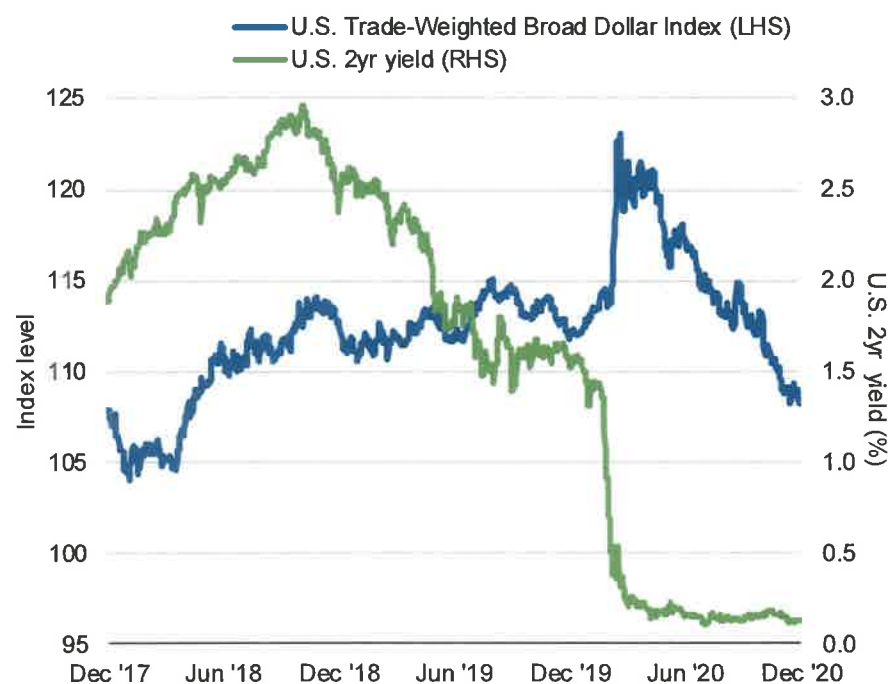
Fiscal deficit forecast (% GDP)



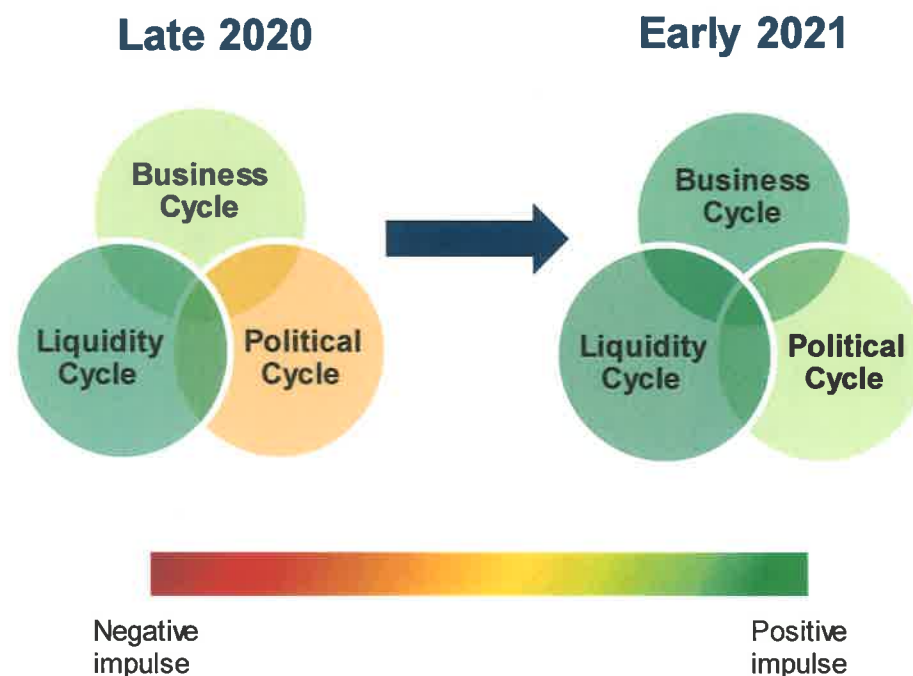
As of 31 December 2020. SOURCE: Haver, Federal Reserve Bank of New York, CBO, PIMCO

Emerging Markets: A weakening dollar and improving global backdrop should prove supportive

USD weakening



Global top-down factors framework



Lingering uncertainties around the recovery and strong easing actions by the Fed have both contributed to a weaker dollar

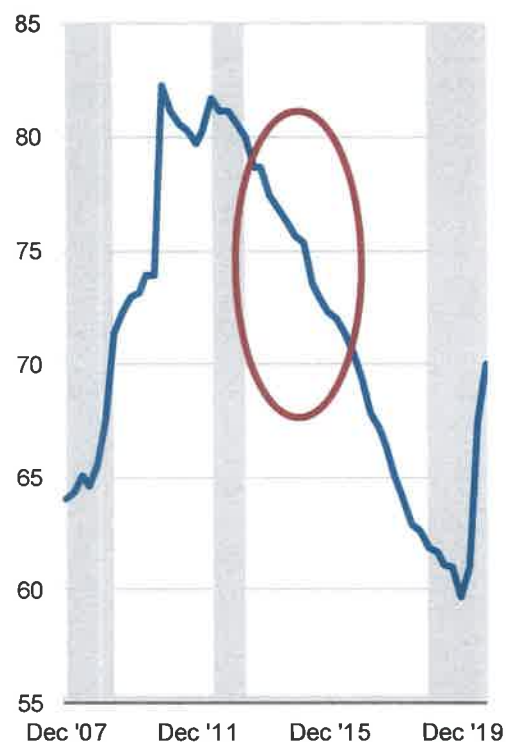
Macro backdrop reflects tailwinds from central bank liquidity support, a burgeoning recovery, and fading political risk

As of 31 December 2020
Source: Bloomberg, PIMCO

Three risks to the baseline outlook

#1 Fiscal fatigue

German Debt to GDP (%)



Large deficits may affect policymakers' willingness to stay the course

#2 China deleveraging

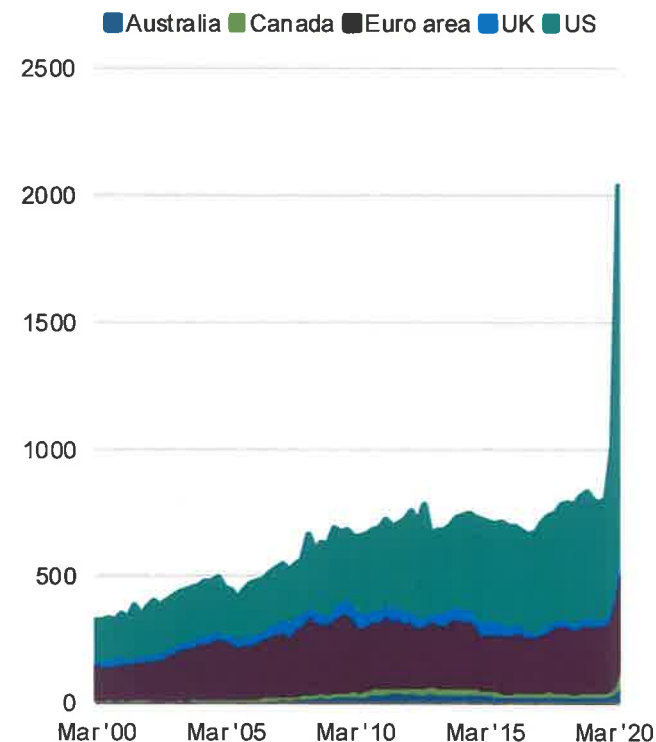
China credit impulse (2Q lead) vs. global industrial production momentum



China's refocus on deleveraging could weigh on the global economy

#3 Economic scarring

Gross personal saving (USD, billions)



Scarring from the pandemic could inhibit consumer and business spending

As of 31 December 2020. SOURCE: Haver, Federal Reserve Bank of New York, CBO, PIMCO

Fee Schedule

RAE Global Ex-US LLC Fee Schedule	
First \$50MM	57.5 bps
Next \$50MM	50 bps
Thereafter	42.5 bps

As of 31 March 2021.

Appendix



Value signal seeks to exploit short-term mispricing in two ways

Valuation Measure

The ratio of a company's fundamental size to its market capitalization has information – companies with a high ratio are cheap, companies with a low ratio are expensive. This signal is adjusted to avoid extreme sector biases

$$\frac{\text{Fundamental Weight}}{\text{Market Cap Weight}} = \text{Valuation}$$

Example: XYZ Corp

0.43%

0.20%

Cheap

0.43%

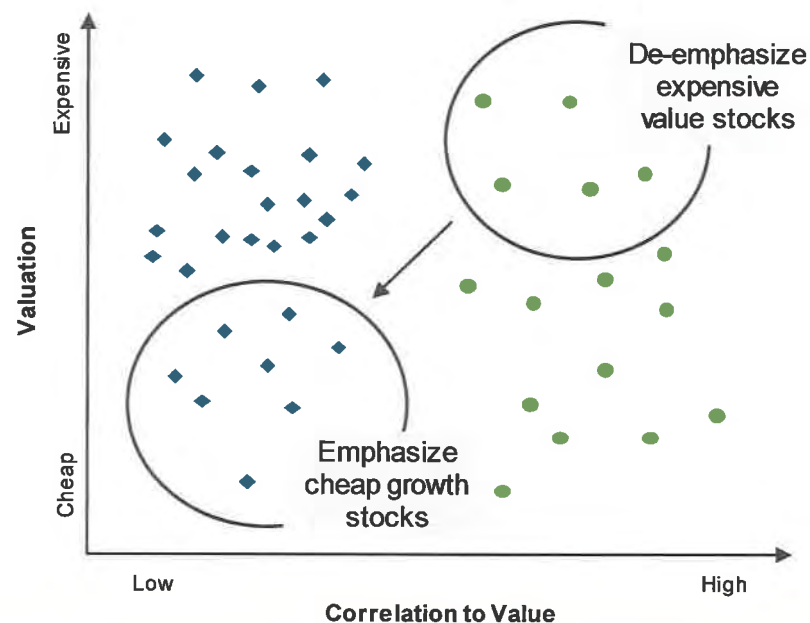
0.60%

Expensive

For illustrative purposes only
Research Affiliates, "The Moneyball of Quality Investing"
Refer to Appendix for additional investment strategy and risk information.

Style Diversification Measure

There are instances when stocks that co-move with value get expensive and when stocks that co-move with growth become cheap. This signal serves to select cheap growth stocks and avoid expensive value stocks



Quality signal aims to avoid value traps by screening for financial health

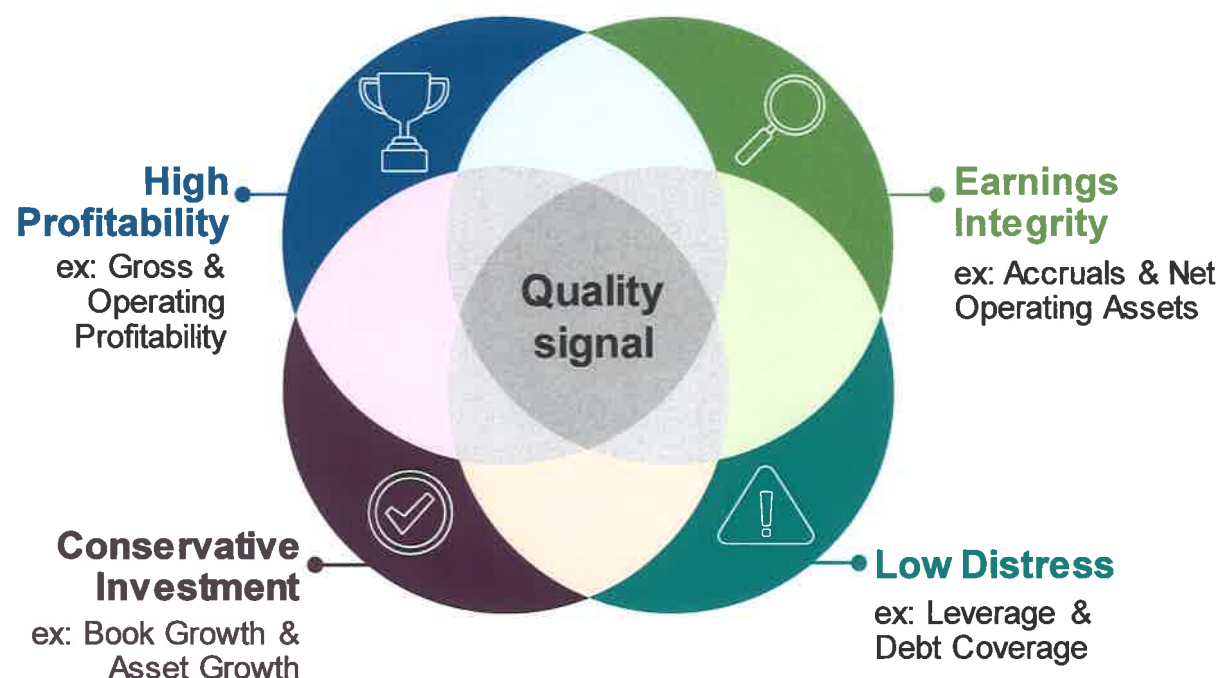
Quality measure

We select companies using four characteristics of quality associated with sustainable earnings:

- 1) High profitability
- 2) Conservative investment
- 3) Low distress
- 4) High earnings integrity

Each quality signal category is a combination of several signals to reduce noise and better capture each category's investment insight.

Measures



*Research Affiliates won the 2019 Graham and Dodd Award of Excellence from the CFA Institute for its research on quality**

*Research Affiliates, Jason Hsu, Vitali Kalesnik, and Engin Kose. 2019. "What Is Quality?"

The annual Graham and Dodd Awards of Excellence include the top G&D Award to recognize the best research article and up to two Scroll Awards to acknowledge the runners-up. Winners are chosen through a two-stage selection process. First, all members of the Financial Analysts Journal Advisory Council and Editorial Board are invited to vote, producing a shortlist of peer-reviewed research articles published in Financial Analysts Journal throughout the year. Second, the G&D Awards Committee (six members selected from the CFA Institute Board of Governors, the CFA Institute Leadership Team, CFA Society Leadership, and the Financial Analysts Journal editorial team) collectively decides the award winners from the shortlist.

Ray Ball, Joseph Gerakos, Juhani T. Linnainmaa, and Valeri V. Nikolaev. 2014. "Deflating Profitability." Fama-Miller Working Paper; Chicago Booth Research Paper No. 14-10.

Refer to Appendix for additional investment strategy and risk information.

Momentum signal seeks returns, avoids catching the proverbial falling knife

Momentum measures

Beta-Adjusted Momentum

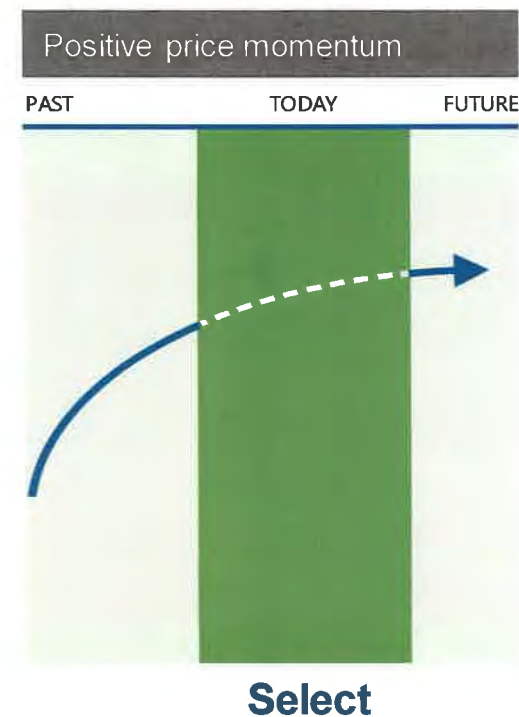
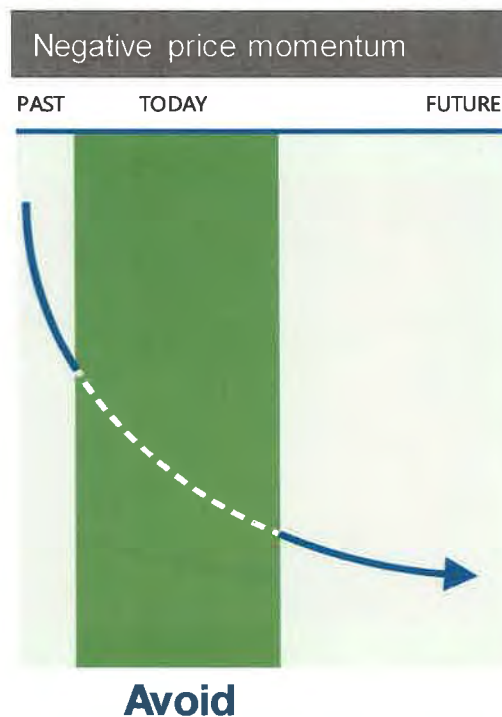
Accounts for a stock's beta

Volatility-Adjusted Momentum

Accounts for a stock's standard deviation

Fresh Momentum

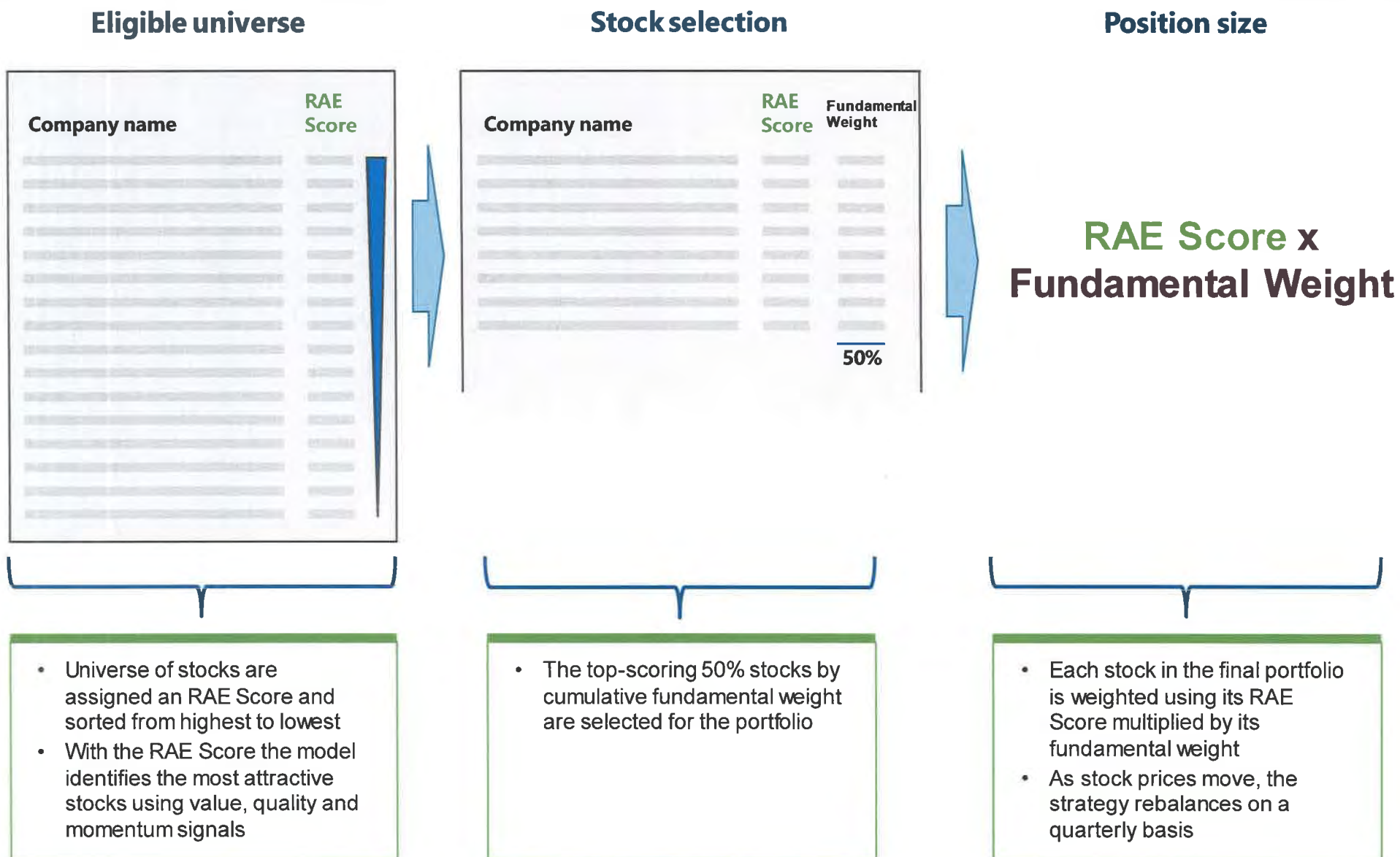
Favors companies whose momentum is early stage and more likely to persist



For illustrative purposes only

*Research Affiliates, "How Not to Wipe Out With Momentum," "Can Momentum Investing Be Saved?"
Refer to Appendix for additional investment strategy and risk information.

Portfolio construction is systematic and transparent



For illustrative purposes only

TCERA
Monthly - EBTIF Sweep
Month March 2021

<u>Transfer From</u>	<u>EBTIF Interest Amount</u>	<u>Transfer To</u>
TULF1002002/7936278400	<u>13.37</u>	TULF3001002 Robeco
TULF1008002/7936288400	<u>15.18</u>	TULF3001002 William Blair
TULF1010002/7936298400	<u>1.38</u>	TULF3001002 QMA
TULF1010022/7936308400	<u>7.61</u>	TULF3001002 LMCG
TULF1012002/7936328400	<u>17.52</u>	TULF3001002 Waddell (Ivy)
TULF3002002/7936448400	<u>120.69</u>	TULF3001002 Blackrock
TULF6001002/7936828400		TULF3001002 Parametric
Total XFENT	<u>175.75</u>	Total Transferred to Cash Reserve
TULF3001002/7936428400 Int	<u>342.73</u>	Cash Reserve
	175.75	

The EBTIF interest totals and Mellon fee must be email to Mary Warner

<u>Posted Apr 2020</u>		
TOTAL EQUITY =	55.06	<input type="checkbox"/>
FIXED INCOME =	120.69	<input type="checkbox"/>

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BRADLEY M. KLAPMEYER, CFA
Senior Vice President, Portfolio Manager

BRIAN T. SULLIVAN
Vice President, Institutional Relationship Management
913.236.2759 – btsullivan@ivyinvestments.com



April 14, 2021

At a Glance

- Ivy Investment Management Company is recognized for an array of actively managed, global investing solutions
- Expertise across a variety of asset classes
- Strategies focused on active portfolio management utilizing proprietary fundamental research
- Ivy has been affiliated with Waddell & Reed Financial, Inc. (Ticker: WDR) since 2002
- WDR founded in 1937, manager for institutional clients since 1972, publicly held since 1998
- All investment professionals located on corporate campus in Overland Park, KS, (Kansas City)

INVESTMENT TEAM LEADERSHIP

Phil Sanders, CFA
Chief Executive Officer
 - 32 years experience

Gil Scott, CFA
Global Director Equity and Fixed Income Research
 - 29 years experience

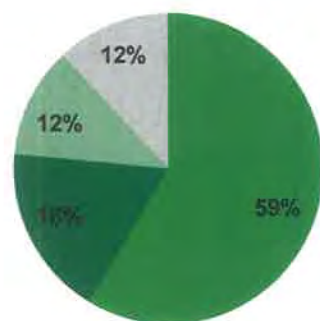
Dan Hanson, CFA
Chief Investment Officer
 - 26 years experience

Dan Scherman, CFA
Chief Risk Officer, Independent Risk Management Group
 - 36 years experience

Mark Beischel, CFA
Global Director of Fixed Income
 - 27 years experience

\$74,822 MILLION – FIRM AUM

AUM BY ASSET TYPE



- Domestic Equity
- Fixed Income
- International Equity
- Other (Multi-Asset & Cash)

TOP STRATEGIES BY AUM (\$MILLIONS)

Science and Technology	\$10,537
Mid Cap Growth	\$9,343
Large Cap Growth	\$7,480
High Yield Fixed Income	\$5,677
Core Equity	\$5,569

91 INVESTMENT PROFESSIONALS

CEO, CIO & Director of Research	3
Portfolio Managers	32
Asst. Portfolio Managers*	11
Research Analysts	26
Client Portfolio Managers	3
Economists	3
Derivatives	3
Traders	10

Asset data as of 12/31/20. Asset totals include the entire firm complex, including affiliates.

*Assistant Portfolio Managers also hold research responsibilities. Investment Professionals are as of 12/31/20.

Our Investment Approach



We believe skilled active management is the best way to help our clients meet their long-term investment goals.

Risk-focused management is the foundation for each strategy and is reflected throughout each investment process, while at the same time targeting market cycle outperformance.

Ivy's Process is:

COLLABORATIVE

We encourage constant collaboration, inspiring multiple perspectives and viewpoints, through:

- **Daily Morning Meetings @ 8:45 AM.**
 - The cornerstone of the research and collaboration process at Ivy
- **Ongoing conversations**
 - We believe in the importance of face-to-face collaboration
- **Leveraging our intellectual capital**
 - 90% of Ivy's Portfolio Managers have held research responsibilities at the firm

FUNDAMENTAL

Intense, proprietary research uncovers what we believe drives long-term performance:

superior business models

ACTIVE

We believe the best ideas result in distinct holdings and **high conviction portfolios** designed to positively impact returns

RISK-MANAGED

Risk Management is a foundational part of each investment strategy and an independent Risk Management Group engages teams to enforce awareness of unintended risks

Ivy Large Cap Growth Team

Bradley M. Klappmeyer, CFA Portfolio Manager

-Portfolio Manager at firm since 2014
-Joined firm in 2007 as investment analyst

Gage T. Krieger, CFA Assistant Portfolio Manager

-Asst. Portfolio Mgr. at firm since 2016
-Joined firm in 2012 as investment analyst

Investment Risk Team

-Chief Risk Officer
-3 professionals dedicated to risk

Research

Global Equity	Sector(s) covered	Fixed Income	Industry/Specialty
Christopher K. Bubeck, CFA	Communication Services, Health Care, Information Technology	Stephen Carlson	High Yield: Airlines, Aerospace/Defense, Rental Equip., Industrials
Mathew Berns	Communication Services, Consumer Discretionary, Real Estate	Marc J. Warden, CFA	High Yield: Autos, Education, Technology Services, Transportation
Mark Dennis, CFA, CPA	Communication Services, Financials, Information Technology	Christopher M. Allen, CFA	High Yield: Diversified Media, Leisure & Entertainment, Paper & Packaging, Chemicals
Victor Lee, CFA	Consumer Discretionary, Consumer Staples	Asif Chaudry	High Yield: Energy-Exploration, Production & Services
Niuzhuo Zuo	Consumer Discretionary, Consumer Staples	Anne E. Brundige	High Yield: Food/Beverages/Restaurants, Consumer, Retail
Bradley D. Angermeier, CFA	Consumer Discretionary, Financials, Industrials	Bohdan Ivantsyk, CFA	High Yield: Cable & Satellite, Gaming
Reza S. Saghir	Consumer Discretionary, Information Technology	Yaroslav Jerry Lvovich	High Yield: Mining/Metals/Coal, Steel, Utilities, Financial & Insurance
Joshua P. Brown	Consumer Discretionary, Financials, Industrials, Materials	Chad A. Landrum, CFA	High Yield: Telecommunications, Health Care
Eric Landwehr	Consumer Discretionary, Health Care, Industrials, Materials, Utilities	Thaddeus P. Sieracki, CFA	International Corporate & Sovereign Credit
Shashank Manchanda, Ph.D. Intern	Consumer Staples	Casey G. Johnson, CFA	Investment Grade Corporate Debt
Juliet Huang, CFA	Emerging Markets Financials	Sabrina K. Saxer	Investment Grade Corporate Debt
Alejandra Lobo Rodriguez	Alternative Energy	Kirk E. Hatfield, CFA	Money Market/Investment Grade Corporate Debt
Ashkahn Negahban, CFA	Energy	Bifei Zhang	Mortgage Backed Securities
Bernie L. Colson, CFA	Energy, Materials	Carol T. Clifton	Municipal Securities
Elizabeth M. Jones, MD, CFA	Health Care	Meredith Bittle	Municipal Securities
Gage T. Krieger, CFA	Health Care	Daniel Blickhan	Municipal Securities
Margot Waldron	Health Care		
Charles "Trey" Schorgl, CFA	Industrials		
Ryan Rutkowski	Industrials, Materials		
Charles John, CFA	Information Technology		
Catherine L. Murray	International Financials		
Nick Bolmer, CFA	Small Cap		

Portfolio Managers, Client Portfolio Managers, Economists, Traders

Portfolio Managers

- 25 Equity Portfolio Managers
- 7 Fixed Income Portfolio Managers
- 11 Assistant Portfolio Managers

Client Portfolio Managers

- 3 Client Portfolio Managers

Economists

- Global Economist
- U.S. Economist
- International Economics Analyst/
Currency Specialist

Traders / Derivatives

- 7 Equity Traders*
- 3 Derivatives Specialists
- 2 High Yield Traders

As of December 2020

*Includes Trading Operations.

Macquarie Group to Acquire Waddell & Reed Financial, Inc. for \$1.7 Billion

Company Release - 12/2/2020 5:00 PM ET

Delivers immediate value and significant premium to stockholders

Accelerates transformation on behalf of clients and advisors

Macquarie Group also announced its agreement to sell Waddell & Reed Financial, Inc. wealth management platform to LPL Financial for \$300 million providing continuity for existing Waddell & Reed wealth management business

OVERLAND PARK, Kan.--(BUSINESS WIRE)-- Waddell & Reed Financial, Inc. (NYSE: WDR) today announced it has entered into a merger agreement with Macquarie Asset Management, the asset management division of Macquarie Group (ASX: MQG; ADR: MQBKY), under which Macquarie would acquire all of the outstanding shares of Waddell & Reed for \$25.00 per share in cash representing total consideration of \$1.7 billion.

The transaction represents a premium of approximately 48% to the closing price of Waddell & Reed common stock on December 1, 2020, the last trading day prior to the transaction announcement, and a premium of approximately 57% to Waddell & Reed's volume-weighted average price for the last 90 trading days.

On completion of the transaction, Macquarie has agreed to sell Waddell & Reed Financial, Inc.'s wealth management platform to LPL Financial Holdings Inc. (Nasdaq: LPLA), a leading U.S. retail investment advisory firm, independent broker-dealer, and registered investment advisor custodian, and also enter into a long-term partnership with Macquarie becoming one of LPL's top tier strategic asset management partners.

Source: Excerpt from <https://www.businesswire.com/news/home/20201202005966/en/Macquarie-Group-to-Acquire-Waddell-Reed-Financial-Inc-for-1.7-Billion>

INVESTMENT PROCESS

Ivy Large Cap Growth Team



Portfolio Managers

Brad Klapmeyer, CFA

Portfolio Manager
20 Years Industry Experience

Primary Responsibilities:

- Buy/sell decisions
- Portfolio design
- Portfolio construction and risk management

Gage Krieger, CFA

Assistant Portfolio Manager
11 Years Industry Experience

Client Portfolio Manager

David Borberg, CFA

24 Years Industry Experience

Primary Responsibilities:

- Communicating strategy, positioning
- Client interaction

Risk Team

Dan Scherman, CFA

Chief Risk Officer
36 Years Industry Experience

Primary Responsibilities:

- IPS review and monitoring
- Risk review and communication

Product Manager

Eric Blattner, CIMA, CFP

15 Years Industry Experience

Primary Responsibilities:

- Competitive positioning and analysis
- Performance attribution and analysis

Ivy Investments and Our Large Cap Growth Strategy

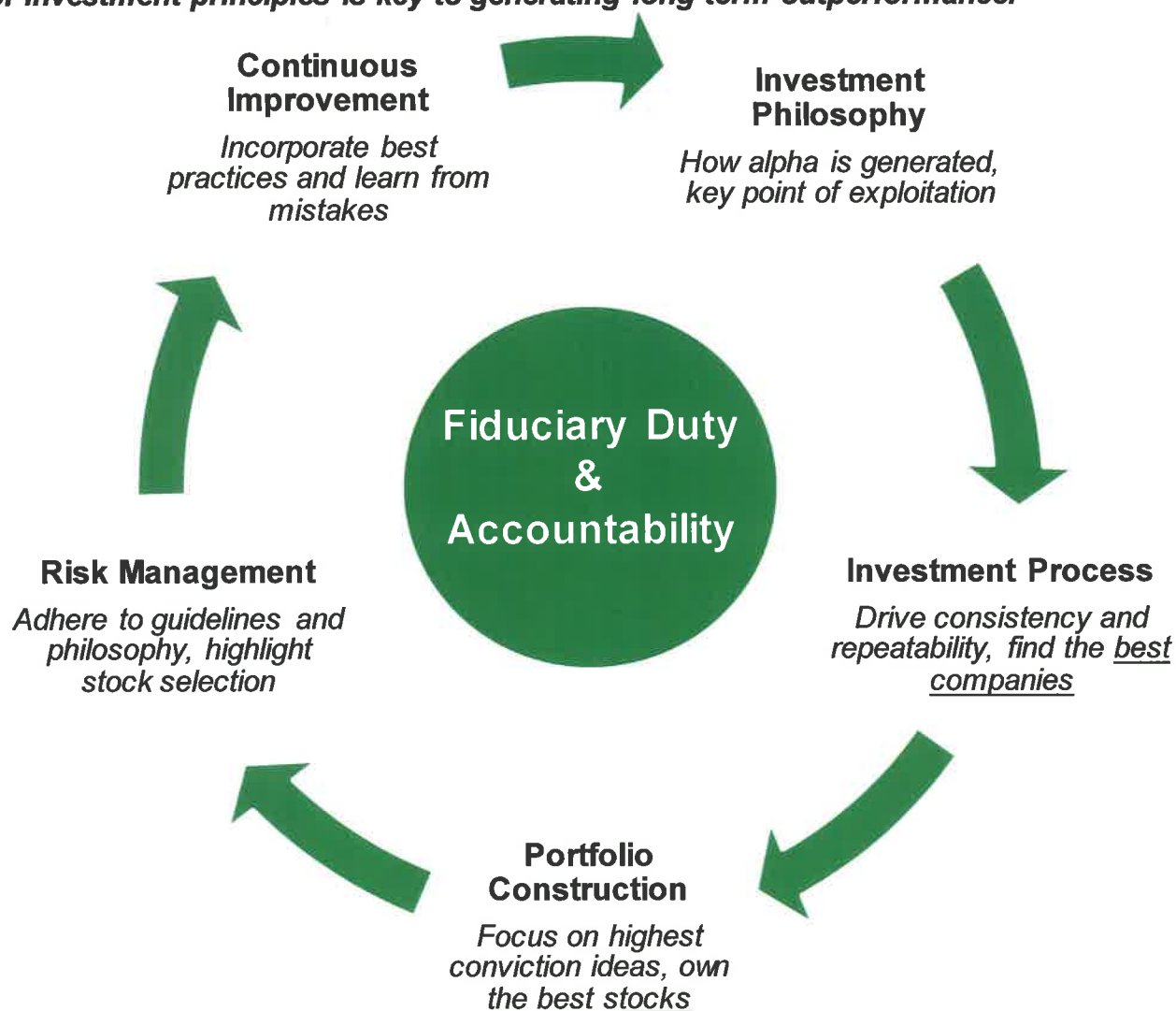


- Ivy Investments – Focused on growth equity investing 45 years before style boxes were conceived
- Large cap growth philosophy was developed in 1994
- Supported by a collaborative and highly integrated group of portfolio managers and analysts
- 2.2% annualized outperformance over the Russell 1000 Growth Index for over 25 years (1q95 through 4q20, see Performance Summary page)
- A disciplined decision-making process that strives to outperform in up markets and seeks to provide greater protection of assets in bad markets

Key Principles: Ivy Large Cap Growth



"Our key principles are centered around our fiduciary responsibility and transparency to the client. We believe a well defined set of investment principles is key to generating long-term outperformance."



Investment Philosophy

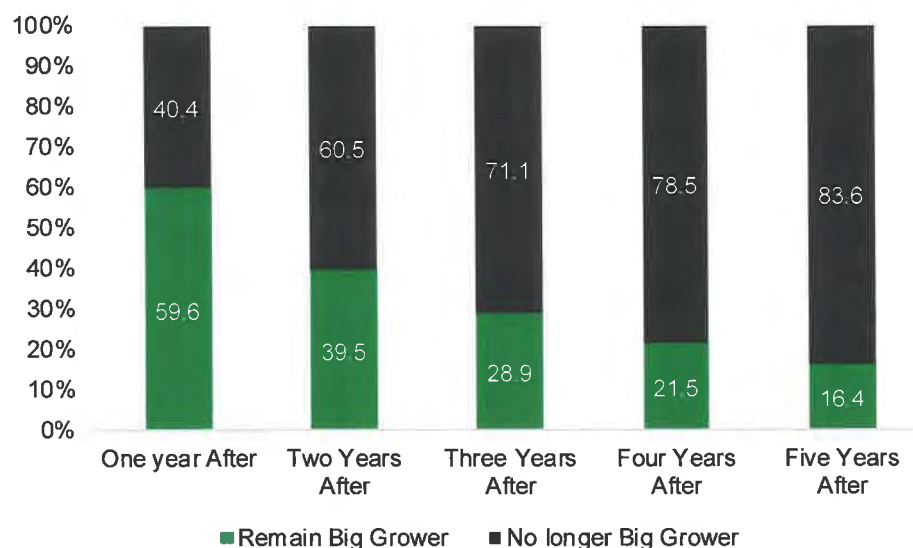


"Investing in growth companies means being exposed to business model failure risk and significant downside potential. We build a concentrated portfolio of high-quality, structurally advantaged businesses in attempt to minimize downside and participate in upside with a focus on driving performance from stock specific risks."

Growth stock investing is challenging:

- Growth investors tend to overpay for short-term earnings growth and underpay for enduring, structural earnings power
- Failure rate of growth companies is very high and risks are often underestimated

Large-Capitalization Big Growers Share Keeping Big-Grower Status in the Following Years 1952 Through Mid-July 2020



Long-term excess returns can potentially be achieved by:

- Focusing on a smaller subset of unique business franchises, which we feel can potentially increase the odds of success
- Having a mindset geared to methodically avoiding common mistakes by emphasizing franchise power and earnings sustainability over earnings growth rates

Source: Empirical Research Partners Analysis

Investment Process

“Consistency and repeatability is instrumental from a process standpoint to ensure execution of Investment Philosophy and generation of long-term excess returns.”

Screen for Potential Signs of
Franchise Strength

INITIAL UNIVERSE

1,500 LARGEST U.S.
COMPANIES
MKT CAP > \$8.0 BILLION
(GENERALLY)
MINIMUM MKT CAP
> \$3.0 BILLION

Filter for Strong or Improving Profitability:

- High gross, operating and net profit margins
- High return on capital
- High return on equity
- Above average growth rates

Analyze Economics of Competition
and Sustainability of Growth

FRANCHISE GROWTH UNIVERSE

200 – 300
COMPANIES WITH
SUSTAINABLE
COMPETITIVE
ADVANTAGE

Focus On Structural Origin of Profit and Growth Drivers

- Brand equity/brand loyalty
- Proprietary technology, patents, subsidies, etc.
- Switching costs
- Access to distribution channels
- Capital requirements
- Economies of scale
- Network effects

Find Timely Stocks With
Appropriate Catalysts

FRANCHISE GROWTH PORTFOLIO

TYPICALLY
40 – 60 STOCKS

Superior Business Model

- Structural advantages producing superior returns

Attractive Industry Prospects

- Barriers to entry exist
- Large market opportunity
- Secular unit growth

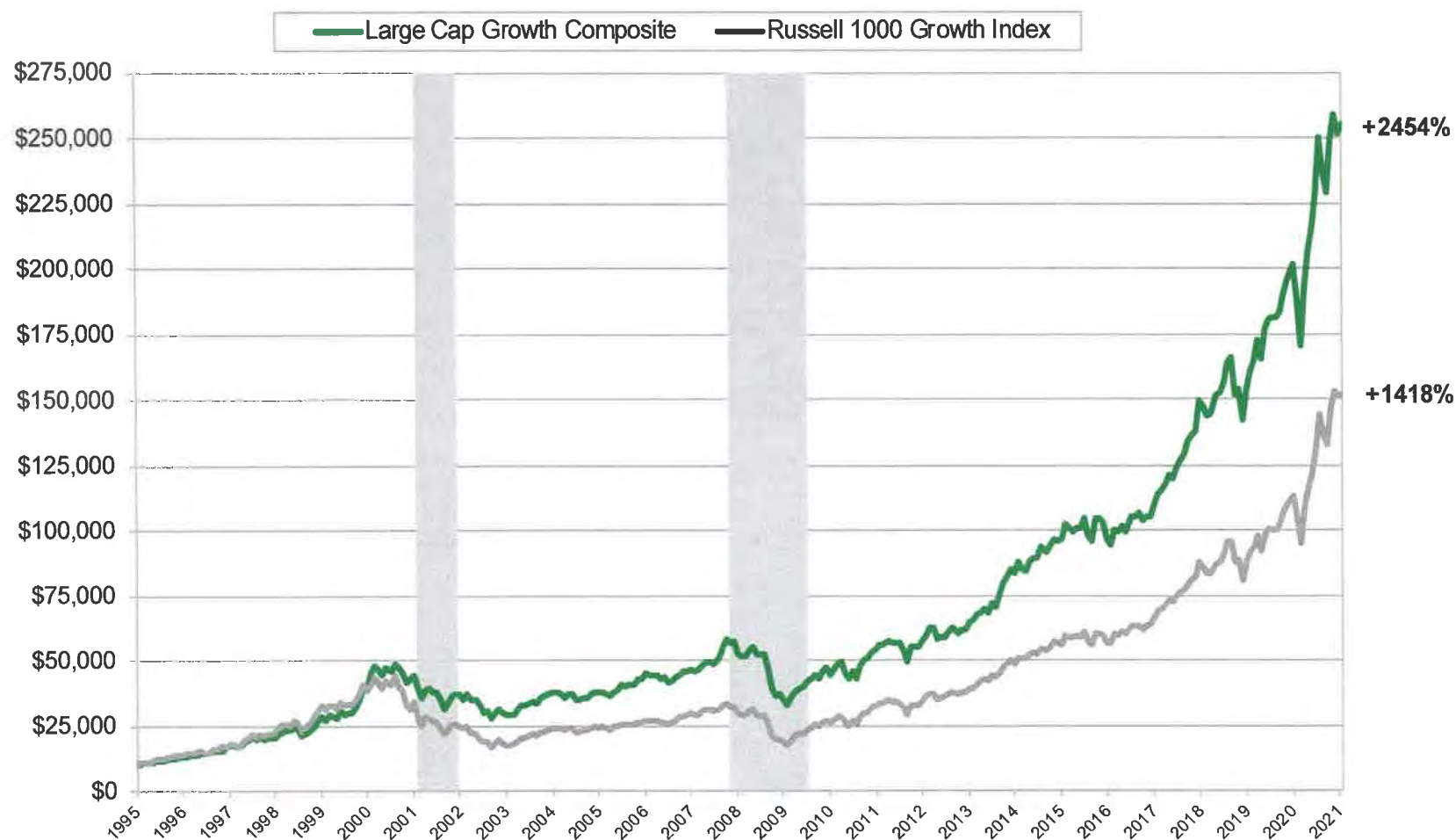
Timeliness

- Growth, capital discipline and valuation factor ranks

Performance Results



Growth of \$10,000 (1/1/95 through 2/28/21)



Supplemental data. Dates on horizontal axis represent January 1st of each calendar year. Returns are presented on a dollar-weighted, gross of fees basis and may be impacted by ongoing market volatility. Past performance is no guarantee of future results. Please see the Performance Summary page for additional performance information. Please see Important Disclosures at end of presentation.
Source: Ivy Investments, Russell

Risk Management



“Successful risk management begins and ends with a trusted team, a defined Investment Philosophy and a well executed Investment Process. Sophisticated portfolio construction tools are required and ensure adherence.”

Risk Management Goals:

- Minimize unintentional exposures with focus on driving tracking error through stock selection
- Attempt to limit relative downside participation through appropriate stock selection and sound portfolio construction
- Meet expectations of return stream through-cycle
- Provide full transparency and appropriate checks and balances on Investment Management team

Holistic View of Risk Management

Fiduciary Responsibility and Strong Ethics

Investment Philosophy / Investment Process

- Philosophy is empirically proven and has a long-term track record of alpha generation
- Process adherence drives repeatability and consistency

Company Fundamental Diligence

- Utilize strong internal fundamental research and quality metrics to uncover durable business models
- Valuation framework illuminates downside risk potential and long-term return opportunity
- Includes both qualitative and quantitative assessment

Portfolio Construction

- Portfolio level and asset level risk contributions and exposures
- Diversification across growth spectrum, including minimization of exposure to risky tails
- Active management of weights to ensure exposure to highest conviction names balanced by risk goals

Interaction with Internal Risk Management Team

Managing Risk



"We see elevated downside risk in the growth tails and believe adequately managing overall risk means minimizing exposure to those categories despite perceived attractiveness"

The Growth Spectrum

	GROWTH CATEGORY	DEFINITION	TYPICAL RANGE
FAST GROWTH	HYPER, UNPROVEN GROWTH	High growth potential but unproven profit models	Minimal
	ACCELERATING GROWTH	Accelerating growth and profitability due to introduction of new product or service within mature company	5 - 25%
MODERATE GROWTH	CONTROLLED GROWTH	Companies with relatively steady growth prospects irrespective of economic environment	30 - 70%
SLOW GROWTH	CYCLICAL GROWTH	Companies with attractive long-term growth potential but near term prospects are economically sensitive	20 - 60%
	ASSET GROWTH	Companies with low organic growth prospects that grow primarily via acquisitions...high levels of risk associated with integration, access to capital markets, etc.	Minimal

Sell Discipline



5 Year Average Portfolio Turnover: 43.5%
Large Cap Growth² as of 12/31/20

Primary Reasons for Sale

- Competitive advantages break down or become potentially disrupted or diminished
- Concern about long-term / medium-term industry demand
- Profitability or valuation unsustainably high

Companies with high relative valuations are more vulnerable to these weaknesses – Price declines can be more severe

PORTFOLIO REVIEW

Asset Summary



Tulare County Employees' Retirement Association Market Value Summary As of 2/28/21

	<u>Month to Date</u>	<u>Fiscal Year to Date</u>	<u>Since Inception*</u>
Beginning Market Value	\$95,426,401	\$86,160,466	\$0
Cumulative Contributions	\$0	\$0	\$48,034,594
Cumulative Withdrawals**	(\$104,939)	(\$5,300,039)	(\$61,345,770)
Net Appreciation	\$1,375,906	\$15,836,942	\$61,973,952
Ending Market Value	\$96,697,369	\$96,697,369	\$96,697,369

*Tulare County Employees' Retirement Association inception date: 6/4/10.

**Includes management fees
Fiscal year-end June 30th

Performance Summary



Tulare County Employees' Retirement Association Performance Summary (as of 2/28/21) – Net of Fees

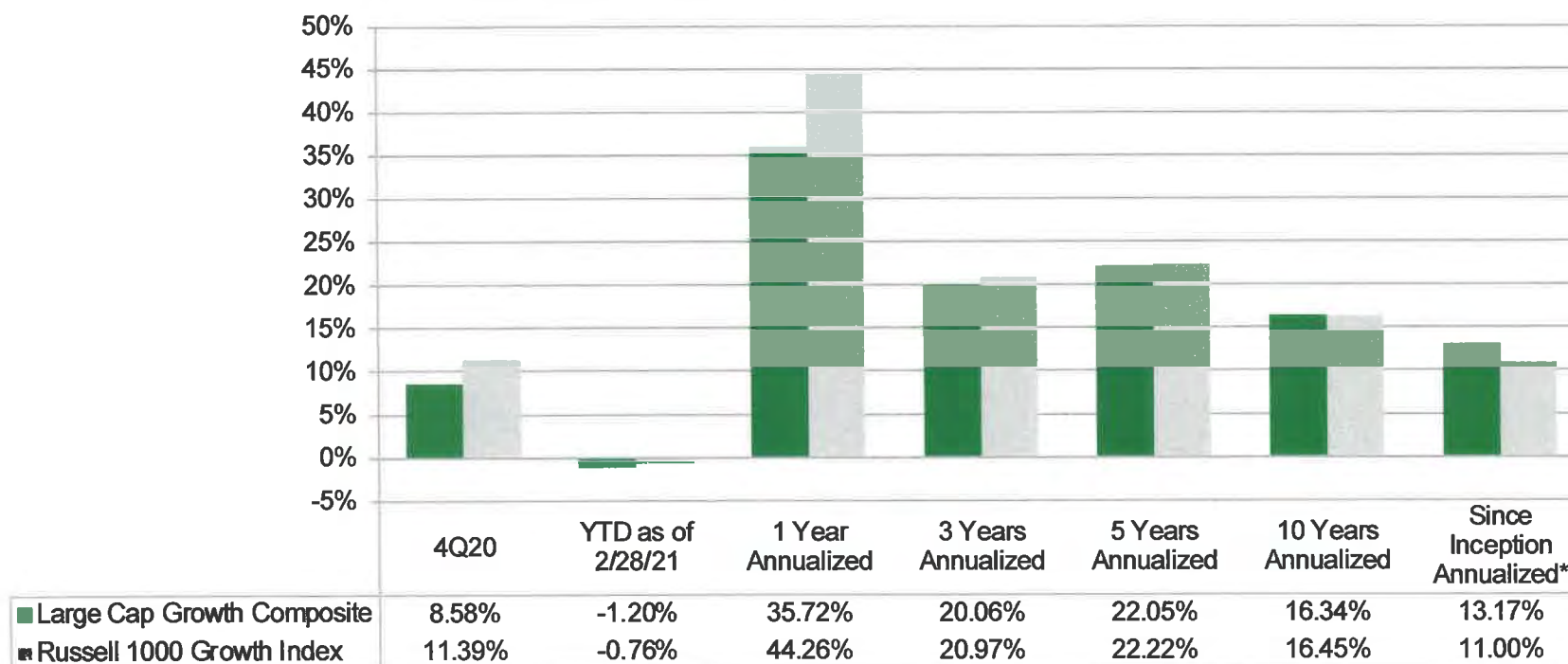
	Most Recent Quarter to Date <u>12/31/20 - 2/28/21</u>	Fiscal Year to Date <u>7/1/20 - 2/28/21</u>	Calendar Year to Date <u>1/1/21 - 2/28/21</u>	Prior Fiscal Year <u>7/1/19 - 6/30/20</u>	Three Fiscal Years Ann. <u>7/1/17 - 6/30/20</u>	Five Fiscal Years Ann. <u>7/1/15 - 6/30/20</u>	Annualized Since Inception <u>6/4/10 - 2/28/21</u>
Portfolio	-1.27%	18.59%	-1.27%	20.27%	20.50%	15.40%	17.03%
Russell 1000 Growth Index	-0.76%	25.15%	-0.76%	23.28%	18.99%	15.89%	17.59%
*Policy Objective	-0.76%	25.15%	-0.76%	23.28%	18.99%	15.89%	17.59%

*The policy objective is the same as the portfolio's benchmark, Russell 1000 Growth Index. Fiscal year-end June 30.
Source: Ivy Investments, Russell

Performance Summary



Large Cap Growth Total Returns (as of 2/28/21)



Calendar Year Returns

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Large Cap Growth Composite	31.93%	37.69%	3.19%	30.44%	2.18%	7.64%	12.94%	37.19%	12.87%	2.93%
Russell 1000 Growth Index	38.49%	36.39%	-1.51%	30.21%	7.08%	5.67%	13.05%	33.48%	15.26%	2.64%

*Composite inception date: 1/1/1995. Returns are presented on a dollar-weighted, gross of fees basis and may be impacted by ongoing market volatility. Past performance is no guarantee of future results. Please inquire for more current performance information. Please see Important Disclosures at end of presentation.

Source: Ivy Investments, Russell

2020 Market Review



- The Russell 1000 Growth saw tremendous strength off the March pandemic lows and posted strong year-to-date gains
- Rally has been fueled by significant multiple expansion due to extremely low rates and unprecedented monetary and fiscal stimulus
- Post pandemic the market rewarded those companies with the highest relative growth and strongest revisions, regardless of quality, risk or valuation (near-term growth at any cost)
- Late in the year as economic prospects improved for 2021 the market began to reward high-risk, low-quality cyclical stocks
- Economic indicators did show rapid improvement, which was comforting to the markets, but did not fully erase the impacts from the pandemic
- An increase in household net worth and disposable income are unique variables of this economic downturn
- Sector gains were broad with Consumer Discretionary, Information Technology and Communications Services leading

2020 Market Review (cont'd)



- Momentum (relative strength and price return) and growth (5-year EPS growth and estimate revisions) were runaway positive factors
- Quality (return on capital and return on assets) factor strategies were mixed as performance deteriorated through-out the year; value (low valuations, such as price-to-earnings and price-to-cash flow) factor strategies were a significant laggard

2020 Portfolio Review



- The portfolio trailed the Russell 1000 Growth benchmark during the year despite posting a strong absolute gain
- Markets benefited from an aggressive bounce in what we identify as the “tails” – areas in which we rarely invest due to elevated downside risk and lack of quality
- We made an active decision to stay with quality at the detriment of growth exposure and near-term returns
- Relative detractors were from stock selection in Consumer Discretionary, Information Technology, and Communication Services
- Relative contributors include selection in Industrials and Real Estate, as well as an underweight in Materials
- Largest stock specific relative contributors*: *NVIDIA, PayPal, Boeing (not owned), Merck (not owned), Tractor Supply, Amgen (not owned), Zebra Technologies, Lockheed Martin (not owned), PepsiCo (not owned), Adobe*
- Largest stock specific relative detractors*: *Tesla (not owned), Motorola Solutions, Coca-Cola, Cerner, V.F. Corporation (not owned), Apple, Cooper Companies, Booking Holdings, CME Group (not owned), Stanley Black & Decker*

*Relative contributors and detractors include securities not held in the portfolio that may contribute or detract from performance when being compared to the Russell 1000 Growth Index.

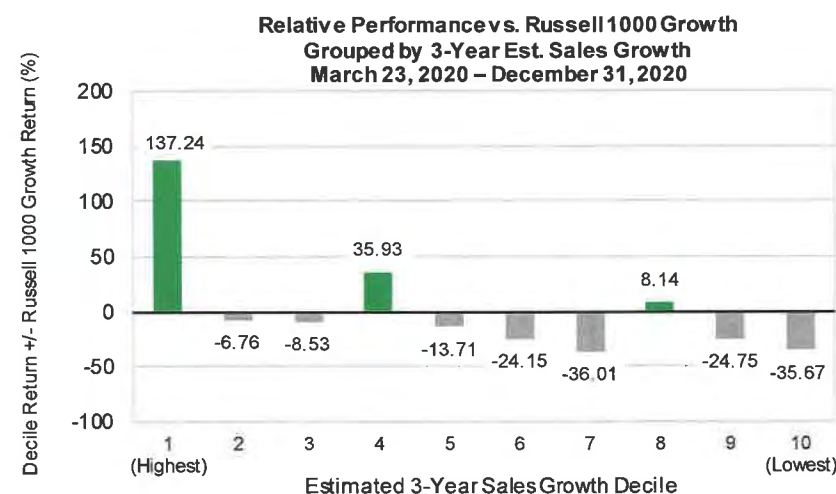
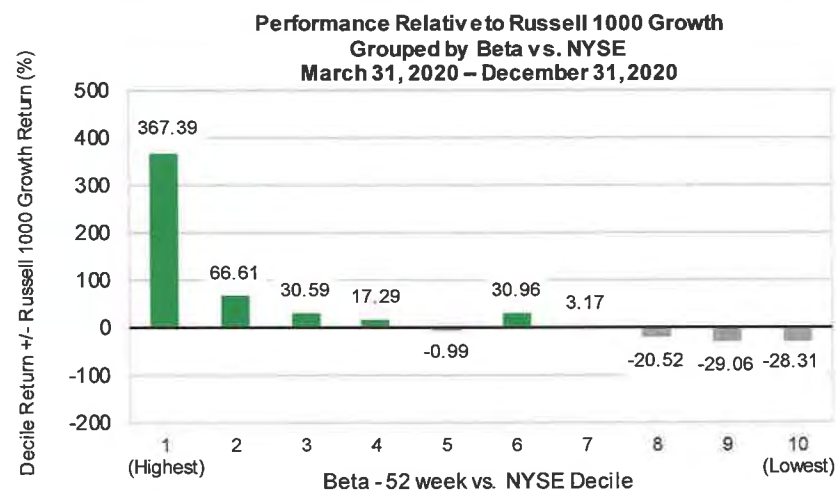
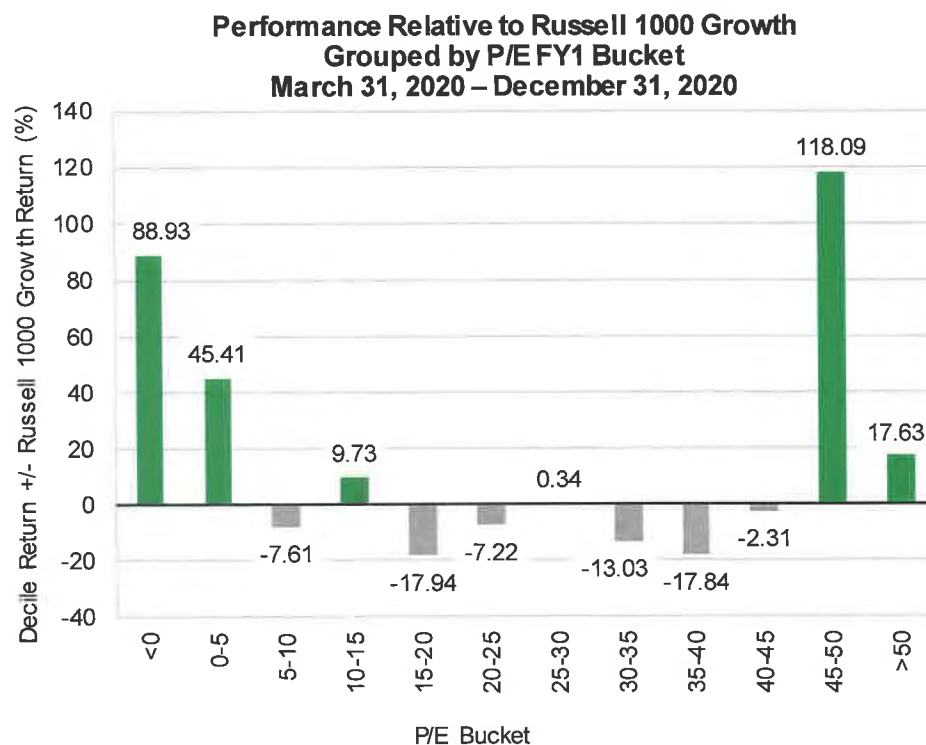
2020 Portfolio Review (cont'd)



- Performance risk attribution: stock specific was a major detractor; style factor was a minor detractor and industry risk was a positive contributor
- Changes to Portfolio:
 - New positions: *Cooper Companies, DexCom, Intercontinental Exchange, Mettler-Toledo International, O'Reilly Automotive, Pinterest, salesforce.com, Tractor Supply, Zebra Technologies*
 - Position increases of note (> 20% share increase): *VeriSign, UnitedHealth Group, Broadridge Financial Solutions, Electronic Arts, Motorola Solutions, Intuit*
 - Eliminated positions: *American Tower, Boeing, Caterpillar, CME Group, CoStar Group, FLEETCOR Technologies, Gartner, Illumina, MasterCard, V.F. Corp, Vertex Pharmaceuticals, Walt Disney*
 - Position decreases of note (> 20% share reduction): *Equinix, NIKE, Northrop Grumman, Estee Lauder, Danaher, NVIDIA, Alphabet, Home Depot*

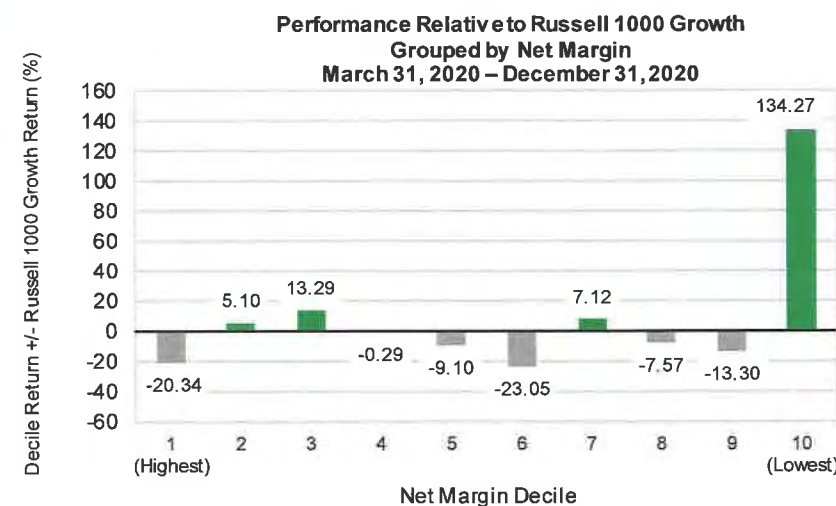
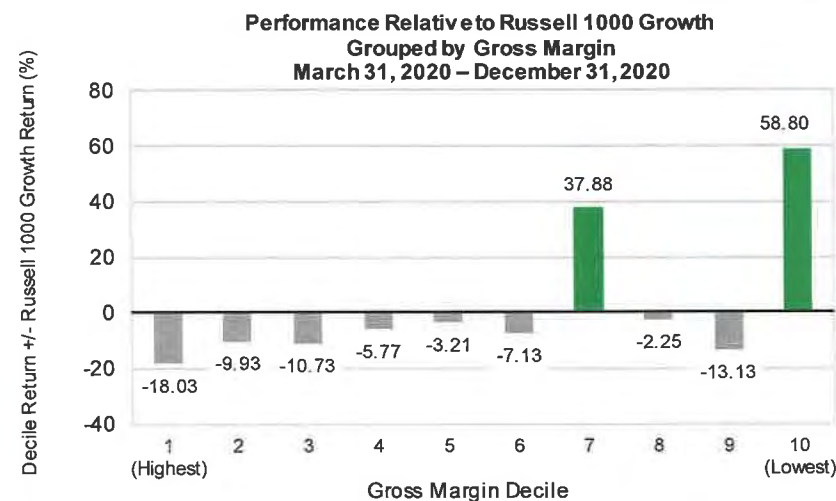
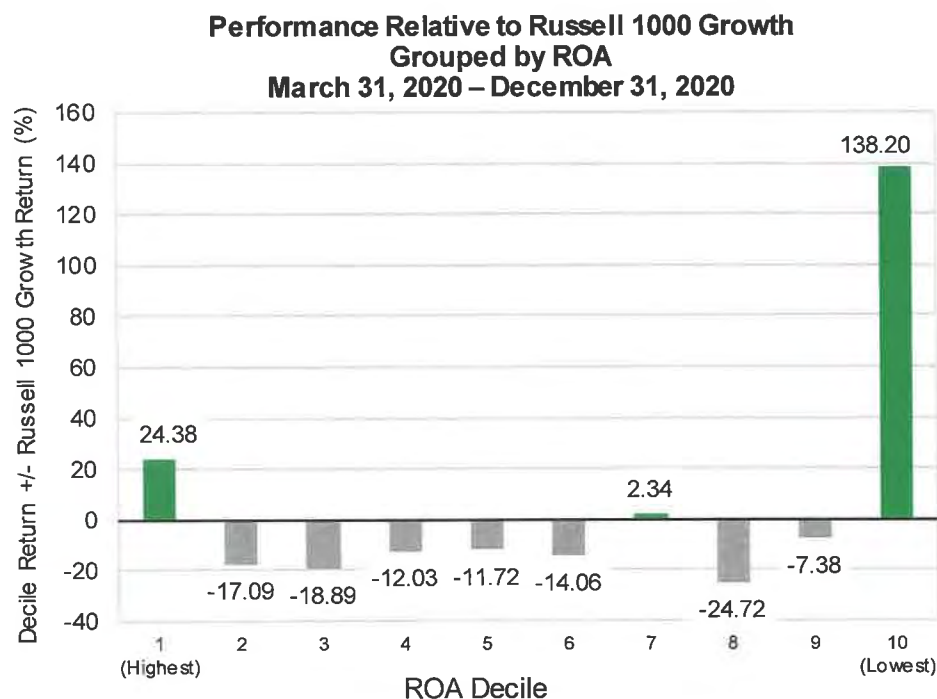
*Relative contributors and detractors include securities not held in the portfolio that may contribute or detract from performance when being compared to the Russell 1000 Growth Index.

High Risk Tails Driving the Narrow Market



Source: FactSet, Ivy Investments. Past performance is no guarantee of future results. Relative returns are based on a sub-sector of the index. For the first chart, each group contains companies whose P/E FY1 ratio falls within that respective range. Example: For the > 50 group, stocks had P/E FY1 ratios greater than 50 on 03/31/2020. Returns shown are that group's return +/- the index's return. Note: Similar methodology for the estimated sales growth and beta groups were used, except the index was divided into deciles with an equal number of companies in each group. Companies lacking data have been excluded.

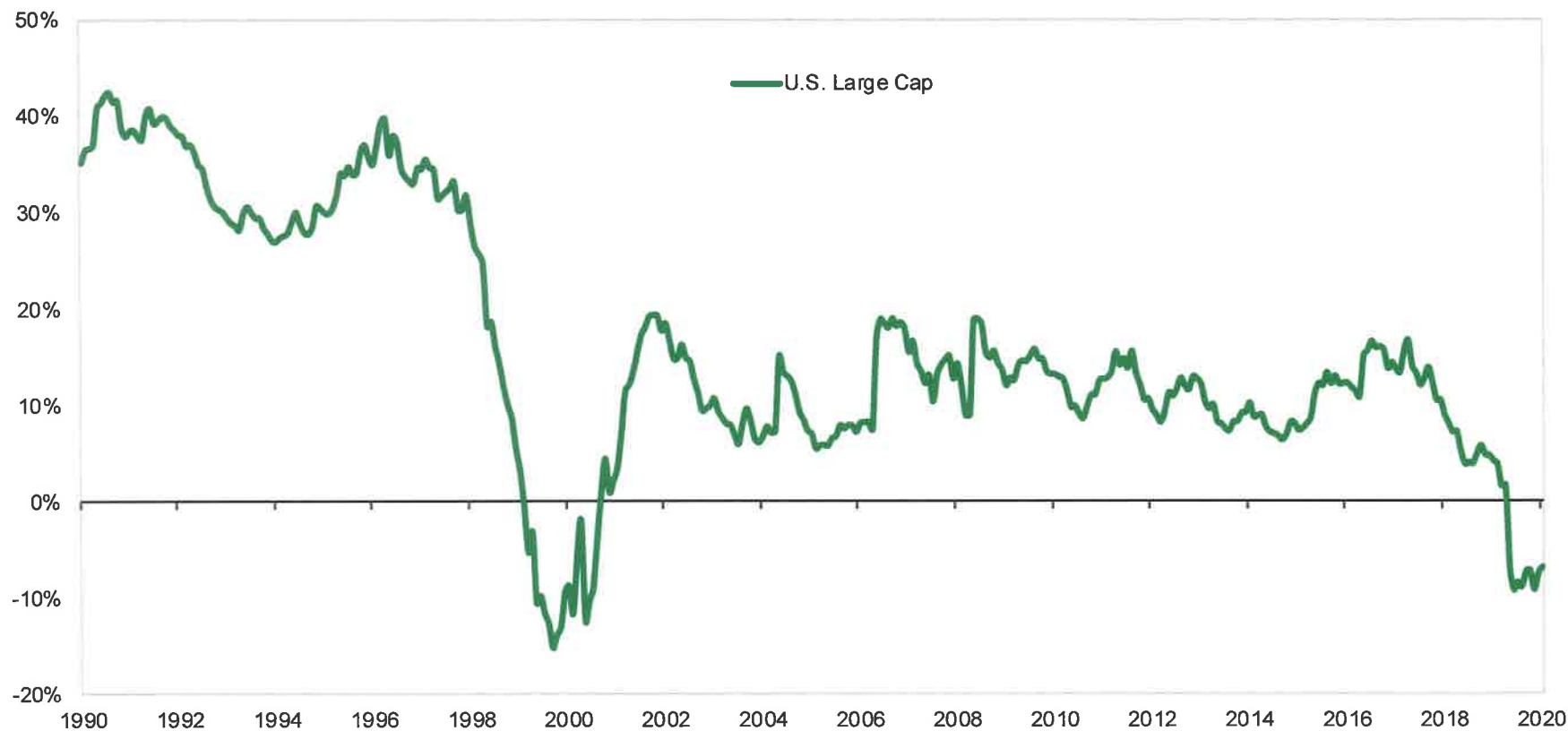
High Risk Tails Driving the Narrow Market



Source: FactSet, Ivy Investments. Past performance is no guarantee of future results. Relative returns are based on a sub-sector of the index. For the first chart, each group contains companies whose ROA ratio falls within that respective decile. Returns shown are that group's return +/- the index's return. Note: Similar methodology for the gross margin and net margin groups was used. Companies lacking data have been excluded.

Rare Event: Forced to Pick a Side

**Universe Rank Correlation: Quality vs Growth
Top 1000 U.S. Companies by TTM Market Cap**

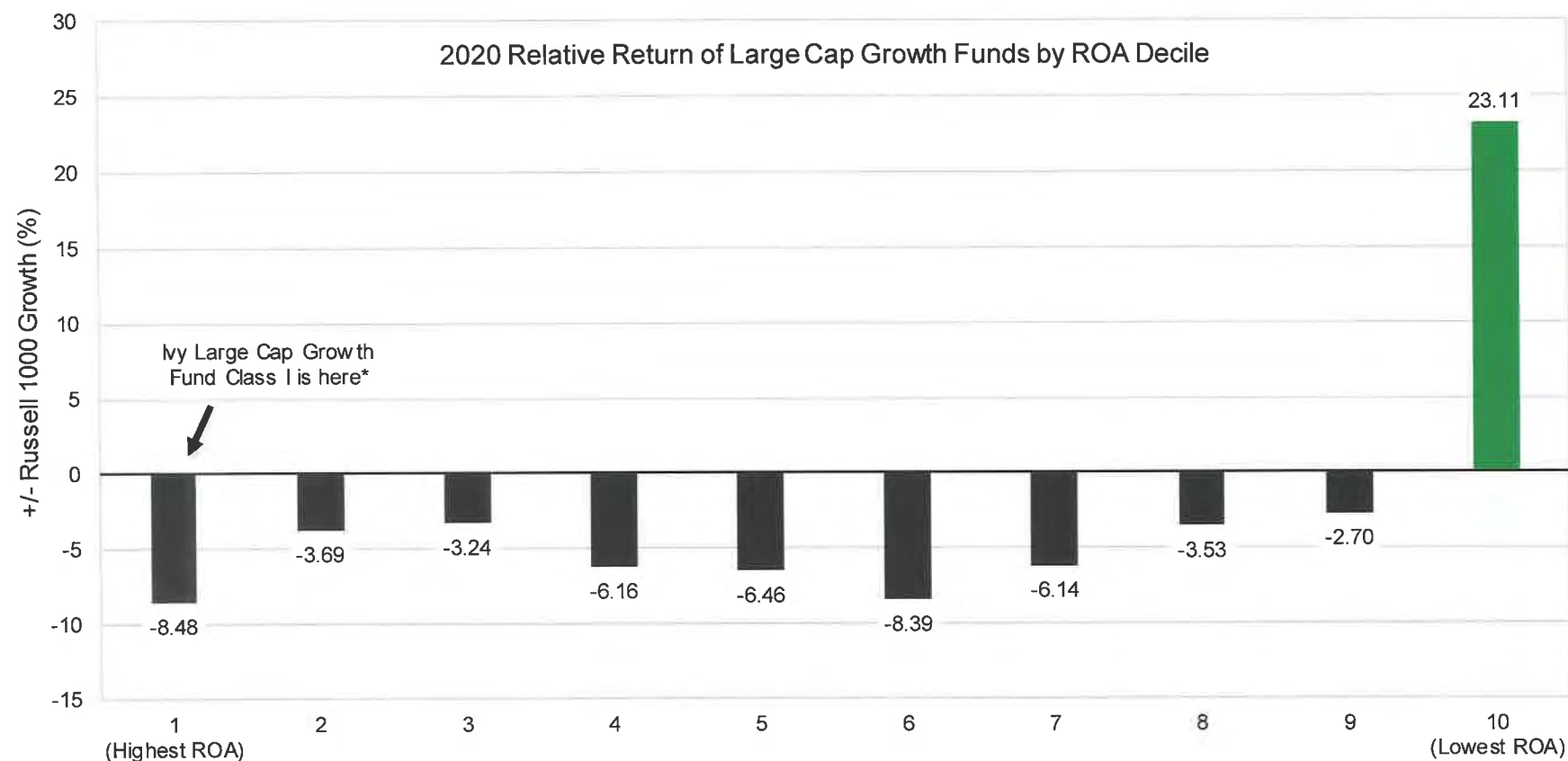


Source: Credit Suisse HOLT

2020 Relative Returns



Morningstar Large Growth Funds by ROA Decile



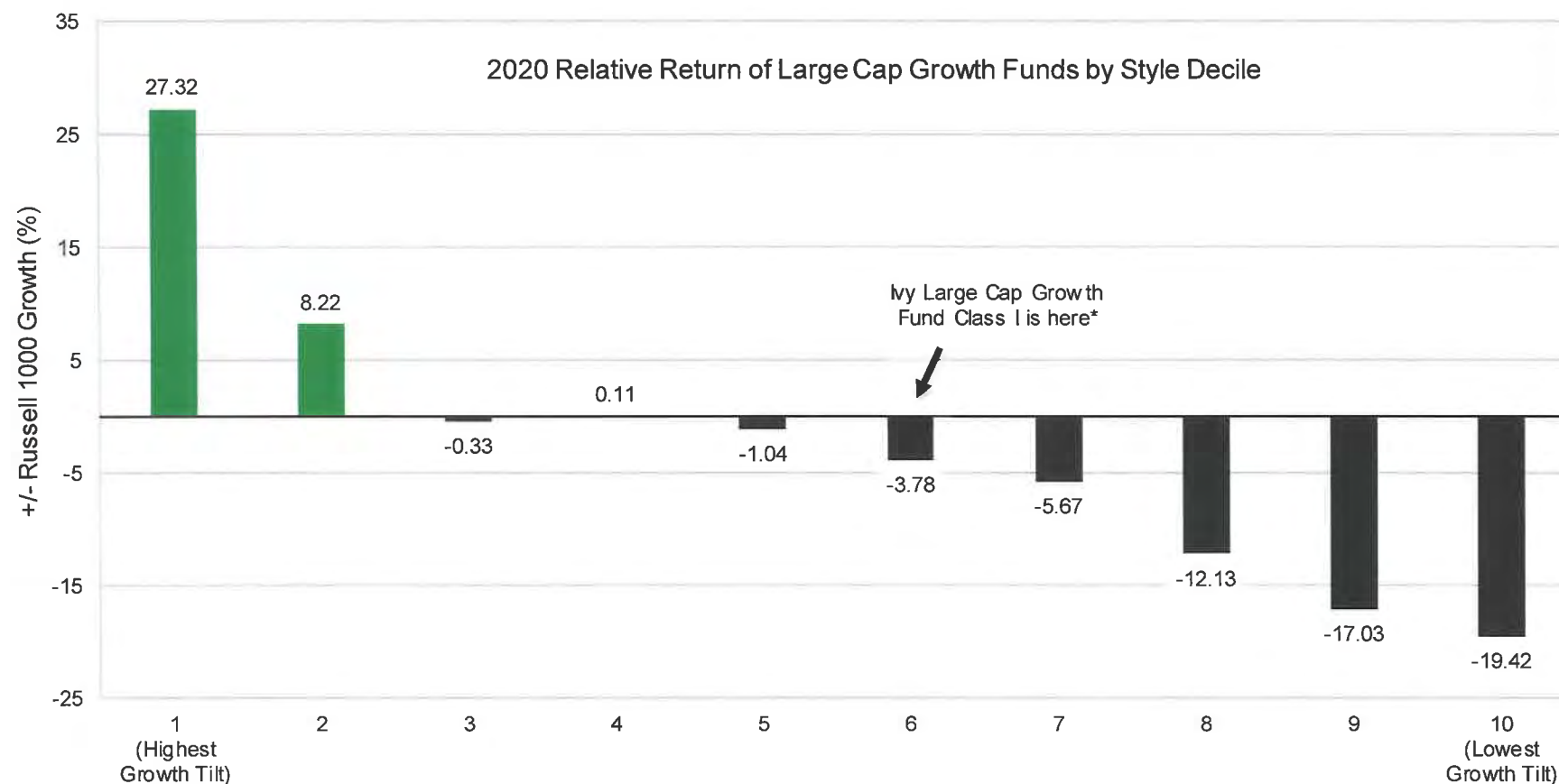
*Supplemental data.

Source: Ivy Investments, Morningstar Direct. Morningstar category includes the cheapest institutional share class for each fund.

2020 Relative Returns



Morningstar Large Growth Funds by Style Decile



*Supplemental data.

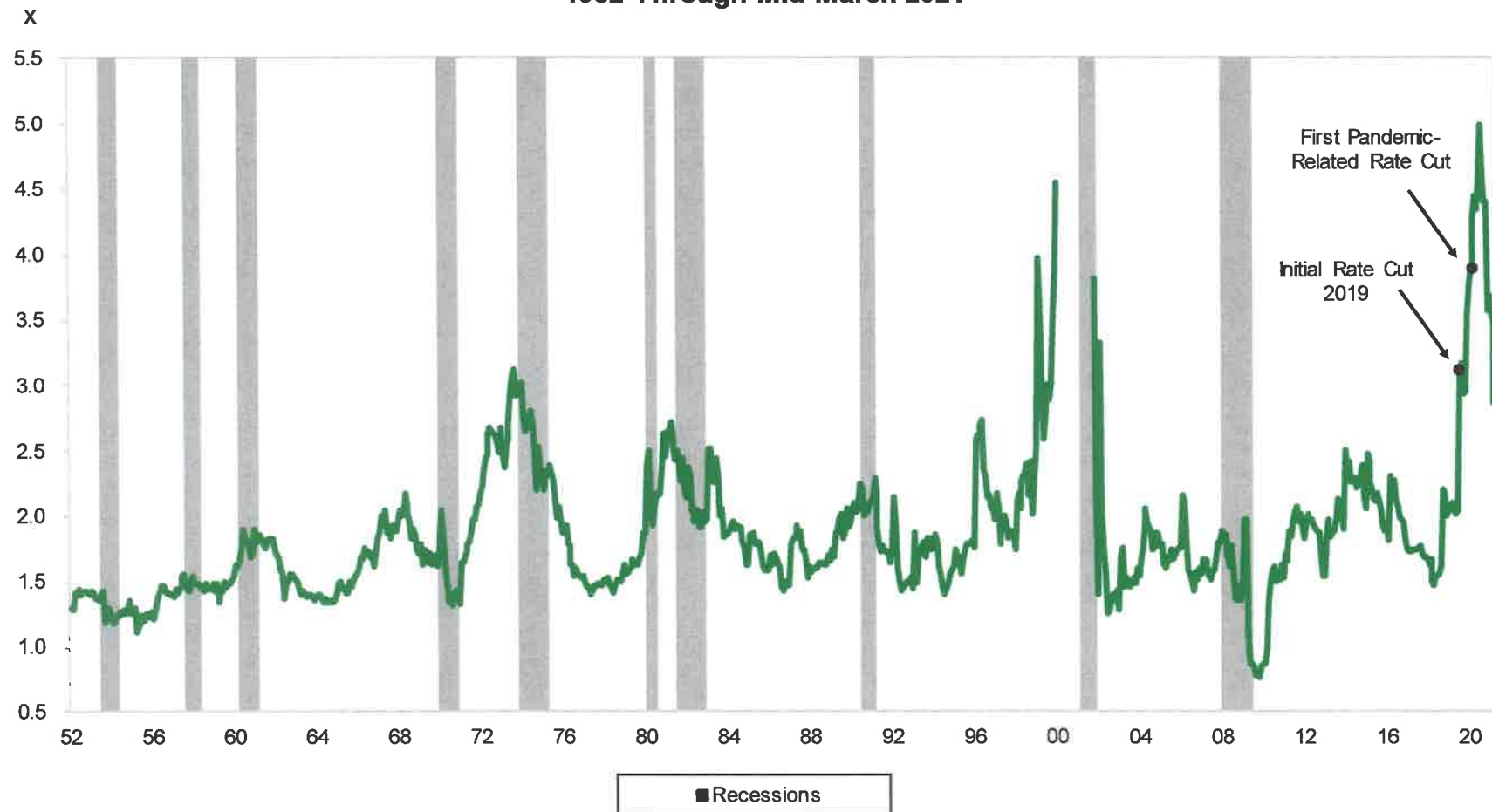
Source: Ivy Investments, Morningstar Direct. Morningstar category includes the cheapest institutional share class for each fund.

- We believe fiscal and monetary stimulus have largely been successful at removing the downside tail risk related to a deep economic depression
- It is our view that stimulus, low rates and improving global growth will likely sustain a “swing for the fences” market environment entering 2021
- We see these tail trades, or “barbell strategies”, as temporary as neither has deep roots attached to quality businesses
- With a starting place of high valuation for these tails, the go forward could be ripe for disappointment
- We believe that global economic growth will likely improve due to easy comparisons versus 2020 and the benefits of sustained global stimulus
- Investors may begin to acknowledge rising yields, bubbling inflation expectations and the eventual unwind of fiscal and monetary support
- Given high starting valuations, market returns will be more influenced by actual earnings growth versus expectations of improved earnings growth

- We view durability of growth with skeptical eye, and growth that is ultimately durable is likely attached to a high-quality business
- We intend to retain our preference for quality even if at the expense of growth exposure as we see elevated downside risk
- Portfolio tracking error is elevated relative to the last couple years, which is an active output of our cautiousness with respect to the current market leadership
- Opportunities are presenting themselves as strong businesses and long-term growers are being penalized simply because they do not fit into the narrow definition of being a near-term pandemic winner or likewise at the risky edge of a potential economic acceleration
- Our focus is on selecting stocks based on 3 to 5-year prospects, not biased toward the potential for near-term positive revisions based on difficult to call economic prospects
- High-quality style of investing will struggle during a period when the low-quality business downside is minimized through monetary / fiscal policy support

High Expectations Remain

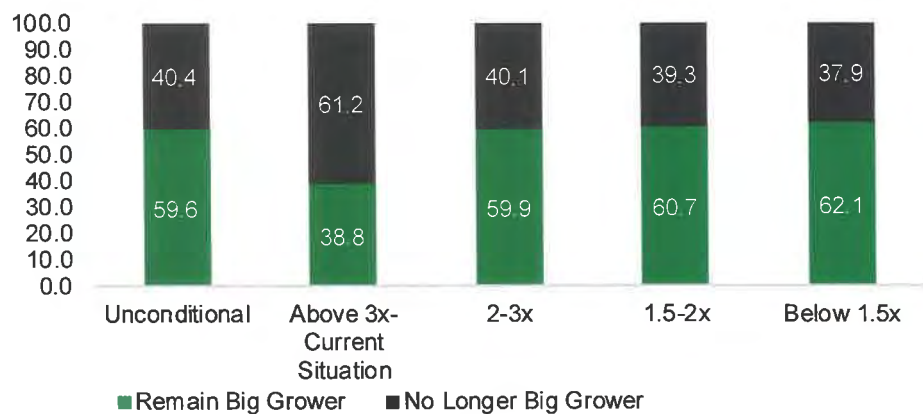
The Big Growers
Relative Trailing-P/E Ratios¹
1952 Through Mid-March 2021



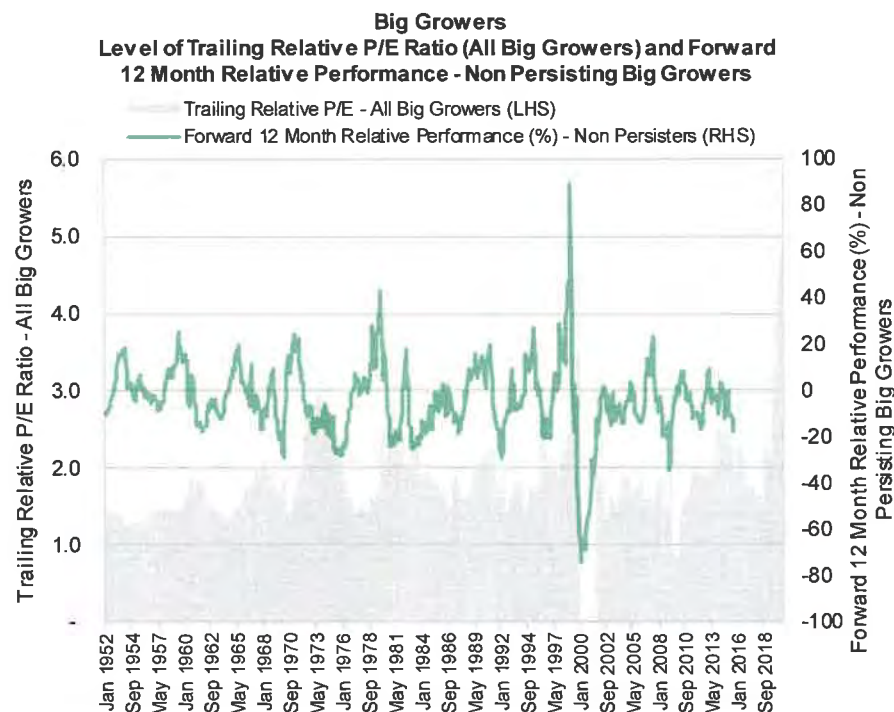
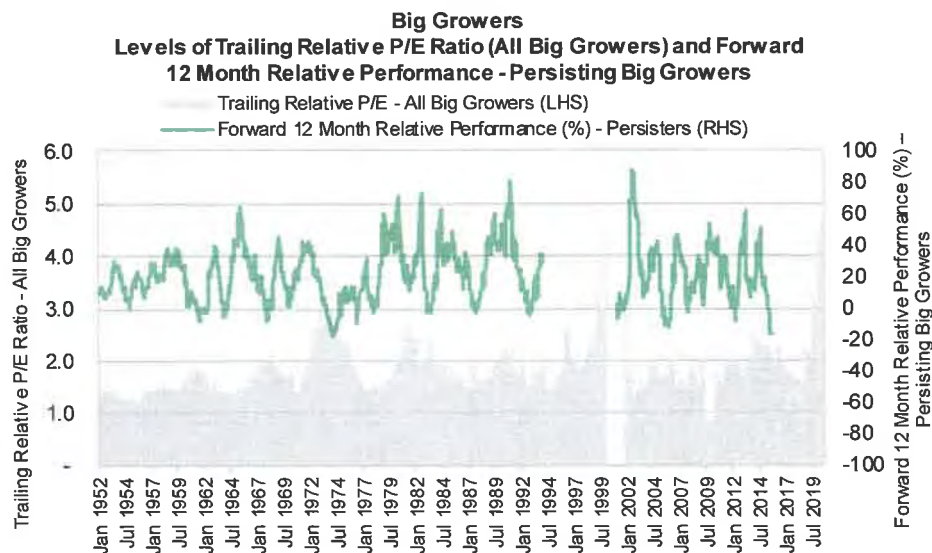
¹Equally-weighted data; excludes extreme values during the New Economy era, created by companies with minimal earnings.
Source: National Bureau of Economic Analysis, Empirical Research Partners Analysis.

Failure Risk High, Especially Now

Big Growers Share Keeping Their Big Grower Status One Year Later Contingent Upon the Big Growers' Relative Trailing-P/E Ratio 1952-June 2020



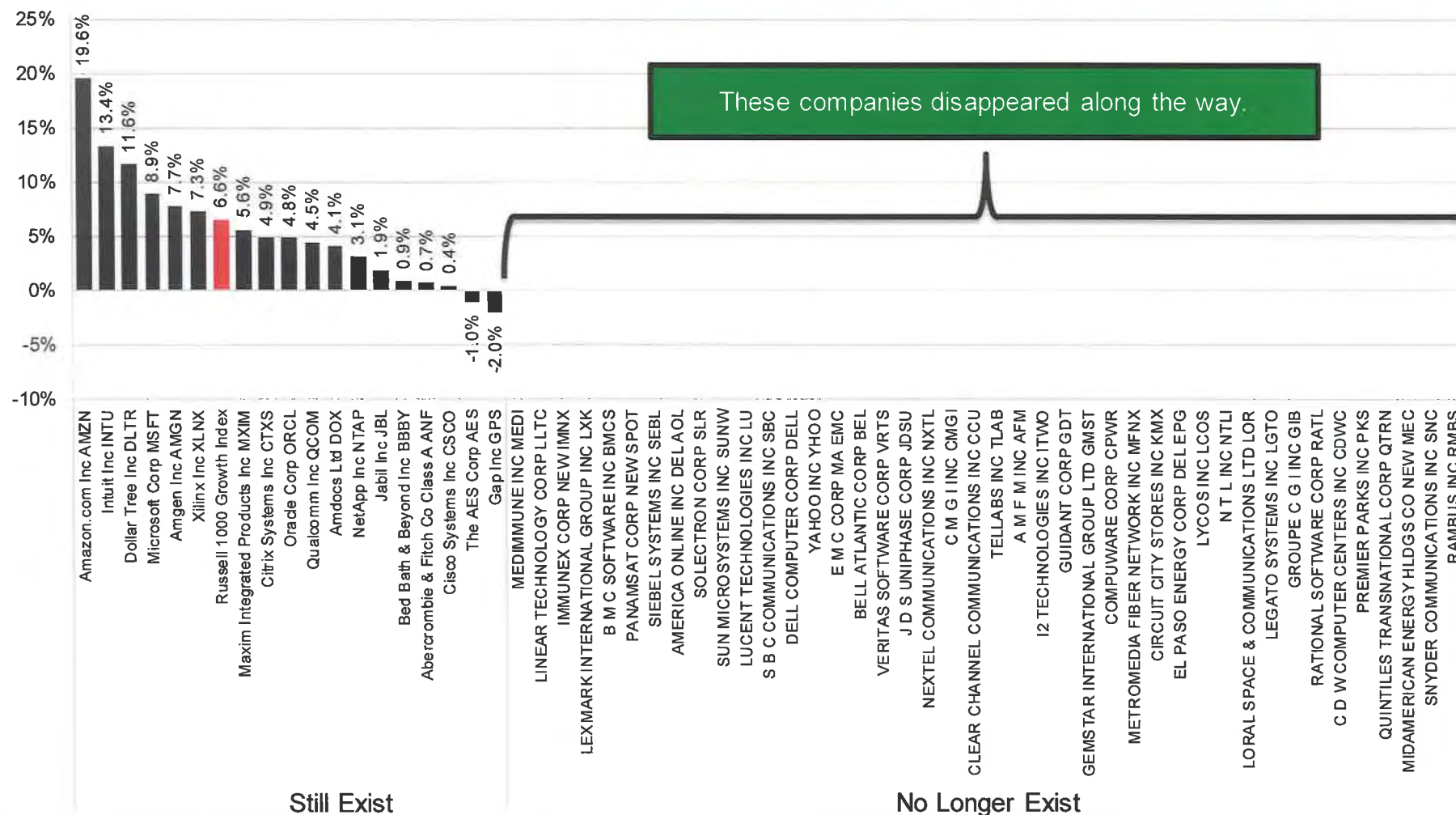
- Our work on the Big Growers' (ERP) indicates that at current relative valuation levels that persistence is likely to step down materially. Expect high turnover in what is "attractive."
- This turnover comes with chronic underperformance for Non-Persisters.
- Opportunity: Picking Persisters pays well through time, selecting long-term durability pays off. Watch extremes.



LHS refers to left hand side of chart. RHS refers to right hand side of chart. Big Growers are the 75 large cap stocks with the highest growth score rebalanced annually. The Growth Score Module is a ten-factor combination to measure how "growthy" stocks are. Sales growth and its stability take the center stage in this module along with current profitability, reinvestment rates and valuation. Source: Empirical Research Partners Analysis.

Not Repeat, But Can Rhyme

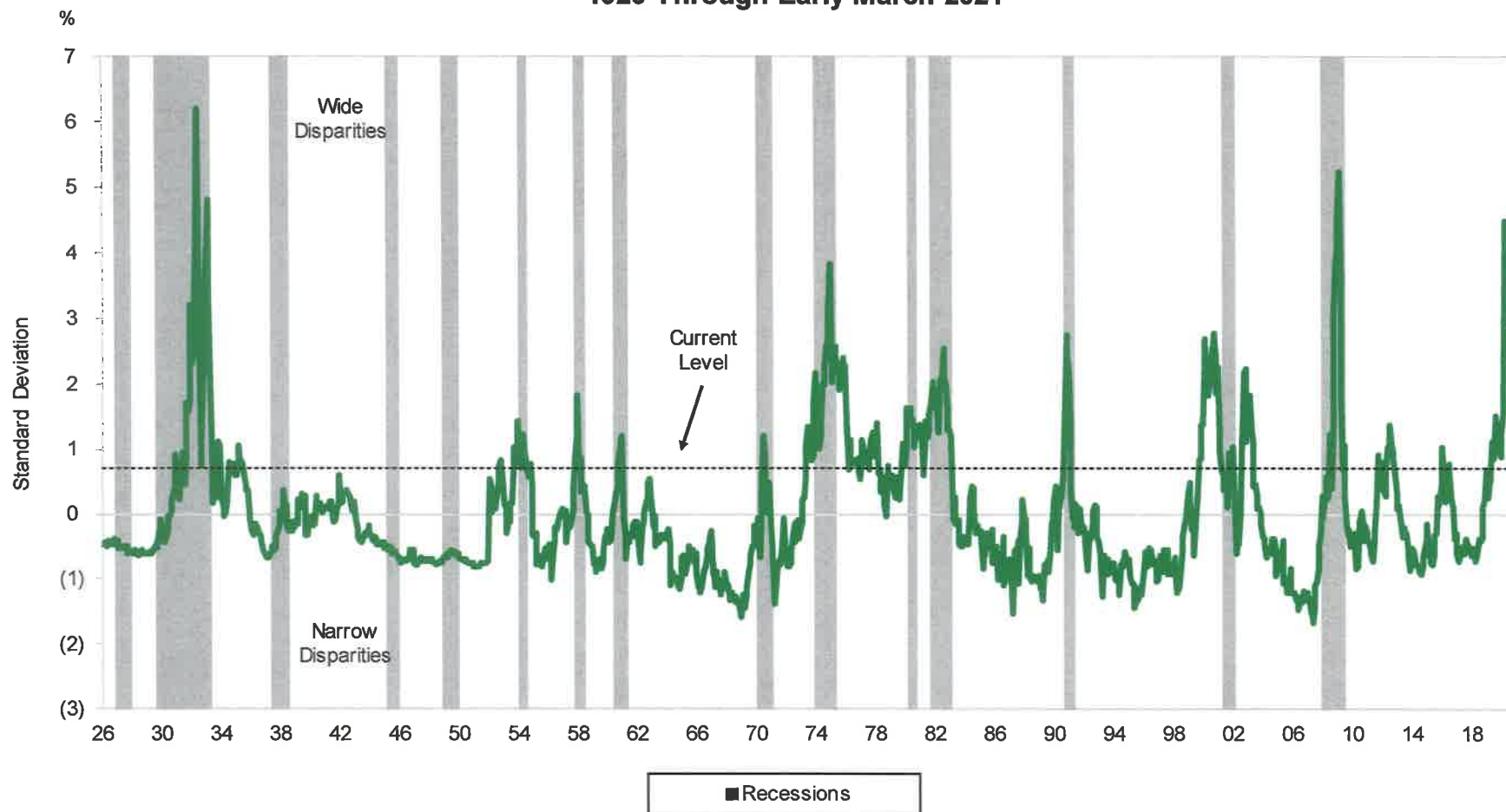
Russell 1000 Growth Index Big Growers
Annualized Return* from 2000 through 2020 (excluding dividends)



*Price return only. Source: Ivy Investments, Morningstar

Valuation Spreads Resolving

Valuation Spreads¹
The Top Quintile Compared to the Average
1926 Through Early March 2021

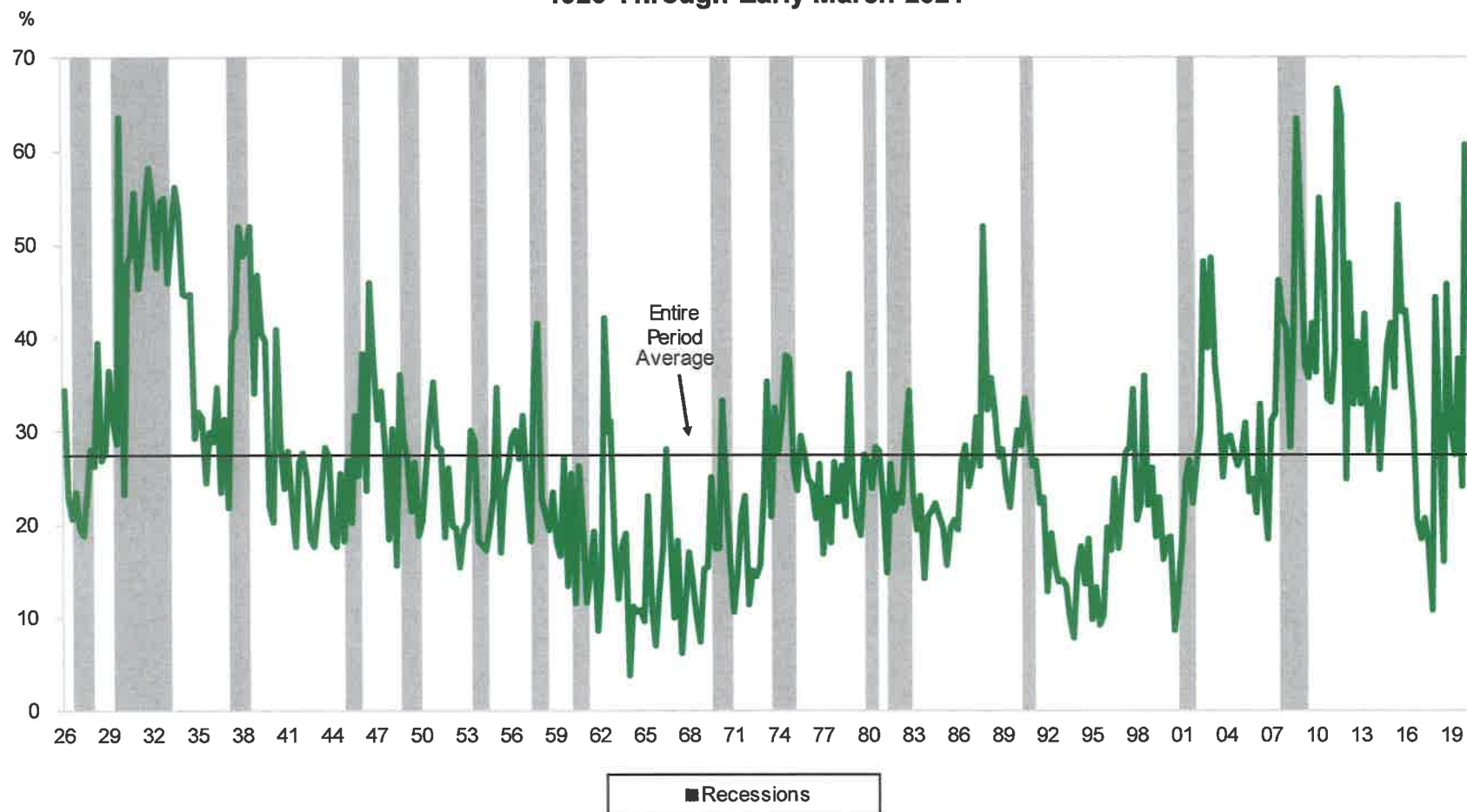


¹Prior to 1952, the spread is measured using the price-to-book data.

Source: National Bureau of Economic Research, Empirical Research Partners Analysis.

Macro Influence Drives High Correlations

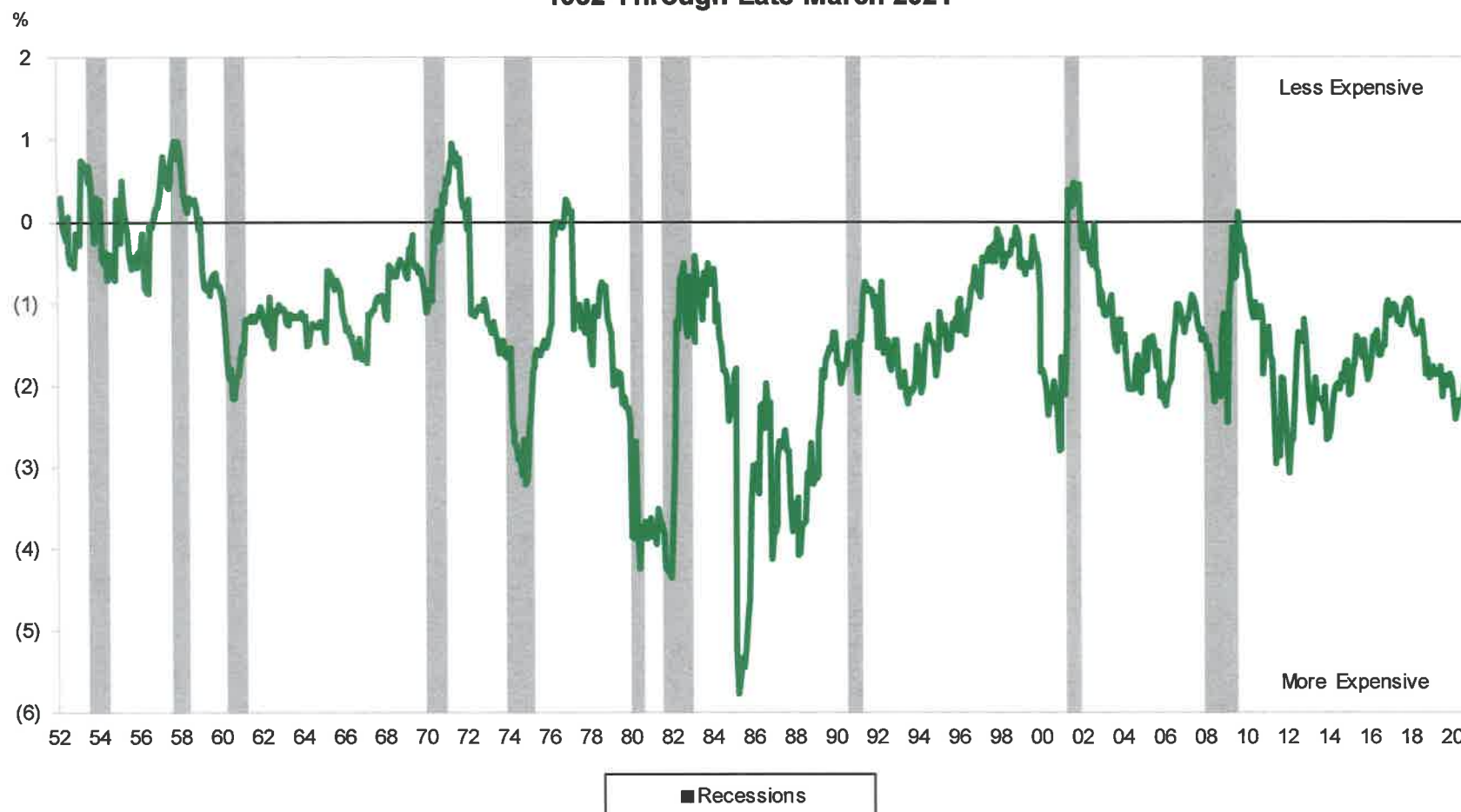
Large-Capitalization Stocks
Average Cap-Weighted Return Correlation Among Stocks¹
1926 Through Early March 2021



¹Computed using daily data, averaged over a quarter.
Source: Empirical Research Partners Analysis.

Expectations Easing

The Big Growers
Relative Free Cash Flow Yields¹
1952 Through Late March 2021

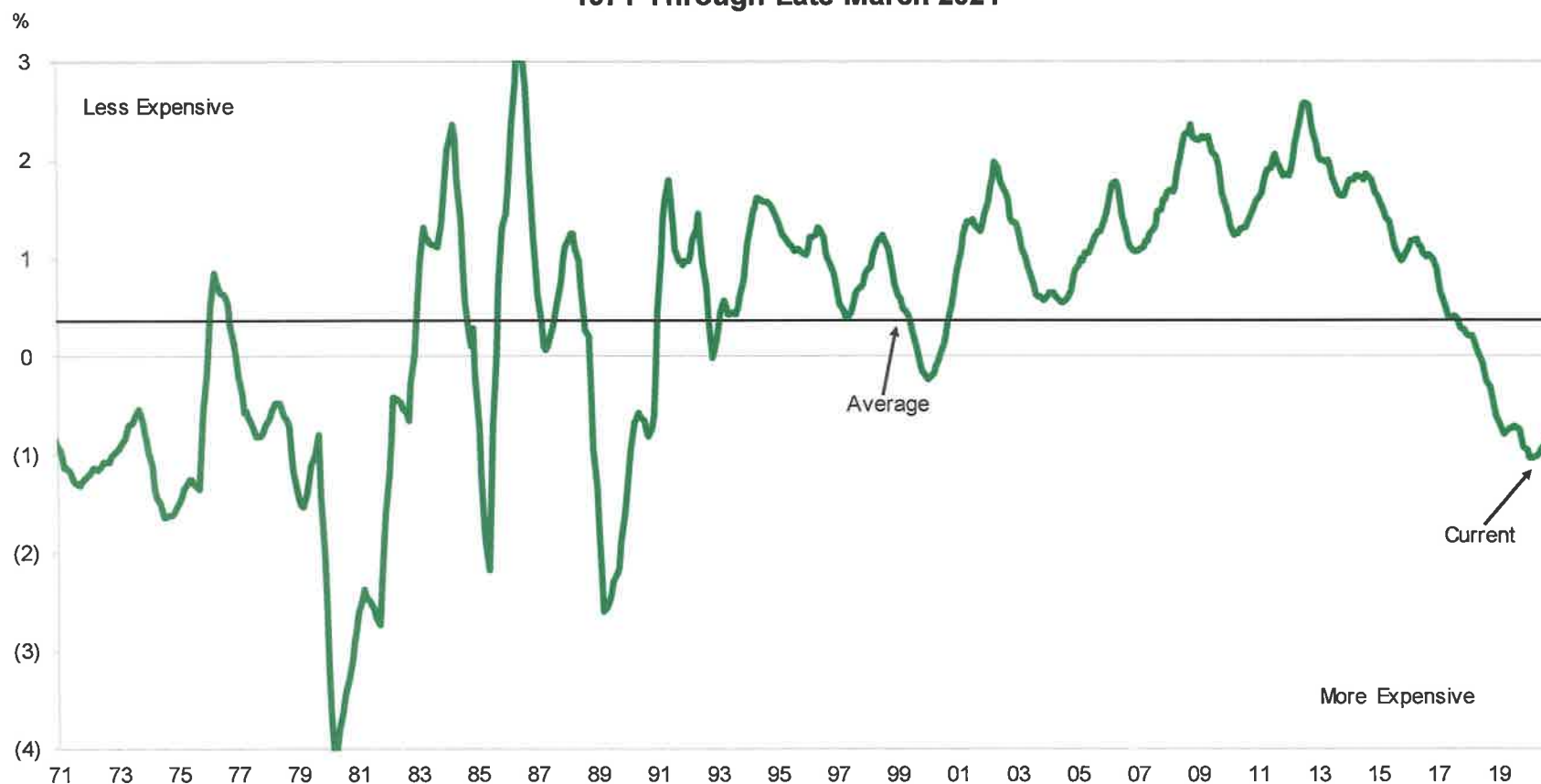


¹Capitalization-weighted data.
Source: Empirical Research Partners Analysis.

Software Remains at a Premium



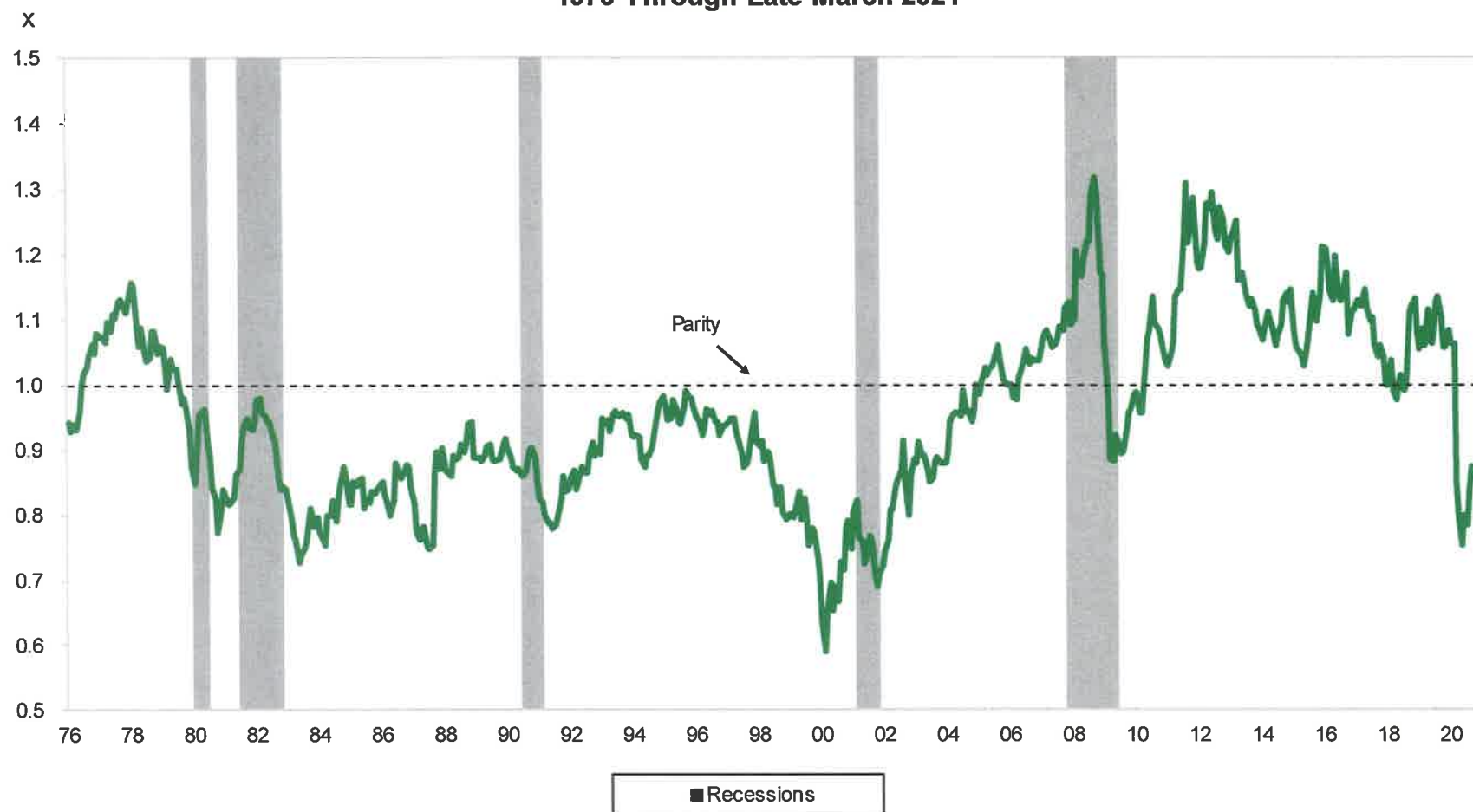
Technology Software and Services¹
Relative Free Cash Flow Yield
1971 Through Late March 2021



¹Largest 1,500 stocks; capitalization-weighted data smoothed on a trailing six-month basis.
Source: Corporate Reports, Empirical Research Partners Analysis.

Finally More Interesting

Large-Capitalization Utilities and Consumer Staples¹
Relative Forward-P/E Ratios
1976 Through Late March 2021



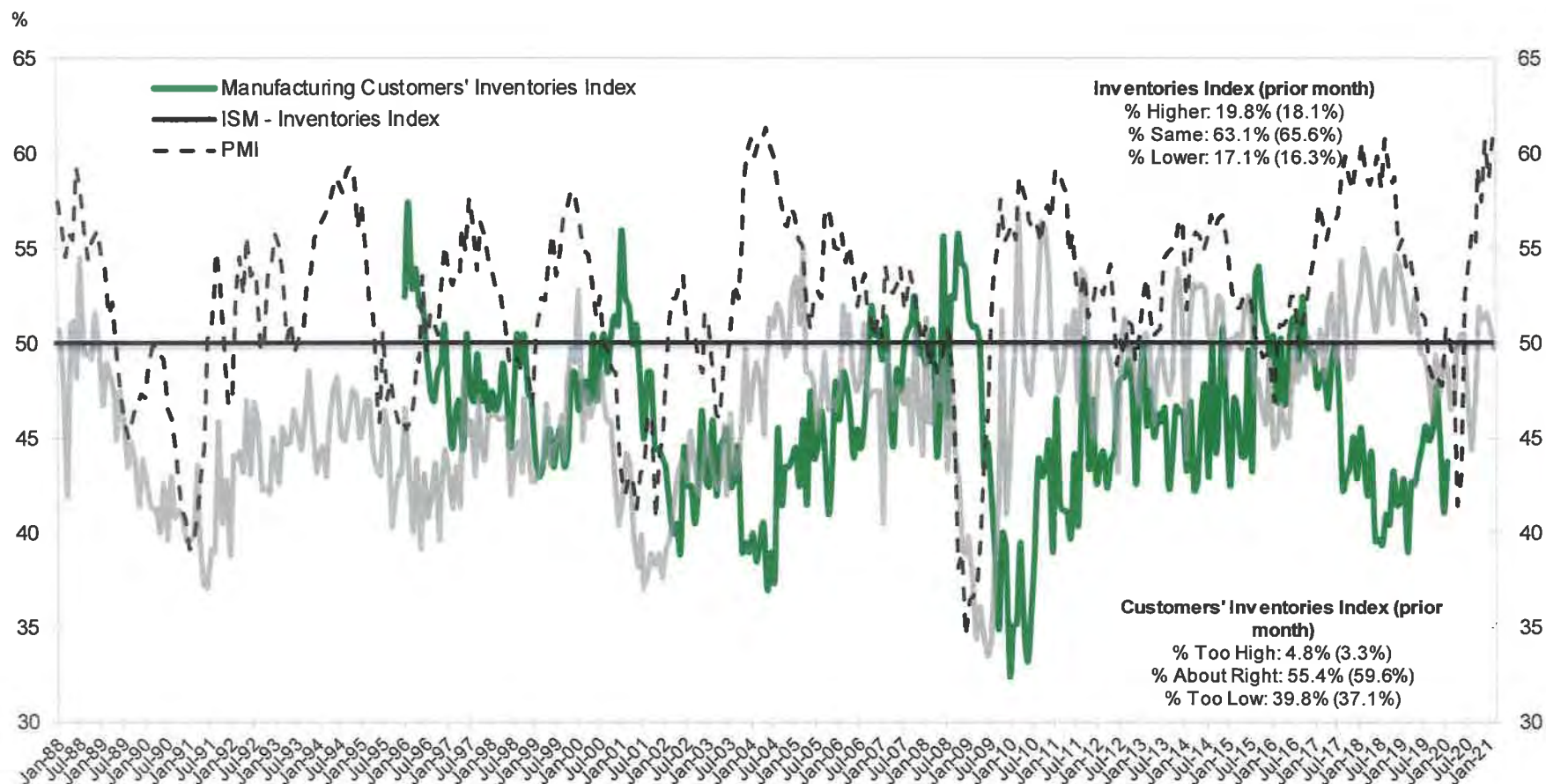
¹Top 13 consumer staples by market capitalization.

Source: National Bureau of Economic Research, Empirical Research Partners Analysis.

Did You Blink?



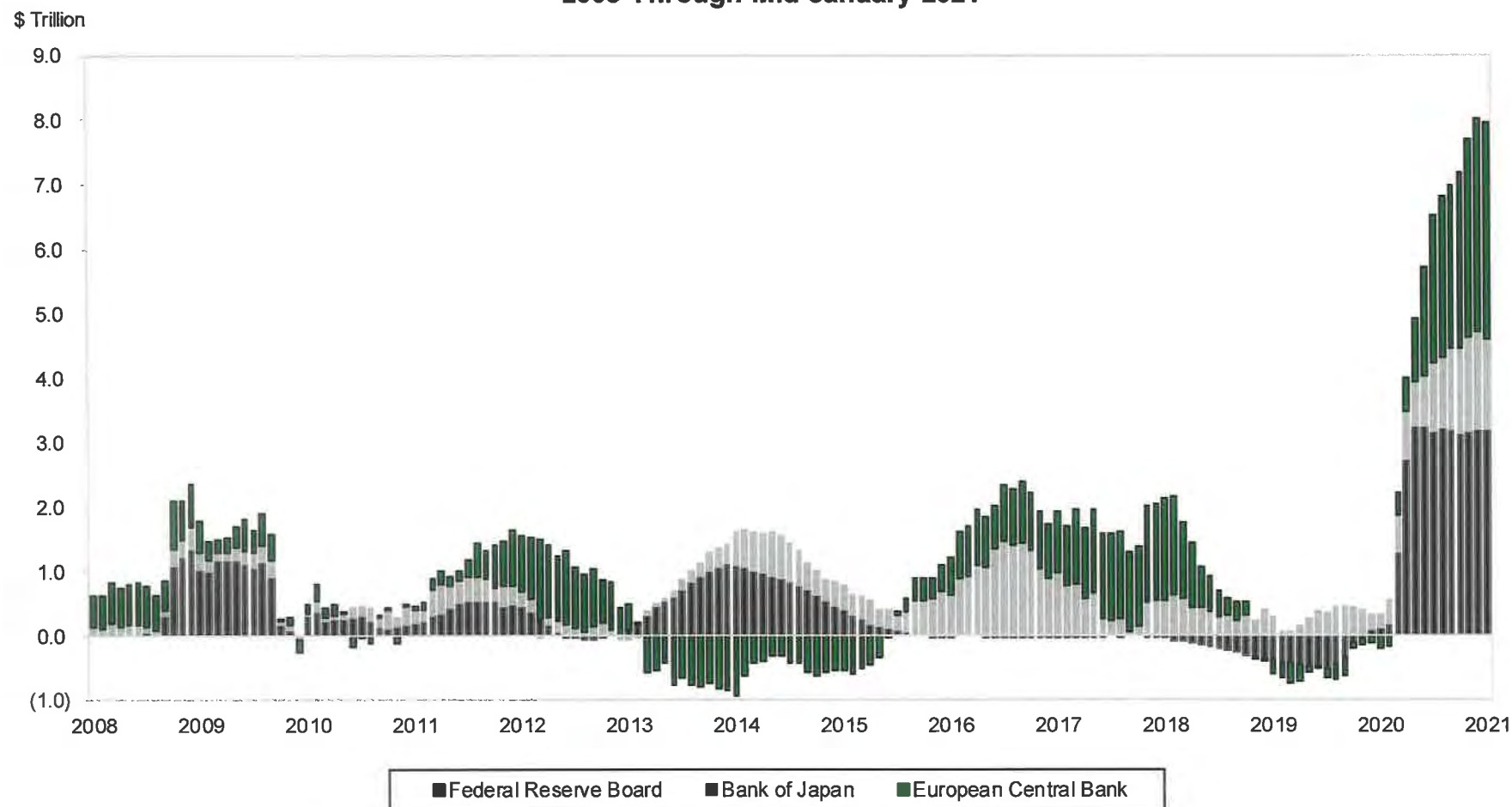
PMI vs. ISM - Customers' Inventories Index vs. ISM - Inventories Index January 1988 – February 2021



Source: ISM, Empirical Research Partners Analysis and Estimates.

Global QE to QT Back to QE

The Federal Reserve Board, European Central Bank and the Bank of Japan Balance Sheets Year-over-Year Changes in Assets¹ 2008 Through Mid-January 2021



¹Estimates begin in March 2019.

Source: Federal Reserve, European Central Bank, Bank of Japan, Empirical Research Partners Analysis and Estimates.

APPENDIX

Portfolio Characteristics¹



Tulare County Employees' Retirement Association (as of 2/28/21)

	Portfolio	Russell 1000 Growth Index
<u>1 Year Average</u>		
Gross Margin	58.4%	53.3%
Operating Margin	25.1%	21.6%
Net Margin	22.2%	17.8%
<u>Trailing 12 Month</u>		
ROE ²	32.1%	38.0%
ROA ²	11.7%	11.9%
P/E Fy1	31.0x	27.7x
P/E Fy2	26.9x	25.3x
LT EPS Growth	15.9%	17.6%
LT Debt / Capital	40.1%	42.8%
Dividend Yield	0.59%	0.76%
Fy1 EPS 3 Mo. % Change	4.5%	5.8%

Supplemental data. Past performance is no guarantee of future results. Please see Important Disclosures at end of presentation.
Source: FactSet

Largest Portfolio Holdings



Tulare County Employees' Retirement Association (as of 2/28/21)

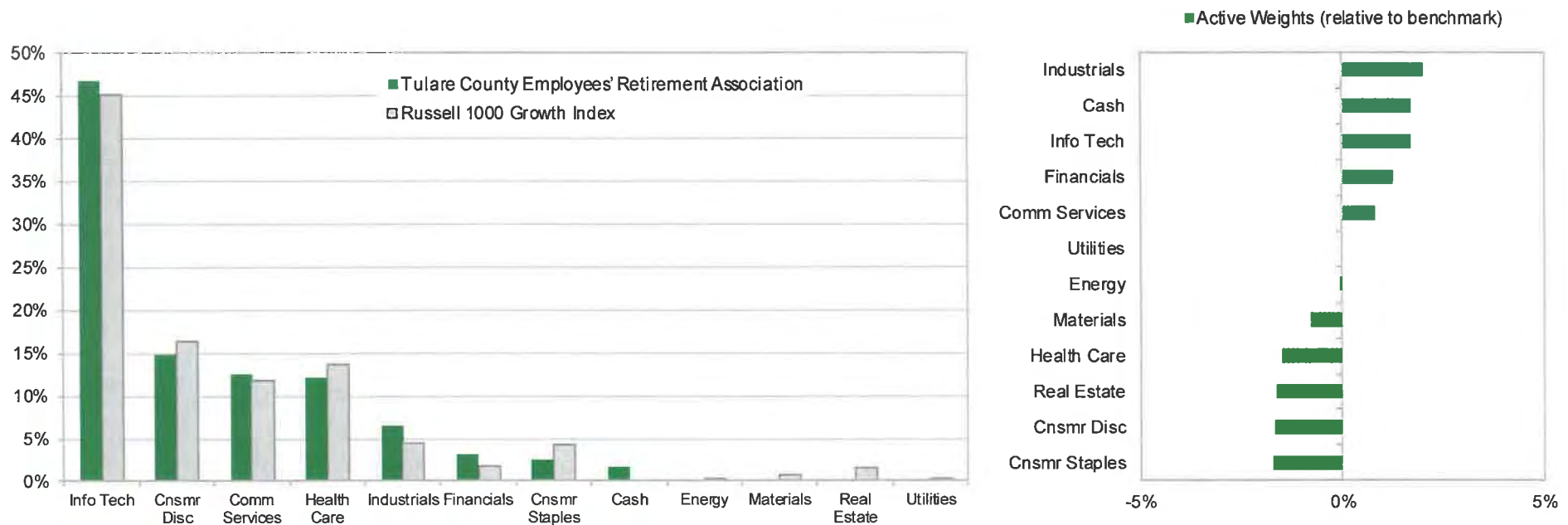
Security	Sector	% of Net Assets
Microsoft Corp.	Information Technology	9.8
Apple Inc.	Information Technology	8.0
Amazon.com Inc.	Consumer Discretionary	7.1
Alphabet Inc.	Communication Services	5.8
Visa Inc. Cl A	Information Technology	4.8
Motorola Solutions Inc.	Communication Services	3.2
PayPal Holdings Inc.	Financials	3.1
Intuit Inc.	Information Technology	3.1
Facebook Inc. Cl A	Communication Services	3.1
UnitedHealth Group Inc.	Health Care	2.8
Adobe Systems Inc.	Information Technology	2.7
NVIDIA Corp.	Information Technology	2.6
Electronic Arts Inc.	Information Technology	2.6
Cerner Corp.	Health Care	2.5
The Cooper Cos. Inc.	Health Care	<u>2.4</u>
		63.6%

Supplemental data. Alphabet Inc. represents aggregate weight of Class A and Class C securities. Please see Important Disclosures at end of presentation.

Sector Diversification & Active Weights



Tulare County Employees' Retirement Association (as of 2/28/21)



Please see Important Disclosures at end of presentation.
Source: FactSet

Although the Ivy Large Cap Growth Philosophy & Process are key drivers of Risk Management, we believe “constructing” a portfolio must be as deliberate as individual stock selection.

- Concentrated portfolio of 40-60 positions
- Largest 15 positions often compromise 50 - 60% of total portfolio
- Individual company weight will be limited to the greater of 5% or 2% active weight
- Sector exposure the greater of 2x index weight or 25% of portfolio – we have no minimum sector exposure mandate
- Try to maximize active share – making high conviction bets versus the benchmark
- Attempt to drive tracking error through stock selection risk vs. factor / industry risk exposure
- Wherein factor exposure cannot be fully removed, skew portfolio toward risks that align with philosophy / process – high-quality, highly profitable growth companies

Large Cap Growth Team



BRADLEY M. KLAPMEYER, CFA
Senior Vice President, Portfolio Manager

Brad Klapmeyer is portfolio manager of the large cap growth productsuite of mutual funds and institutional accounts. He has been portfolio manager since 2016 of Ivy Large Cap Growth Fund and Ivy VIP Growth. He managed the former Ivy Tax-Managed Equity Fund from 2014 to 2018.

Mr. Klapmeyer joined the organization in 2007 as an equity investment analyst. He was appointed assistant vice president in 2010. He was assistant portfolio manager to the Large Cap Growth team from 2011 to 2016. He was appointed vice president in 2014 and senior vice president in 2018.

Mr. Klapmeyer had been an associate analyst covering airlines for Prudential Equity Group, LLC from 2006 through 2007. He was an equity analyst for Commerce Bank from 2000 to 2006, where his research responsibilities were focused on electronic and health technologies.

Mr. Klapmeyer graduated from Truman State University in 1999 with a BS in Finance and a minor in Economics.

Mr. Klapmeyer is a CFA® charterholder. He is a member of the CFA Institute and the CFA Society Kansas City.



GAGE T. KRIEGER, CFA
Assistant Vice President, Assistant Portfolio Manager

Gage Krieger was appointed assistant vice president and named assistant portfolio manager of the Large Cap Growth strategy in 2016.

Mr. Krieger joined the organization in 2012 as an equity investment analyst. His research responsibilities are concentrated in health care (biotechnology, U.S. pharmaceuticals).

Prior to joining the firm, Mr. Krieger was a senior associate, equity research covering the telecommunications services sector for Citi Investment Research from 2009 to 2012. He supported the senior analyst, conducting in-depth fundamental company and industry analysis. Prior to his role at Citi Investment Research in New York, he was an associate, middle market equity sales for Citigroup Global Markets in Denver, Colorado from 2006 to 2009.

Mr. Krieger graduated from Colorado State University with a BSBA, Finance concentration in 2006. He studied German literature and language at Hannover University in Hannover, Germany in the summer 2004 Study Abroad Program. He earned an MBA from Rockhurst University in 2016.

Mr. Krieger is a CFA® charterholder. He is a member of the CFA Institute.

Important Disclosures



Large Cap Growth composite is comprised of 9 accounts that had \$7,481.3 million in total assets as of 12/31/20.

Through its subsidiaries Waddell & Reed Financial, Inc. (NYSE: WDR) provides investment management and financial planning services to clients throughout the United States. Investment management and investment advisory services are offered to institutional clients through WDR affiliate Ivy Investment Management Company (IICO), an investment adviser registered with the Securities and Exchange Commission. IVY FUNDS® mutual funds and IVY VARIABLE INSURANCE PORTFOLIOS™ are managed by IICO and are distributed through Ivy Distributors, Inc. Securities offered through Waddell & Reed, Inc., Member FINRA/SIPC.

IVY INVESTMENTS™ refers to the investment management and investment advisory services offered by Ivy Investment Management Company, the financial services offered by Ivy Distributors, Inc., a FINRA member broker dealer and the distributor of IVY FUNDS® mutual funds and IVY VARIABLE INSURANCE PORTFOLIOS™, and the financial services offered by their affiliates.

Annual returns, if shown, reflect yearly changes with all dividends and other earnings reinvested. Returns shown in this presentation reflect commissions paid. A client's return will be reduced by investment management fees and other expenses incurred in the management of a client's account. See the accompanying "Effects of Fees" page for the impact of those expenses on returns.

Ivy Investment Management Company (IICO)'s standard fee schedule for institutional advisory accounts is provided in Part 2A of IICO's Form ADV. Past performance is no guarantee of future results. Investment returns and the actual value of each client account will fluctuate, and at any given time an account could be worth more or less than the amount invested.

The benchmark selected for the composite is intended to provide a method to compare the composite's performance to an index including securities that are generally similar to those that are included in the composite. However, composite holdings (and, accordingly, risk and volatility) may differ significantly from the securities tracked by their benchmark.

The opinions expressed in this presentation are those of the portfolio manager and are current through April 2021. The manager's views are subject to change at any time based on market and other conditions, and no forecasts can be guaranteed.

The specific securities identified throughout this presentation do not represent all the securities purchased, sold or recommended for advisory clients during the periods covered by the presentation. You should not assume that investments in the securities identified were or will be profitable.

Russell Investment Group is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a presentation of Ivy Investment Management Company (IICO). Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in IICO's presentation thereof.

Russell data on characteristics page are index based results, as calculated by FactSet.

¹All characteristics are calculated using a weighted average while using the Interquartile Method unless otherwise noted.

²ROE and ROA for the Large Cap Growth account and the index were adjusted and calculated to eliminate Nonrecurring Pretax Income (Expenses), due to acquisitions.

Custody Notice Under current law, the custodian for your account(s) is required to send statements directly to you. While we have provided information regarding your account(s) based on sources we believe to be reliable and accurate, it may differ from that in the custodian's statement. We urge you to compare the account information provided herein against that in the custodian's report, which shall control in the event of any discrepancies between the two. Please notify us promptly if you do not receive statements at least quarterly from the custodian, or should you have any questions or concerns.

**IVY INVESTMENTS
LARGE CAP GROWTH COMPOSITE**

Period	Total Return (gross of fees)	Total Return (net of fees)	Benchmark Return ¹	Number of Portfolios at End of Period	Composite Dispersion - Equal Weighted Std Dev	Composite 3-year Annualized Standard Deviation	Benchmark 3-year Annualized Standard Deviation ¹	Total Composite Assets (End of Period)	Total Firm Assets (End of Period)
	(%)	(%)			(%)	(%)	(%)	(\$mm)	(\$mm)
2011	2.93%	2.32%	2.64%	45	0.41%	17.96%	17.76%	\$4,950	\$10,409
2012	12.87%	12.19%	15.26%	38	0.18%	16.83%	15.66%	\$4,564	\$11,606
2013	37.19%	36.37%	33.48%	32	0.25%	13.32%	12.18%	\$5,223	\$15,423
2014	12.94%	12.26%	13.05%	28	0.48%	10.67%	9.59%	\$4,575	\$17,115
2015	7.64%	6.99%	5.67%	31	0.15%	11.42%	10.70%	\$4,893	\$104,205
2016	2.18%	1.53%	7.08%	29	0.17%	11.84%	11.15%	\$6,185	\$80,263
2017	30.44%	29.53%	30.21%	27	0.20%	11.19%	10.54%	\$7,150	\$81,305
2018	3.19%	2.47%	-1.51%	14	0.50%	12.55%	12.13%	\$5,611	\$66,332
2019	37.69%	36.72%	36.39%	10	0.86%	12.31%	13.07%	\$6,379	\$70,515
2020	31.93%	31.01%	38.49%	9	0.15%	18.13%	19.64%	\$7,481	\$75,107

¹ Benchmark Index= Russell 1000® Growth Index

ORGANIZATION: Ivy Investment Management Company ("IICO") is an investment adviser registered with the Securities and Exchange Commission ("SEC") that provides investment management and advisory services across multiple investment styles. IICO is a direct subsidiary of Waddell and Reed Financial, Inc.

For purposes of compliance with the Global Investment Performance Standards ("GIPS®"), the company holds itself out as Ivy Investments which includes all portfolios managed by IICO, excluding portfolios owned by Waddell & Reed Financial Inc. and its subsidiaries.

Effective December 31st, 2018, Waddell & Reed Investment Management Company ("WRIMCO") was merged into IICO. Effective September 1, 2016 the firm's GIPS® name changed from WRIMCO to Ivy Investments. Effective July 1, 2015 the firm includes all portfolios managed by WRIMCO and IICO. Prior to July 1, 2015 the firm included all institutional separate accounts managed by WRIMCO and IICO.

DESCRIPTION OF COMPOSITE: The Large Cap Growth composite consists of portfolios seeking to provide growth of capital. Portfolios within the composite primarily invest in U.S. common stocks of large capitalization, growth-oriented companies with above-average levels of profitability and that are believed to have the ability to sustain growth over the long term. Large capitalization companies typically are companies with market capitalizations of at least \$10 billion at time of acquisition. The Large Cap Growth composite was created March 28, 2005. The composite inception date was January 1, 1995. The performance presentation is in U.S. dollars.

Effective August 1, 2016 the composite was redefined to include all accounts managed to the Large Cap Growth strategy due to portfolio management change. Effective July 1, 2015 the composite was redefined to include only institutional accounts within the composite.

COMPLIANCE STATEMENT: Ivy Investments claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ivy Investments has been independently verified for the periods January 1, 1995 through December 31, 2019. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Large Cap Growth composite has had a performance examination for the periods January 1, 1995 through December 31, 2019. The verification and performance examination reports are available upon request.

Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

FEES: The schedule outlined below represents fees charged for account management according to the Large Cap Growth discipline. The fees reflected below are not necessarily the same as those charged to portfolios included in the composite during the periods presented:

Vehicle	Fee Schedule	Operating Expenses
Segregated account	0.50% on the first \$50 million	
	0.40% on the next \$50 million	
	0.35% on the balances above \$100 million	
Collective fund	Class 1: 0.34% on balances up to \$50 million	0.15%
	Class 2: 0.29% on all assets if total balance is over \$50 million	0.15%

MEASURES OF DISPERSION: Internal dispersion is calculated using the equal-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. Periods that the internal dispersion is not presented and reflects N/A indicates the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

The three-year annualized standard deviation of monthly gross-of-fees returns is not presented and reflects N/A for any date that the composite did not yet have 36 monthly returns as of that specific date.

BENCHMARK: For comparative purposes, the composite is measured against the Russell 1000® Growth Index.

OTHER MATTERS: The composite has been managed by Brad Klapmeyer from August 2016 to current date. Dan Becker co-managed from the composite's inception date to April 2018. Phil Sanders co-managed from August 1998 – July 2016.

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

IMPORTANT PERFORMANCE INFORMATION: Past performance is no guarantee of future results. Returns may be impacted by ongoing market volatility. Please inquire for more current performance information.

Returns reflect the reinvestment of all dividends and other earnings. Portfolio returns are net of all foreign reclaimable and non-reclaimable withholding taxes, if applicable. Withholding taxes are recognized on an accrual basis or cash basis depending on client and/or account type. Additional information regarding treatment of withholding taxes is available upon request. Returns shown gross of fees reflect the deduction of commissions paid, but are gross of all other expenses. Net-of-fees returns are calculated by deducting the highest applicable model advisory fee from the monthly gross composite return. The highest applicable model advisory fee from composite inception date to 7/31/2016 was 0.60% and from 8/1/2016 to current is 0.70%. The actual fees paid by a client may vary based on assets under management and other factors.

A client's return will be reduced by investment management fees and other expenses incurred in the management of a client's account. Investment advisory fees are described in Part 2 of the ADV. Investment returns and the actual value of each client account will fluctuate, and at any given time an account could be worth more or less than the amount invested. The benchmark selected for the composite is intended to provide a method to compare the composite's performance to an index including securities that are generally similar to those that are included in the composite. However, composite holdings (and, accordingly, risk and volatility) may differ significantly from the securities tracked by their benchmarks. Our registration as an Investment Adviser does not imply any level of skill or training.

For Use In One-on-One Presentations Only.

EQUITY

Domestic

	Gross Performance	Net Performance*
Core Equity — Account minimum \$10 million		
QTD	12.44	12.24
1 year	22.96	22.11
3 years	16.19	15.38
5 years	14.84	14.04
10 years	13.87	13.12
Since inception (1/1/1995)	11.89	11.20
Large Cap Growth — Account minimum \$10 million		
QTD	8.58	8.39
1 year	31.93	31.01
3 years	23.30	22.44
5 years	20.10	19.27
10 years	17.08	16.33
Since inception (1/1/1995)	13.31	12.62
Large Cap Growth Concentrated — Account minimum \$10 million		
QTD	8.88	8.67
1 year	35.60	34.59
3 years	25.88	24.94
5 years	21.26	20.37
10 years	18.51	17.71
Since inception (1/1/2003)	13.27	12.54
Large Cap Value — Account minimum \$10 million		
QTD	19.06	18.86
1 year	2.87	2.16
3 years	7.17	6.42
5 years	9.47	8.71
10 years	10.22	9.50
Since inception (6/1/2003)	9.14	8.45
Large Cap Value Concentrated — Account minimum \$10 million		
QTD	17.82	17.60
1 year	4.41	3.63
3 years	4.82	4.03
Since inception (11/1/2016)	7.32	6.52

	Gross Performance	Net Performance*
Mid Cap Growth — Account minimum \$10 million		
QTD	20.32	20.06
1 year	50.31	49.04
3 years	28.51	27.42
5 years	24.00	22.95
10 years	16.55	15.56
Since inception (1/1/2005)	14.31	13.34
Mid Cap Income Opportunities — Account minimum \$10 million		
QTD	18.93	18.67
1 year	9.36	8.44
3 years	10.62	9.69
5 years	13.76	12.80
Since inception (11/1/2014)	11.00	10.06
Small Cap Core — Account minimum \$10 million		
QTD	27.30	27.03
1 year	8.43	7.51
3 years	7.32	6.41
Since inception (4/1/2017)	8.83	7.91
Small Cap Growth — Account minimum \$10 million		
QTD	27.00	26.73
1 year	39.71	38.52
3 years	19.35	18.34
5 years	21.29	20.26
10 years	15.44	14.46
Since inception (2/1/2003)	14.59	13.62

EQUITY

Global International

	Gross Performance	Net Performance*
Emerging Markets Equity — Account minimum \$10 million		
QTD	21.40	21.09
1 year	36.79	35.43
3 years	11.64	10.53
5 years	17.53	16.36
Since inception (3/1/2014)	11.12	10.01
International Core Equity — Account minimum \$10 million		
QTD	15.72	15.47
1 year	8.32	7.40
3 years	2.58	1.71
5 years	6.59	5.69
10 years	5.99	5.09
Since inception (1/1/2005)	8.17	7.25
Global Growth — Account minimum \$10 million		
QTD	14.10	13.85
1 year	22.09	21.06
3 years	13.85	12.89
5 years	12.88	11.93
Since inception (1/1/2015)	11.49	10.54

SECTOR

	Gross Performance	Net Performance*
Energy — Account minimum \$10 million		
QTD	38.89	38.60
1 year	-37.46	-37.99
3 years	-23.97	-24.61
5 years	-11.95	-12.70
10 years	-7.53	-8.32
Since inception (4/1/2006)	-2.61	-3.43
Science and Technology — Account minimum \$10 million		
QTD	18.19	17.94
1 year	37.56	36.39
3 years	26.09	25.02
5 years	22.48	21.45
10 years	18.58	17.57
Since inception (1/1/2005)	15.50	14.52

FIXED INCOME

Taxable

	Gross Performance	Net Performance*
High Yield Fixed Income — Account minimum \$10 million		
QTD	7.68	7.52
1 year	6.42	5.76
3 years	5.50	4.84
5 years	8.49	7.81
10 years	7.05	6.42
Since inception (1/1/2003)	8.18	7.56

MULTI ASSET

	Gross Performance	Net Performance*
Asset Strategy — Account minimum \$25 million		
QTD	11.99	11.80
1 year	14.79	13.99
3 years	10.50	9.69
5 years	9.32	8.49
10 years	6.95	6.12
Since inception (3/1/2006)	8.28	7.43

*Net performance reflects all advisory fees, commissions and other expenses a client would have paid based on the minimum account size for each style. This results in the largest possible expense ratio in each calculation. Larger accounts generally will have a lower associated expense ratio.

Past performance is no guarantee of future results. Returns may be impacted by ongoing market volatility. Please inquire for more current performance information.

Returns reflect the reinvestment of all dividends and other earnings. Portfolio returns are net of all foreign reclaimable and non-reclaimable withholding taxes, if applicable. Withholding taxes are recognized on an accrual basis or cash basis depending on client and/or account type. Additional information regarding treatment of withholding taxes is available upon request. Returns shown gross of fees reflect the deduction of commissions paid, but are gross of all other expenses. Net-of-fees returns are calculated by deducting the highest applicable advisory fee from the monthly gross composite return. See strategy level GIPS presentations for more details regarding fees used to calculate net returns. The actual fees paid by a client may vary based on assets under management and other factors.

A client's return will be reduced by investment management fees and other expenses incurred in the management of a client's account. Investment advisory fees are described in Part 2 of the ADV. Investment returns and the actual value of each client account will fluctuate, and at any given time an account could be worth more or less than the amount invested.



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.a.

Agenda Date: March 24, 2021

Subject: TCERA and TCERA Property, Inc. Financial Statements – December 31, 2020 and January 31, 2021

Requests:

That the Administrative Committee:

1. Review the TCERA and TCERA Property, Inc. Financial Statements for December 31, 2020 and January 31, 2021.
2. Forward the Financial Reports to the Board of Retirement with a recommendation for approval.

Summary:

The December 31, 2020 and January 31, 2021 TCERA and TCERA Property, Inc. Financial Statements have been prepared by TCERA accounting staff for the Committee's review.

Prepared by: Mary Warner

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of December 31, 2020
After Interest Posting - Final

	Dec 31, 20	Nov 30, 20	\$ Change	% Change	Dec 31, 19	\$ Change	% Change
ASSETS							
Current Assets							
Checking/Savings							
(Note 1) 1110 · Cash in County Treasury	47,673,469.54	52,272,529.69	-4,599,060.15	-8.80%	15,329,108.44	32,344,361.10	211.00%
1120 · Cash in Custodial Account	39,227,605.70	38,059,324.55	1,168,281.15	3.07%	48,116,520.78	-8,888,915.08	-18.47%
1130 · Short Term Investments	6,539,752.17	6,945,794.79	-406,042.62	-5.85%	8,407,188.54	-1,867,436.37	-22.21%
1140 · Securities Lending Collateral	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
1150 · Impaired Assets	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
Total Checking/Savings	93,440,827.41	97,277,649.03	-3,836,821.62	-3.94%	71,852,817.76	21,588,009.65	30.05%
Other Current Assets							
1310 · Fixed Income - Market	492,197,355.56	487,743,875.85	4,453,479.71	0.91%	470,320,602.81	21,876,752.75	4.65%
1340 · Equities - Market	895,427,010.92	845,296,758.75	50,130,252.17	5.93%	772,927,468.51	122,499,542.41	15.85%
1375 · Real Estate - REITS	180,468,196.35	176,468,196.35	4,000,000.00	2.27%	171,599,263.80	8,868,932.55	5.17%
(Note 2) 1385 · Hedge Funds	93,982.33	93,982.33	0.00	0.00%	89,419,074.84	-89,325,092.51	-99.90%
1386 · Private Equity	84,371,791.03	85,915,531.84	-1,543,740.81	-1.80%	75,207,905.87	9,163,885.16	12.19%
1388 · Private Credit	84,971,872.00	86,966,430.00	-1,994,558.00	-2.29%	62,193,992.00	22,777,880.00	36.62%
(Note 3) 1390 · Futures Overlay	0.00	0.00	0.00	0.00%	11,693,972.29	-11,693,972.29	-100.00%
Total Other Current Assets	1,737,530,208.19	1,682,484,775.12	55,045,433.07	3.27%	1,653,362,280.12	84,167,928.07	5.09%
Total Current Assets	1,830,971,035.60	1,779,762,424.15	51,208,611.45	2.88%	1,725,215,097.88	105,755,937.72	6.13%
Fixed Assets							
1501 · Building and Improvements	1,178,366.03	1,178,366.03	0.00	0.00%	1,178,366.03	0.00	0.00%
1505 · Office Equipment & Computer Sys	153,661.50	153,661.50	0.00	0.00%	158,020.14	-4,358.64	-2.76%
1506 · Project in Process CPAS	2,755,095.55	2,755,095.55	0.00	0.00%	2,755,095.55	0.00	0.00%
1511 · Accumulated Depreciation	-2,786,542.42	-2,786,542.42	0.00	0.00%	-2,449,954.90	-336,587.52	-13.74%
1512 · Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
Total Fixed Assets	1,670,926.35	1,670,926.35	0.00	0.00%	2,011,872.51	-340,946.16	-16.95%
Other Assets							
(Note 4) 1710 · Open Trades Sales	12,806,793.00	8,281,717.32	4,525,075.68	54.64%	11,105,978.39	1,700,814.61	15.31%
1730 · Investment Income Receivable	848,674.02	950,711.16	-102,037.14	-10.73%	957,304.22	-108,630.20	-11.35%
1735 · Real Estate Income Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
(Note 5) 1750 · Members Contribution Receivable	838,866.41	0.00	838,866.41	100.00%	661,613.91	177,252.50	26.79%
(Note 5) 1770 · Employer Contribution Receivable	222,101.12	0.00	222,101.12	100.00%	196,513.36	25,587.76	13.02%
1780 · Advances Rec- Holding Corp	536,230.00	545,230.00	-9,000.00	-1.65%	644,230.00	-108,000.00	-16.76%
(Note 6) 1785 · Pension Deaths Receivables	109.93	252.89	-142.96	-56.53%	0.00	109.93	100.00%
1790 · Other Receivables	8,739.99	9,025.29	-285.30	-3.16%	15,617.91	-6,877.92	-44.04%
Total Other Assets	15,261,514.47	9,786,936.66	5,474,577.81	55.94%	13,581,257.79	1,680,256.68	12.37%
TOTAL ASSETS	1,847,903,476.42	1,791,220,287.16	56,683,189.26	3.17%	1,740,808,228.18	107,095,248.24	6.15%

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of December 31, 2020
After Interest Posting - Final

	Dec 31, 20	Nov 30, 20	\$ Change	% Change	Dec 31, 19	\$ Change	% Change
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
2010 · Sec Lending Collateral Payable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	17,645,161.06	14,458,146.27	3,187,014.79	22.04%	16,046,612.81	1,598,548.25	9.96%
(Note 7) 2030 · Accounts Payable - Inv	729,928.27	0.00	729,928.27	100.00%	721,614.83	8,313.44	1.15%
(Note 7) 2040 · Refunds Payable	3,706,735.89	3,392,107.70	314,628.19	9.28%	3,338,817.23	367,918.66	11.02%
(Note 8) 2050 · Other Payables	149,204.29	-389.82	149,594.11	38375.18%	268,292.80	-119,088.51	-44.39%
(Note 7) 2100 · Payroll Liabilities	41,746.62	0.00	41,746.62	100.00%	33,928.23	7,818.39	23.04%
Total Other Current Liabilities	22,272,776.13	17,849,864.15	4,422,911.98	24.78%	20,409,265.90	1,863,510.23	9.13%
Total Current Liabilities	22,272,776.13	17,849,864.15	4,422,911.98	24.78%	20,409,265.90	1,863,510.23	9.13%
Long Term Liabilities							
2060 · Accrual-Benefits at Termination	103,551.79	103,551.79	0.00	0.00%	90,299.72	13,252.07	14.68%
2070 · Advances Payable - TCERA	536,230.00	545,230.00	-9,000.00	-1.65%	644,230.00	-108,000.00	-16.76%
Total Long Term Liabilities	639,781.79	648,781.79	-9,000.00	-1.39%	734,529.72	-94,747.93	-12.90%
Total Liabilities	22,912,557.92	18,498,645.94	4,413,911.98	23.86%	21,143,795.62	1,768,762.30	8.37%
Equity							
3110 · Member Deposit Reserve	329,911,156.12	312,721,665.36	17,189,490.76	5.50%	313,703,116.77	16,208,039.35	5.17%
(Note 9) 3120 · Other Reserves - Unapportioned	3,127,636.01	4,222,692.91	-1,095,056.90	-25.93%	-2,164,851.52	5,292,487.53	244.47%
3210 · Employer Advance Reserves	902,630,252.28	844,646,172.06	57,984,080.22	6.87%	862,180,259.34	40,449,992.94	4.69%
3310 · Retiree Reserves	433,025,431.67	463,582,962.06	-30,557,530.39	-6.59%	425,572,921.36	7,452,510.31	1.75%
3320 · Supp. Retiree Benefit Reserve	107,567,108.49	108,348,474.77	-781,366.28	-0.72%	108,178,878.76	-611,770.27	-0.57%
3410 · Contingency Reserve	55,437,104.30	49,227,604.66	6,209,499.64	12.61%	52,224,246.85	3,212,857.45	6.15%
3510 · Market Stabilization	-7,569,506.00	-163,716,787.00	156,147,281.00	95.38%	-40,771,275.00	33,201,769.00	81.43%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	-204,309,472.39	786,925.66	-205,096,398.05	-26063.00%	-72,751,912.06	-131,557,560.33	-180.83%
Net Income	205,171,208.02	152,901,930.74	52,269,277.28	34.19%	73,493,048.06	131,678,159.96	179.17%
Total Equity	1,824,990,918.50	1,772,721,641.22	52,269,277.28	2.95%	1,719,664,432.56	105,326,485.94	6.13%
TOTAL LIABILITIES & EQUITY	1,847,903,476.42	1,791,220,287.16	56,683,189.26	3.17%	1,740,808,228.18	107,095,248.24	6.15%

Notes:

- Note 1 Transfer to 421 Fund \$20M from Cash Reserve at Custodial Bank
Note 2 Liquidation of Hedge Funds
Note 3 Future Overlay - close account
Note 4 Increase in Open Trade Sales over last mo. and last year
Note 5 Accruals for EE & ER Contributions
Note 6 Receivables resulting from reported deaths and the timing of repayments
Note 7 Accruals: Inv. Mgmt Fees, Refunds, & Payroll
Note 8 Accruals: Actuary, Inv. Consultant, Custodial; decrease over last yr. due to timing of Custodial invoices
Note 9 Interim interest payments/adjustments and equity adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
December 31, 2020
After Interest Posting - Final

	Dec 20	Nov 20	\$ Change	% Change	Jul - Dec 20	Jul - Dec 19	\$ Change	% Change
Ordinary Income/Expense								
Income								
(Note 1) 4110 · Interest Income	462,157.58	242,843.22	219,314.36	90.31%	1,998,098.81	2,737,398.25	-739,299.44	-27.01%
4120 · Dividend Income	362,622.42	478,950.45	-116,328.03	-24.29%	2,013,766.65	2,131,432.09	-117,665.44	-5.52%
4130 · Real Estate Income	0.00	0.00	0.00	0.0%	1,434,936.61	1,286,976.88	147,959.73	11.5%
(Note 2) 4140 · Other Investment Income	4,264,048.88	224,776.80	4,039,272.08	1,797.02%	5,461,712.17	3,758,217.81	1,703,494.36	45.33%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	93,840.00	93,840.00	0.00	0.0%
4310 · Commission Rebates	212.65	250.95	-38.30	-15.26%	1,385.81	3,675.51	-2,289.70	-62.3%
4410 · Securities Lending Income	4,583.36	4,476.47	106.89	2.39%	25,403.77	48,901.14	-23,497.37	-48.05%
(Note 3) 4510 · Realized Gains/Losses	4,792,337.06	6,034,795.34	-1,242,458.28	-20.59%	42,976,900.83	6,562,348.67	36,414,552.16	554.9%
4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 4) 4610 · Employee Contributions	3,622,107.78	1,781,330.06	1,840,777.72	103.34%	11,999,472.66	11,519,757.22	479,715.44	4.16%
(Note 4) 4620 · Employer Contributions	457,311.16	236,792.93	220,518.23	93.13%	37,275,599.77	35,312,965.14	1,962,634.63	5.56%
Total Income	13,981,020.89	9,019,856.22	4,961,164.67	55.0%	103,281,117.08	63,455,512.71	39,825,604.37	62.76%
Expense								
5110 · Benefit Payments	7,668,970.77	7,639,824.89	29,145.88	0.38%	45,621,978.02	43,140,114.16	2,481,863.86	5.75%
(Note 5) 5120 · Refunds	379,983.82	79,016.88	300,966.94	380.89%	1,469,609.58	2,226,520.43	-756,910.85	-34.0%
(Note 6) 5130 · Death Retiree ROC	0.00	25,766.68	-25,766.68	-100.0%	76,646.62	0.00	76,646.62	100.0%
5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5210 · Investment Management Fees	2,173,319.10	296,469.44	1,876,849.66	633.07%	2,988,824.93	3,661,493.84	-672,668.91	-18.37%
5250 · Inv. Consultant/Custodial Fees	118,851.86	117,427.45	1,424.41	1.21%	277,279.31	308,653.83	-31,374.52	-10.17%
5270 · Securities Lending Expense	862.92	740.51	122.41	16.53%	3,972.35	4,260.04	-287.69	-6.75%
5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5276 · Real Estate Mgr Fees	817,836.72	0.00	817,836.72	100.0%	842,733.31	769,177.17	73,556.14	9.56%
(Note 8) 5280 · Other Investment Expense	-24,887.85	655.38	-25,543.23	-3,897.47%	131,292.38	240,655.08	-109,362.70	-45.44%
(Note 9) 5410 · Actuarial Study Fees	30,742.25	83,124.25	-52,382.00	-63.02%	113,866.50	86,055.58	27,810.92	32.32%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
* 5500 · Administrative Expense	222,296.20	156,058.49	66,237.71	42.44%	1,106,221.14	1,114,489.49	-8,268.35	-0.74%
* 5750 · TCERA Property Admin Expense	2,662.33	1,503.63	1,158.70	77.06%	22,228.93	15,645.26	6,583.67	42.08%
5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Expense	11,390,638.12	8,400,587.60	2,990,050.52	35.59%	52,654,653.07	51,567,064.88	1,087,588.19	2.11%
Net Ordinary Income	2,590,382.77	619,268.62	1,971,114.15	318.3%	50,626,464.01	11,888,447.83	38,738,016.18	325.85%

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
December 31, 2020
After Interest Posting - Final

	<u>Dec 20</u>	<u>Nov 20</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul - Dec 20</u>	<u>Jul - Dec 19</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	49,678,894.51	90,535,211.81	-40,856,317.30	-45.13%	154,544,744.01	61,604,600.23	92,940,143.78	150.87%
4525 · Unrealized Gns/Ls Building/Land	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5000 · Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	49,678,894.51	90,535,211.81	-40,856,317.30	-45.13%	154,544,744.01	61,604,600.23	92,940,143.78	150.87%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	49,678,894.51	90,535,211.81	-40,856,317.30	-45.13%	154,544,744.01	61,604,600.23	92,940,143.78	150.87%
Net Income	<u>52,269,277.28</u>	<u>91,154,480.43</u>	<u>-38,885,203.15</u>	<u>-42.66%</u>	<u>205,171,208.02</u>	<u>73,493,048.06</u>	<u>131,678,159.96</u>	<u>179.17%</u>

Notes:

- Note 1 Interest Income increase over last mo. from Co. qtrly payment; decrease over last year
- Note 2 Other Investment Income increase over last mo. in Private Equity; increase over last year in Private Equity & Private Credit
- Note 3 Decrease in Realized Gains over last mo. in Total Equity & Private Credit; increase over last year in Total Equity
- Note 4 Accruals for EE & ER Contributions
- Note 5 Semi-Annual Refund Accrual
- Note 6 Decrease in retiree deaths with remaining contributions
- Note 7 Quarterly Fees Accrued
- Note 8 Decrease in Other Investment Expense in Private Credit over last mo and over last year
- Note 9 Timing of payments

* See Budget report for detail of Administrative expenses (5500 and 5750)

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
December 2020
Accounting Period 6
50.00% of the Current Fiscal Year Budget
After Interest Posting - Final

	Dec 20	Jul - Dec 19	Jul - Dec 20	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	127,538.08	394,479.54	404,598.08	932,580.00	527,981.92	43.38%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
5515 · (6003) Other Pay	1,522.09	4,078.17	4,334.03	27,564.00	23,229.97	15.72%
5520 · (6004) Benefits	16,866.36	58,653.33	68,436.31	146,469.00	78,032.69	46.72%
5525 · (6005) Extra-Help	0.00	0.00	0.00	500.00	500.00	0.00%
5530 · (6006) Sick Leave Buy Back	0.00	0.00	0.00	0.00	0.00	0.00%
5535 · (6011) Retirement- Co. Port.	15,640.46	46,569.11	51,817.94	112,084.00	60,266.06	46.23%
5540 · (6012) Social Security	8,571.60	27,452.65	29,154.75	69,313.00	40,158.25	42.06%
5545 · (1024) POB Cost	0.00	32,654.99	7,071.24	79,475.00	72,403.76	8.90%
5550 · (6008) Board Fees-Per Diem Pmts	0.00	9,500.00	9,300.00	20,000.00	10,700.00	46.50%
5551 · Communications						
5552 · (7005) Communications	686.31	2,991.85	2,775.79	8,000.00	5,224.21	34.70%
5640 · (7005) Co. Telecommunication	1,411.52	2,938.22	4,059.57	13,709.00	9,649.43	29.61%
Total 5551 · Communications	2,097.83	5,930.07	6,835.36	21,709.00	14,873.64	31.49%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	0.00	26,805.54	21,018.16	66,000.00	44,981.84	31.85%
(Note 1) 5697 · (7044) Computer Exp Hdwr/Sftwr	2,576.37	22,237.37	10,506.54	16,818.00	6,311.46	62.47%
5698 · (7044) WSI/Q2 Digital	350.00	0.00	1,750.00	24,900.00	23,150.00	7.03%
Total 5553 · Data Processing	2,926.37	49,042.91	33,274.70	107,718.00	74,443.30	30.89%
5555 · (7009) Household Expense	1,321.21	6,871.68	7,101.88	17,380.00	10,278.12	40.86%
(Note 2) 5560 · (7010) Insurance	0.00	53,402.00	54,402.00	56,365.00	1,963.00	96.52%
5565 · (7011) Unemployment Insurance	0.00	0.00	0.00	6,000.00	6,000.00	0.00%
5570 · (7021) Maintenance-Equipment	121.92	801.96	666.03	3,000.00	2,333.97	22.20%
(Note 3) 5575 · (7027) Memberships	1,500.00	4,510.00	6,010.00	6,800.00	790.00	88.38%
5580 · (7030) Due Diligence Expense	0.00	1,416.54	0.00	15,000.00	15,000.00	0.00%
5585 · (7036) Office Expense	2,110.21	12,875.56	6,453.90	33,118.00	26,664.10	19.49%
5586 · (7040) Courier	111.15	530.90	556.77	1,300.00	743.23	42.83%
5590 · Prof & Specialized Exp						
5591 · (7043) Prof & Special Gen Exp	0.00	0.00	0.00	500.00	500.00	0.00%
(Note 4) 5592 · (7043) Prof & Spec - Audit	13,964.59	41,800.00	44,570.00	47,600.00	3,030.00	93.63%
5593 · (7043) Prof Sr -Outside Counsel	2,326.50	32,841.00	11,612.70	75,000.00	63,387.30	15.48%
Total 5590 · Prof & Specialized Exp	16,291.09	74,641.00	56,182.70	123,100.00	66,917.30	45.64%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	1,706.10	9,738.20	6,040.10	35,000.00	28,959.90	17.26%
5662 · (7046) Co Counsel - Disability	3,925.80	28,260.70	30,349.00	93,000.00	62,651.00	32.63%
Total 5594 · County Counsel Charges	5,631.90	37,998.90	36,389.10	128,000.00	91,610.90	28.43%
5595 · (7049) Prof Exp-Disabilities	0.00	50,136.52	29,969.44	164,000.00	134,030.56	18.27%
5600 · (7059) Publications	0.00	4,086.63	4,137.60	21,000.00	16,862.40	19.70%
5675 · (7059) Co. Print Services	862.25	4,727.80	2,444.91	14,500.00	12,055.09	16.86%
Total 5600 · (7059) Publications	862.25	8,814.43	6,582.51	35,500.00	28,917.49	18.54%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL

December 2020

Accounting Period 6

50.00% of the Current Fiscal Year Budget

After Interest Posting - Final

	Dec 20	Jul - Dec 19	Jul - Dec 20	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	93,840.00	93,840.00	187,680.00	93,840.00	50.00%
5610 · (7066) Spec Dept Exp - RIS	0.00	95,757.75	107,441.31	307,821.00	200,379.69	34.90%
5615 · (7073) Training	0.00	6,285.00	1,870.00	15,500.00	13,630.00	12.06%
5620 · (7074) Transportation & Travel	0.00	11,066.02	975.56	32,000.00	31,024.44	3.05%
5625 · (7081) Utilities	912.85	7,938.89	9,756.34	20,400.00	10,643.66	47.83%
5627 · (7116) Postage - Co. Mail	2,630.83	18,664.42	13,296.61	44,656.00	31,359.39	29.78%
(Note 2) 5630 · (7128) Co. Workers Comp Insurance	0.00	0.00	59,381.00	60,000.00	619.00	98.97%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	0.00	0.00	11,291.00	11,291.00	0.00%
5699 · (7719) Auditors Services	0.00	577.15	523.58	7,500.00	6,976.42	6.98%
Total 5695 · Co. Admin. Services	0.00	577.15	523.58	18,791.00	18,267.42	2.79%
5720 · (7421) Interest Expense	0.00	0.00	0.00	1.00	1.00	0.00%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	21,580.00	21,580.00	0.00%
5911 · Depreciation - TCERA	0.00	0.00	0.00	19,000.00	19,000.00	0.00%
5913 · Amortization - CPAS	0.00	0.00	0.00	320,000.00	320,000.00	0.00%
Total TCERA Administrative Expense	222,296.20	1,114,489.49	1,106,221.14	3,155,404.00	2,049,182.86	35.06%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	0.00	94.15	25.00	200.00	175.00	12.50%
(Note 5) 5760 · Insurance	0.00	6,384.00	7,452.00	6,750.00	-702.00	110.40%
5765 · Professional & Spec Services	0.00	0.00	0.00	2,000.00	2,000.00	0.00%
5780 · Courtyards Property Assn Dues	1,707.67	3,349.30	3,415.34	7,200.00	3,784.66	47.44%
5785 · Landscape Service	375.00	1,875.00	2,047.25	7,800.00	5,752.75	26.25%
5790 · Security Monitoring	163.34	849.00	808.58	7,750.00	6,941.42	10.43%
5795 · Maintenance & Improve - Bldg	60.00	398.08	6,105.77	14,500.00	8,394.23	42.11%
5797 · Utilities	356.32	2,695.73	2,374.99	6,100.00	3,725.01	38.93%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	32,600.00	32,600.00	0.00%
Total TCERA Property, Inc. Administrative Expense	2,662.33	15,645.26	22,228.93	84,900.00	62,671.07	26.18%
Total TCERA & TCERA Property Administrative Expense	224,958.53	1,130,134.75	1,128,450.07	3,240,304.00	2,111,853.93	34.83%

Notes:

- Note 1 Workroom printer, scanner, 2 laptops, 4 Adobe Pro licenses, and 3 Trustee iPads
- Note 2 Annual insurance premiums paid
- Note 3 Annual CALAPRS, SACRS & NCPERS membership paid
- Note 4 Annual audit expense paid in the first half of fiscal year
- Note 5 Annual property insurance higher than anticipated

Accrued Actuarial Liability	1,875,797.000
June 30, 2020	
.21% of AAL	3,939,173.70
50.00%	1,969,586.85
Expenses to date	(1,128,450.07)
(Over)/Under	841,136.78

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of January 31, 2021

		Jan 31, 21	Dec 31, 20	\$ Change	% Change	Jan 31, 20	\$ Change	% Change
ASSETS								
Current Assets								
Checking/Savings								
(Note 1)	1110 · Cash in County Treasury	41,598,863.48	47,673,469.54	-6,074,606.06	-12.74%	9,570,145.13	32,028,718.35	334.67%
	1120 · Cash in Custodial Account	42,585,904.86	39,227,605.70	3,358,299.16	8.56%	91,774,648.35	-49,188,743.49	-53.60%
(Note 2)	1130 · Short Term Investments	10,319,493.09	6,539,752.17	3,779,740.92	57.80%	5,094,392.66	5,225,100.43	102.57%
	1140 · Securities Lending Collateral	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	1150 · Impaired Assets	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	Total Checking/Savings	94,504,261.43	93,440,827.41	1,063,434.02	1.14%	106,439,186.14	-11,934,924.71	-11.21%
Other Current Assets								
	1310 · Fixed Income - Market	487,452,958.63	492,197,355.56	-4,744,396.93	-0.96%	477,388,676.06	10,064,282.57	2.11%
	1340 · Equities - Market	896,809,902.61	895,427,010.92	1,382,891.69	0.15%	772,535,949.12	124,273,953.49	16.09%
	1375 · Real Estate - REITS	180,503,855.21	180,468,196.35	35,658.86	0.02%	172,552,061.33	7,916,793.88	4.61%
(Note 3)	1385 · Hedge Funds	93,982.33	93,982.33	0.00	0.00%	46,589,072.80	-46,495,090.47	-99.80%
	1386 · Private Equity	84,748,788.80	84,371,791.03	376,997.77	0.45%	76,748,555.42	8,000,233.38	10.42%
	1388 · Private Credit	84,971,872.00	84,971,872.00	0.00	0.00%	62,193,992.00	22,777,880.00	36.62%
(Note 4)	1390 · Futures Overlay	0.00	0.00	0.00	0.00%	10,199,514.89	-10,199,514.89	-100.00%
	Total Other Current Assets	1,734,581,359.58	1,737,530,208.19	-2,948,848.61	-0.17%	1,618,207,821.62	116,373,537.96	7.19%
	Total Current Assets	1,829,085,621.01	1,830,971,035.60	-1,885,414.59	-0.10%	1,724,647,007.76	104,438,613.25	6.06%
Fixed Assets								
	1501 · Building and Improvements	1,178,366.03	1,178,366.03	0.00	0.00%	1,178,366.03	0.00	0.00%
	1505 · Office Equipment & Computer Sys	153,661.50	153,661.50	0.00	0.00%	158,020.14	-4,358.64	-2.76%
	1506 · Project in Process CPAS	2,755,095.55	2,755,095.55	0.00	0.00%	2,755,095.55	0.00	0.00%
	1511 · Accumulated Depreciation	-2,786,542.42	-2,786,542.42	0.00	0.00%	-2,449,954.90	-336,587.52	-13.74%
	1512 · Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
	Total Fixed Assets	1,670,926.35	1,670,926.35	0.00	0.00%	2,011,872.51	-340,946.16	-16.95%
Other Assets								
	1710 · Open Trades Sales	17,537,867.05	12,806,793.00	4,731,074.05	36.94%	19,498,741.73	-1,960,874.68	-10.06%
	1730 · Investment Income Receivable	835,646.77	848,674.02	-13,027.25	-1.54%	649,763.46	185,883.31	28.61%
	1735 · Real Estate Income Receivable	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
(Note 5)	1750 · Members Contribution Receivable	0.00	838,866.41	-838,866.41	-100.00%	0.00	0.00	0.00%
(Note 5)	1770 · Employer Contribution Receivable	0.00	222,101.12	-222,101.12	-100.00%	0.00	0.00	0.00%
	1780 · Advances Rec- Holding Corp	527,230.00	536,230.00	-9,000.00	-1.68%	635,230.00	-108,000.00	-17.00%
(Note 6)	1785 · Pension Deaths Receivables	836.93	109.93	727.00	661.33%	0.00	836.93	100.00%
	1790 · Other Receivables	8,454.69	8,739.99	-285.30	-3.26%	15,038.20	-6,583.51	-43.78%
	Total Other Assets	18,910,035.44	15,261,514.47	3,648,520.97	23.91%	20,798,773.39	-1,888,737.95	-9.08%
	TOTAL ASSETS	1,849,666,582.80	1,847,903,476.42	1,763,106.38	0.10%	1,747,457,653.66	102,208,929.14	5.85%

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of January 31, 2021

	Jan 31, 21	Dec 31, 20	\$ Change	% Change	Jan 31, 20	\$ Change	% Change
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
2010 · Sec Lending Collateral Paya	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	24,259,342.04	17,645,161.06	6,614,180.98	37.48%	23,904,794.97	354,547.07	1.48%
(Note 7) 2030 · Accounts Payable - Inv	547,203.65	729,928.27	-182,724.62	-25.03%	447,920.15	99,283.50	22.17%
(Note 7) 2040 · Refunds Payable	3,706,735.89	3,706,735.89	0.00	0.00%	3,338,817.23	367,918.66	11.02%
(Note 8) 2050 · Other Payables	-389.82	149,204.29	-149,594.11	-100.26%	0.00	-389.82	-100.00%
(Note 7) 2100 · Payroll Liabilities	0.00	41,746.62	-41,746.62	-100.00%	0.00	0.00	0.00%
Total Other Current Liabilities	28,512,891.76	22,272,776.13	6,240,115.63	28.02%	27,691,532.35	821,359.41	2.97%
Total Current Liabilities	28,512,891.76	22,272,776.13	6,240,115.63	28.02%	27,691,532.35	821,359.41	2.97%
Long Term Liabilities							
2060 · Accrual-Benefits at Termination	103,551.79	103,551.79	0.00	0.00%	90,299.72	13,252.07	14.68%
2070 · Advances Payable - TCERA	527,230.00	536,230.00	-9,000.00	-1.68%	635,230.00	-108,000.00	-17.00%
Total Long Term Liabilities	630,781.79	639,781.79	-9,000.00	-1.41%	725,529.72	-94,747.93	-13.06%
Total Liabilities	29,143,673.55	22,912,557.92	6,231,115.63	27.20%	28,417,062.07	726,611.48	2.56%
Equity							
3110 · Member Deposit Reserve	328,431,768.25	329,911,156.12	-1,479,387.87	-0.45%	312,054,257.45	16,377,510.80	5.25%
(Note 9) 3120 · Other Reserves - Unapportioned	3,127,636.01	3,127,636.01	0.00	0.00%	-2,163,568.89	5,291,204.90	244.56%
3210 · Employer Advance Reserves	899,363,956.29	902,630,252.28	-3,266,295.99	-0.36%	858,863,580.61	40,500,375.68	4.72%
3310 · Retiree Reserves	437,771,115.53	433,025,431.67	4,745,683.86	1.10%	430,537,176.78	7,233,938.75	1.68%
3320 · Supp. Retiree Benefit Reserve	107,567,108.49	107,567,108.49	0.00	0.00%	108,178,878.76	-611,770.27	-0.57%
3410 · Contingency Reserve	55,437,104.30	55,437,104.30	0.00	0.00%	52,224,246.85	3,212,857.45	6.15%
3510 · Market Stabilization	-7,569,506.00	-7,569,506.00	0.00	0.00%	-40,771,275.00	33,201,769.00	81.43%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	-204,309,472.39	-204,309,472.39	0.00	0.00%	-72,751,912.06	-131,557,560.33	-180.83%
Net Income	200,703,198.77	205,171,208.02	-4,468,009.25	-2.18%	72,869,207.09	127,833,991.68	175.43%
Total Equity	1,820,522,909.25	1,824,990,918.50	-4,468,009.25	-0.25%	1,719,040,591.59	101,482,317.66	5.90%
TOTAL LIABILITIES & EQUITY	1,849,666,582.80	1,847,903,476.42	1,763,106.38	0.10%	1,747,457,653.66	102,208,929.14	5.85%

Notes:

- Note 1 Transfer to 421 Fund \$20M from Cash Reserve at Custodial Bank
- Note 2 Timing of managers short term positions
- Note 3 Liquidation of Hedge Funds
- Note 4 Future Overlay - close account
- Note 5 Accruals for EE & ER Contributions for 12/31
- Note 6 Receivables resulting from reported deaths and the timing of repayments
- Note 7 Accruals: Inv. Mgmt Fees, Refunds, & Payroll recorded 12/31
- Note 8 Accruals: Actuary, Inv. Consultant, Custodial recorded 12/31; decrease over last yr. from US Bank Due diligence credit accrual
- Note 9 Interim interest payments/adjustments and equity adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
January 31, 2021

	Jan 21	Dec 20	\$ Change	% Change	Jul '20 - Jan 21	Jul '19 - Jan 20	\$ Change	% Change
Ordinary Income/Expense								
Income								
4110 · Interest Income	235,586.71	462,157.58	-226,570.87	-49.03%	2,233,685.52	3,094,652.69	-860,967.17	-27.82%
4120 · Dividend Income	270,532.65	362,622.42	-92,089.77	-25.4%	2,284,299.30	2,386,385.36	-102,086.06	-4.28%
(Note 1) 4130 · Real Estate Income	1,461,637.04	0.00	1,461,637.04	100.0%	2,896,573.65	2,700,367.84	196,205.81	7.27%
(Note 2) 4140 · Other Investment Income	1,732,649.34	4,264,048.88	-2,531,399.54	-59.37%	7,194,361.51	3,785,353.08	3,409,008.43	90.06%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	109,480.00	109,480.00	0.00	0.0%
4310 · Commission Rebates	546.07	212.65	333.42	156.79%	1,931.88	3,675.51	-1,743.63	-47.44%
(Note 3) 4410 · Securities Lending Income	5,752.03	4,583.36	1,168.67	25.5%	31,155.80	63,088.60	-31,932.80	-50.62%
(Note 4) 4510 · Realized Gains/Losses	7,089,562.57	4,792,337.06	2,297,225.51	47.94%	50,066,463.40	27,010,592.49	23,055,870.91	85.36%
4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 5) 4610 · Employee Contributions	942,858.15	3,622,107.78	-2,679,249.63	-73.97%	12,942,330.81	12,624,767.93	317,562.88	2.52%
(Note 5) 4620 · Employer Contributions	13,043.84	457,311.16	-444,267.32	-97.15%	37,288,643.61	35,348,328.09	1,940,315.52	5.49%
Total Income	11,767,808.40	13,981,020.89	-2,213,212.49	-15.83%	115,048,925.48	87,126,691.59	27,922,233.89	32.05%
Expense								
5110 · Benefit Payments	7,642,229.79	7,668,970.77	-26,740.98	-0.35%	53,264,207.81	50,343,628.94	2,920,578.87	5.8%
5120 · Refunds	257,187.31	379,983.82	-122,796.51	-32.32%	1,726,796.89	2,474,819.23	-748,022.34	-30.23%
(Note 6) 5130 · Death Retiree ROC	0.00	0.00	0.00	0.0%	76,646.62	47,068.47	29,578.15	62.84%
5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5210 · Investment Management Fees	-26,416.60	2,173,319.10	-2,199,735.70	-101.22%	2,962,408.33	3,469,521.16	-507,112.83	-14.62%
(Note 7) 5250 · Inv. Consultant/Custodial Fees	-78,485.47	118,851.86	-197,337.33	-166.04%	198,793.84	223,820.99	-25,027.15	-11.18%
5270 · Securities Lending Expense	1,036.85	862.92	173.93	20.16%	5,009.20	5,220.97	-211.77	-4.06%
5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5276 · Real Estate Mgr Fees	0.00	817,836.72	-817,836.72	-100.0%	842,733.31	769,177.17	73,556.14	9.56%
(Note 8) 5280 · Other Investment Expense	336.71	-24,887.85	25,224.56	101.35%	131,629.09	241,240.32	-109,611.23	-45.44%
(Note 9) 5410 · Actuarial Study Fees	0.00	30,742.25	-30,742.25	-100.0%	113,866.50	31,867.50	81,999.00	257.31%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
* 5500 · Administrative Expense	92,826.40	222,296.20	-129,469.80	-58.24%	1,199,047.54	1,313,724.19	-114,676.65	-8.73%
* 5750 · TCERA Property Admin Expense	2,121.19	2,662.33	-541.14	-20.33%	24,350.12	16,870.93	7,479.19	44.33%
5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Expense	7,890,836.18	11,390,638.12	-3,499,801.94	-30.73%	60,545,489.25	58,936,959.87	1,608,529.38	2.73%
Net Ordinary Income	3,876,972.22	2,590,382.77	1,286,589.45	49.67%	54,503,436.23	28,189,731.72	26,313,704.51	93.35%

**TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
January 31, 2021**

	Jan 21	Dec 20	\$ Change	% Change	Jul '20 - Jan 21	Jul '19 - Jan 20	\$ Change	% Change
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	-8,344,981.47	49,678,894.51	-58,023,875.98	-116.8%	146,199,762.54	44,679,475.37	101,520,287.17	227.22%
4525 · Unrealized Gns/Ls Building/Land	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5000 · Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	-8,344,981.47	49,678,894.51	-58,023,875.98	-116.8%	146,199,762.54	44,679,475.37	101,520,287.17	227.22%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	-8,344,981.47	49,678,894.51	-58,023,875.98	-116.8%	146,199,762.54	44,679,475.37	101,520,287.17	227.22%
Net Income	<u>-4,468,009.25</u>	<u>52,269,277.28</u>	<u>-56,737,286.53</u>	<u>-108.55%</u>	<u>200,703,198.77</u>	<u>72,869,207.09</u>	<u>127,833,991.68</u>	<u>175.43%</u>

Notes:

- Note 1 Real Estate Income reported qtrly and 1-2 months in arrears
- Note 2 Other Investment Income decrease over last mo. in Priv. Equity & Priv. Credit; increase over last year in Private Equity
- Note 3 Increase in Security Lending Income over last mo.; decrease over last year
- Note 4 Increase in Realized Gains over last mo. in Total Equity; increase over last year in Total Equity
- Note 5 Accruals for EE & ER Contributions
- Note 6 Increase in retiree deaths with remaining contributions over last year
- Note 7 Quarterly Fees Accrued
- Note 8 Increase in Other Investment Expense over last mo.; decrease over last year in Priv. Equity & Priv. Credit
- Note 9 Timing of payments and the 3yr Experience Study in this FY

* See Budget report for detail of Administrative expenses (5500 and 5750)

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
January 2021
Accounting Period 7
58.33% of the Current Fiscal Year Budget

	Jan 21	Jul '19 - Jan 20	Jul '20 - Jan 21	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	36,543.72	437,050.33	441,141.80	932,580.00	491,438.20	47.30%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
5515 · (6003) Other Pay	905.28	5,135.32	5,239.31	27,564.00	22,324.69	19.01%
5520 · (6004) Benefits	6,398.37	65,986.02	74,834.68	146,469.00	71,634.32	51.09%
5525 · (6005) Extra-Help	0.00	0.00	0.00	500.00	500.00	0.00%
5530 · (6006) Sick Leave Buy Back	0.00	0.00	0.00	0.00	0.00	0.00%
5535 · (6011) Retirement- Co. Port.	4,495.72	51,633.96	56,313.66	112,084.00	55,770.34	50.24%
5540 · (6012) Social Security	2,885.17	30,798.20	32,039.92	69,313.00	37,273.08	46.22%
5545 · (1024) POB Cost	0.00	36,305.35	7,071.24	79,475.00	72,403.76	8.90%
(Note 1) 5550 · (6008) Board Fees-Per Diem Pmts	3,416.95	13,300.00	12,716.95	20,000.00	7,283.05	63.58%
5551 · Communications						
5552 · (7005) Communications	634.80	3,578.52	3,410.59	8,000.00	4,589.41	42.63%
5640 · (7005) Co. Telecommunication	0.00	4,098.62	4,059.57	13,709.00	9,649.43	29.61%
Total 5551 · Communications	634.80	7,677.14	7,470.16	21,709.00	14,238.84	34.41%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	5,262.36	32,167.27	26,280.52	66,000.00	39,719.48	39.82%
5697 · (7044) Computer Exp Hdwr/Sftwr	-5,765.32	22,237.37	4,741.22	16,818.00	12,076.78	28.19%
5698 · (7044) WSI/Q2 Digital	700.00	850.00	2,450.00	24,900.00	22,450.00	9.84%
Total 5553 · Data Processing	197.04	55,254.64	33,471.74	107,718.00	74,246.26	31.07%
5555 · (7009) Household Expense	-1,354.32	7,967.17	5,747.56	17,380.00	11,632.44	33.07%
(Note 2) 5560 · (7010) Insurance	0.00	53,402.00	54,402.00	56,365.00	1,963.00	96.52%
5565 · (7011) Unemployment Insurance	0.00	0.00	0.00	6,000.00	6,000.00	0.00%
5570 · (7021) Maintenance-Equipment	74.46	919.78	740.49	3,000.00	2,259.51	24.68%
(Note 3) 5575 · (7027) Memberships	0.00	6,010.00	6,010.00	6,800.00	790.00	88.38%
5580 · (7030) Due Diligence Expense	0.00	1,416.54	0.00	15,000.00	15,000.00	0.00%
5585 · (7036) Office Expense	2,672.21	21,759.54	9,126.11	33,118.00	23,991.89	27.56%
5586 · (7040) Courier	0.00	637.08	556.77	1,300.00	743.23	42.83%
5590 · Prof & Specialized Exp						
5591 · (7043) Prof & Special Gen Exp	0.00	0.00	0.00	500.00	500.00	0.00%
(Note 4) 5592 · (7043) Prof & Spec - Audit	0.00	41,800.00	44,570.00	47,600.00	3,030.00	93.63%
5593 · (7043) Prof Sr -Outside Counsel	114.00	41,479.50	11,726.70	75,000.00	63,273.30	15.64%
Total 5590 · Prof & Specialized Exp	114.00	83,279.50	56,296.70	123,100.00	66,803.30	45.73%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	638.00	14,354.80	6,678.10	35,000.00	28,321.90	19.08%
5662 · (7046) Co Counsel - Disability	3,643.00	36,669.30	33,992.00	93,000.00	59,008.00	36.55%
Total 5594 · County Counsel Charges	4,281.00	51,024.10	40,670.10	128,000.00	87,329.90	31.77%
5595 · (7049) Prof Exp-Disabilities	4,595.56	59,302.56	34,565.00	164,000.00	129,435.00	21.08%
5600 · (7059) Publications	8,430.25	11,786.77	12,567.85	21,000.00	8,432.15	59.85%
5675 · (7059) Co. Print Services	0.00	5,649.66	2,444.91	14,500.00	12,055.09	16.86%
Total 5600 · (7059) Publications	8,430.25	17,436.43	15,012.76	35,500.00	20,487.24	42.29%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
January 2021
Accounting Period 7
58.33% of the Current Fiscal Year Budget

	Jan 21	Jul '19 - Jan 20	Jul '20 - Jan 21	Annual Budget	Remaining Budget	% Annual Budget
5605 · (7062) Rent & Lease -Building	15,640.00	109,480.00	109,480.00	187,680.00	78,200.00	58.33%
5610 · (7066) Spec Dept Exp - RIS	1,136.56	95,757.75	108,577.87	307,821.00	199,243.13	35.27%
5615 · (7073) Training	100.00	6,285.00	1,970.00	15,500.00	13,530.00	12.71%
5620 · (7074) Transportation & Travel	314.93	11,970.90	1,290.49	32,000.00	30,709.51	4.03%
5625 · (7081) Utilities	944.76	9,079.98	10,701.10	20,400.00	9,698.90	52.46%
5627 · (7116) Postage - Co. Mail	0.00	21,264.75	13,296.61	44,656.00	31,359.39	29.78%
(Note 2) 5630 · (7128) Co. Workers Comp Insurance	0.00	53,013.00	59,381.00	60,000.00	619.00	98.97%
5695 · Co. Admin. Services						
5666 · (7719) HR/Risk Services	0.00	0.00	0.00	11,291.00	11,291.00	0.00%
5699 · (7719) Auditors Services	399.94	577.15	923.52	7,500.00	6,576.48	12.31%
Total 5695 · Co. Admin. Services	399.94	577.15	923.52	18,791.00	17,867.48	4.91%
5720 · (7421) Interest Expense	0.00	0.00	0.00	1.00	1.00	0.00%
5450 · Compensated Benefit Expense	0.00	0.00	0.00	21,580.00	21,580.00	0.00%
5911 · Depreciation - TCERA	0.00	0.00	0.00	19,000.00	19,000.00	0.00%
5913 · Amortization - CPAS	0.00	0.00	0.00	320,000.00	320,000.00	0.00%
Total TCERA Administrative Expense	92,826.40	1,313,724.19	1,199,047.54	3,155,404.00	1,956,356.46	38.00%
5750 · TCERA Property Administrative Expense						
5755 · Fees and Taxes	0.00	94.15	25.00	200.00	175.00	12.50%
(Note 5) 5760 · Insurance	0.00	6,384.00	7,452.00	6,750.00	-702.00	110.40%
5765 · Professional & Spec Services	427.20	0.00	427.20	2,000.00	1,572.80	21.36%
5780 · Courtyards Property Assn Dues	0.00	3,349.30	3,415.34	7,200.00	3,784.66	47.44%
5785 · Landscape Service	375.00	2,250.00	2,422.25	7,800.00	5,377.75	31.05%
5790 · Security Monitoring	559.58	1,402.50	1,368.16	7,750.00	6,381.84	17.65%
5795 · Maintenance & Improve - Bldg	445.00	398.08	6,550.77	14,500.00	7,949.23	45.18%
5797 · Utilities	314.41	2,992.90	2,689.40	6,100.00	3,410.60	44.09%
5912 · Depreciation - TCERA Property	0.00	0.00	0.00	32,600.00	32,600.00	0.00%
Total TCERA Property, Inc. Administrative Expense	2,121.19	16,870.93	24,350.12	84,900.00	60,549.88	28.68%
Total TCERA & TCERA Property Administrative Expense	94,947.59	1,330,595.12	1,223,397.66	3,240,304.00	2,016,906.34	37.76%

Notes:

- Note 1 Quarterly Per Diem paid Q4
- Note 2 Annual insurance premiums paid
- Note 3 Annual CALAPRS, SACRS & NCPERS membership paid
- Note 4 Annual audit expense paid in the first half of fiscal year
- Note 5 Annual property insurance higher than anticipated

Accrued Actuarial Liability	1,875,797.000
June 30, 2020	
.21% of AAL	3,939,173.70
58.33%	2,297,851.33
Expenses to date	(1,223,397.66)
(Over)/Under	1,074,453.67



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

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www.tcera.org

TCERA, Board of Retirement Administrative Committee

Agenda Item # IV.2.c.

Agenda Date: March 24, 2021

Subject: Supplemental Retiree Benefit Reserve (SRBR) Analysis

Requests:

That the Administrative Committee:

1. Discuss SRBR scenarios for submission to TCERA's actuary for analysis as part of the June 30, 2021 actuarial valuation.
2. Provide a recommendation to the Board of Retirement.

Summary:

The Board of Retirement has directed the Administrative Committee to provide a recommendation regarding SRBR analysis scenarios to help evaluate the viability of the current benefit levels for existing and future retirees. This direction was a result of Board discussion regarding the status of the reserve as presented in the June 30, 2020 actuarial valuation. The information regarding the current reserve and benefit levels presented to the Board at the February 24, 2021 Board meeting is attached.

Because Tier 4 members are not eligible for SRBR benefits, new active members eligible for the benefit will be limited to rehires or members with incoming reciprocity with eligibility for an earlier tier. This means that the greatest impact to the reserve will be the investment returns of the fund, rather than growth of the eligible membership population, most specifically the ability for the plan to meet or exceed its investment assumption rate. Based on this, Staff suggests that the scenarios discussed should focus on the projected status of the reserve assuming various return scenarios.

Prepared by: Leanne Malison



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
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DATE: February 24, 2021
FROM: Leanne Malison, Retirement Administrator
TO: Tulare County Board of Retirement
RE: Supplemental Benefits Paid to TCERA Retirees

Staff has placed this item on the agenda as directed by the Board of Retirement. During the presentation of the June 30, 2020 Actuarial Valuation, Graham Schmidt of Cheiron indicated that he would recommend a discussion specific to the viability of the current level of supplemental benefits as part of the June 30, 2021 Actuarial Valuation presentation. The Board subsequently requested that discussion of the supplemental benefits be placed on a future agenda to provide the opportunity for the Board to discuss the matter in advance of any discussion with the actuary.

Table IV-3 *Supplemental Retiree Benefit Reserve as of June 30, 2020* from the most recent Actuarial Valuation is attached for the Board's reference. The table provides the most recent valuation data for the Supplemental Retiree Benefit Reserve (SRBR). Supplemental benefits are available to qualified members in Tiers 1, 2 and 3. Tier 4 members are specifically excluded. The benefits are neither vested nor guaranteed and can be changed at any time at the sole discretion of the Board of Retirement. The SRBR funds the following supplemental benefits for retirees as approved by the Board of Retirement:

Level One – Monthly Cash Benefit of \$12.50 per year of TCERA service. Ten years of TCERA service is the minimum qualification for this benefit. The benefit reaches the maximum benefit of \$250 per month at twenty years of TCERA service. There are currently 2,615 retirees/beneficiaries (77%) receiving a Level One supplemental benefit. The benefit amount and the number of members receiving this benefit is increasing each year. Approximately 93% of the SRBR is allocated to this benefit for the closed group as of June 30, 2020.

Level Two – Supplemental COLA (Purchasing Power) provides a monthly supplement that ensures that retirees/beneficiaries continue to receive a minimum of 85% of the original purchasing power of their retirement benefit as determined by annual COLA adjustments. There are currently 52 retirees/beneficiaries (1.5%) who retired prior to April 1, 1991 who qualify for a Level Two supplemental benefit. The benefit amount and number of members receiving this benefit is decreasing each year due to the low rates of inflation/CPI increases and the age of the current recipients. Approximately 0.7% of the SRBR is allocated to this benefit for the closed group as of June 30, 2020.

Level Three – Post-Retirement Spousal Continuation provides a lifetime continuance for spouses that are able to qualify as beneficiaries under the unmodified option, who would not otherwise be eligible, if certain criteria are met. There are currently 20 post-retirement spouses receiving a Level Three supplemental benefit. The benefit amount and number of beneficiaries receiving this benefit is increasing each year. Approximately 4.5% of the SRBR is allocated to this benefit for the closed group as of June 30, 2020.

After accounting for the present value of future SRBR benefits at current benefit levels, there is a net "excess" reserve of \$2,042.810. From an actuarial perspective, this amount exceeds the funds required to pay supplemental benefits to the closed group as of June 30, 2020. This excess funding amount experienced a decrease of over \$4 million dollars compared to the prior year and has been in a declining mode for a number of years. This is attributable to the more recent experience of the plan which is paying out more in benefits than is being credited to the reserve each six months. The SRBR has only two sources of funding: 1) Interest posting to reserves each six months, and 2) 50% of "excess earnings" over and above the assumed rate of return after ten-year smoothing as calculated each six months. TCERA has not had such excess earnings since June 30, 2008.

The Board of Retirement periodically reviews and updates supplemental benefits as it deems necessary to maintain the reserve at levels sufficient to sustain supplemental benefits for retirees. The most recent change enacted was a schedule of reductions to the Monthly Cash Benefit. As of July 1, 2007, the cash benefit was paid at a rate of \$18.00 per year of service. Effective July 1, 2013 the Board implemented a gradual reduction each year until July 1, 2017 when the benefit was reduced to its current level of \$12.50 per year of service.

Based on the rate of depletion of the reserve experienced in recent years and projecting that depletion forward, it is expected that the net reserve (reserves in excess of funds necessary to pay benefits to the closed group) will move into negative territory. The Board has the following options available:

1. Take no action with the assumption that the recently approved lower assumed rate of return of 7.0% will create an environment for "excess returns" in the future thereby replenishing the reserve. (The investment performance for the six months ending December 31, 2020 resulted in an investment gain of \$151 million. TCERA will draw from that return, as well as other gains and losses, over the next ten years as part of the smoothing process.)
2. Take no action pending the results of the June 30, 2021 actuarial valuation with discussion to resume with the actuary when the results are available.
3. Reduce Level One, Level Two, and/or Level Three benefits as the Board deems necessary and prudent to maintain an adequate reserve for supplemental benefits for current and future retirees.
4. Request an actuarial study of possible benefit reductions as specified by the Board to determine the effect on the reserve balance.

Staff requests Board direction on next steps regarding the SRBR and supplemental benefit levels.

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2020**

SECTION IV – LIABILITIES

Table IV-3 shows the present value of future SRBR benefits at current benefit levels and the calculation of the net reserve based on the SRBR balance. The net reserve as of June 30, 2020 is positive, meaning that the current SRBR balance is expected to cover SRBR benefits at current levels.

Table IV-3 Supplemental Retiree Benefit Reserve as of June 30, 2020		
	June 30, 2019	June 30, 2020
Level One		
1. Current Retirees	\$ 57,858,377	\$ 60,262,708
2. Inactive Members	2,216,918	2,051,922
3. Active members	<u>37,226,796</u>	<u>38,425,932</u>
4. Subtotal	\$ 97,302,091	\$ 100,740,562
Level Two		
5. Supplemental COLA for those who have lost at least 15% of Purchasing Power	\$ 797,753	\$ 718,407
Level Three		
6. Supplemental Spousal Death Benefit	\$ 3,449,188	\$ 4,846,221
7. Total SRBR Combined Liability: (4) + (5) + (6)	\$ 101,549,032	\$ 106,305,190
8. Supplemental Retiree Benefit Reserve: (SRBR)	<u>107,766,000</u>	<u>108,348,000</u>
9. Net Reserve: (8) - (7)	\$ 6,216,968	\$ 2,042,810

Numbers may not add to totals due to rounding.

Six Month Period		Total Actual Market Return (net)	Expected Market Return (net)	Investment Gain (Loss)	Deferred Factor	Deferred Return
From	To					
7/11	12/11	(58,996,703)	39,029,015	(98,025,719)	0.05	(4,901,286)
1/12	6/12	46,133,182	36,032,847	10,100,335	0.10	1,010,034
7/12	12/12	61,934,352	38,223,420	23,710,932	0.15	3,556,640
1/13	6/13	45,446,072	39,915,825	5,530,247	0.20	1,106,049
7/13	12/13	114,083,453	41,675,731	72,407,722	0.25	18,101,930
1/14	6/14	62,482,815	45,022,478	17,460,337	0.30	5,238,101
7/14	12/14	(17,886,044)	46,676,782	(64,562,826)	0.35	(22,596,989)
1/15	6/15	26,507,383	44,856,580	(18,349,197)	0.40	(7,339,679)
7/15	12/15	(45,631,715)	45,909,756	(91,541,471)	0.45	(41,193,662)
1/16	6/16	24,729,226	43,045,278	(18,316,052)	0.50	(9,158,026)
7/16	12/16	44,835,718	44,015,787	819,931	0.55	450,962
1/17	6/17	84,564,705	42,691,625	41,873,080	0.60	25,123,848
7/17	12/17	79,943,304	45,809,189	34,134,115	0.65	22,187,175
1/18	6/18	11,201,303	48,460,635	(37,259,332)	0.70	(26,081,532)
7/18	12/18	(54,685,836)	56,898,055	(111,583,891)	0.75	(83,687,918)
1/19	6/19	143,284,434	53,981,060	89,303,374	0.80	71,442,699
7/19	12/19	74,015,847	59,050,363	14,965,484	0.85	12,720,661
1/20	6/20	(69,767,060)	60,619,959	(130,387,018)	0.90	(117,348,317)
7/20	12/20	207,466,372	56,098,158	151,368,214	0.95	143,799,803

1. Total deferred return	(7,569,506)
2. Net Market Value (Total Equity)	1,824,990,919
3. Actuarial Value of Assets for Funding Ratio (Item 2 - Item 1)	1,832,560,425
4. Corridor around Market Value	
70% corridor minimum	1,277,493,643
130% corridor maximum	2,372,488,194
5. Non-valuation reserves and designations:	
Supplemental Retiree Benefit Reserve	108,348,475
6. Adjusted Actuarial Value of Assets for valuation (Item 3 - Item 5)	1,724,211,950



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.2.d.

Agenda Date: March 24, 2021

Subject: TCERA Staffing – Secretary Vacancy and Recruitment

Requests:

That the Administrative Committee:

1. Discuss TCERA's decision to fill Secretary vacancy.

Summary:

Choosing to be completely transparent, staff is wanting to inform the Board that TCERA is planning to fill this vacant position.

Prepared by: Mary Warner



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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Tulare County Employees' Retirement Association

Amendment to Resolution Regarding Pay Codes Included as Pensionable Income

In accordance with the provisions of the California Public Employees' Pension Reform Act of 2012 (AB340), the Board of Retirement for the Tulare County Employees' Retirement Association (TCERA) determined on November 7, 2012 those Tulare County pay codes that are to be included in or excluded from "compensation earnable" for the calculation of retirement benefits paid by TCERA.

The TCERA Board of Retirement has been notified that a new pay code(s) has been approved by the County of Tulare. The TCERA Board of Retirement takes this action to amend the list of pay codes included in the original resolution and the previous amendments adopted October 14, 2015, July 11, 2018, September 12, 2018, April 10, 2019, June 12, 2019, August 14, 2019, September 25, 2019, October 23, 2019, November 6, 2019, January 8, 2020, March 25, 2020, May 13, 2020, January 27, 2021, and February 10, 2021. The eligibility for compensation earnable is identified below for the purpose of calculation of pension benefits for all tiers pursuant to Government Code §31461 and Government Code §7522.34:

Pay Code	Effective Date	Status	Description	Compensation Earnable
SPS	4/20/2021	A	Supplemental Paid Sick	Yes

This action is intended to amend but not replace the original Retirement Board resolution dated November 7, 2012. The above listed determinations by the Board of what is included or not included in compensation earnable, as well as the action taken by the TCERA Board in the resolution dated November 7, 2012 and in the amendments to the resolution dated October 14, 2015, July 11, 2018, September 12, 2018, April 10, 2019, June 12, 2019, August 14, 2019, September 25, 2019, October 23, 2019, November 6, 2019, January 8, 2020, March 25, 2020, May 13, 2020, January 27, 2021, and February 10, 2021 shall be in effect until such time as action taken by the Board or action by the Legislature or the Courts as a matter of law requires a different determination.

The foregoing action was adopted by the Board of Retirement upon a motion by Board member _____, seconded by Board member _____, at a regular meeting of the Board of Retirement held on April 14, 2021 by the following vote:

Ayes:
Noes:
Abstain:
Absent:



Auditor-Controller/ Treasurer-Tax Collector

Cass Cook, CFIP
County of Tulare

221 South Mooney Blvd., Room 101-E Visalia, CA 93291

TARA FREITAS, CPA
Assistant Auditor-Controller
(559) 636-5200
FAX (559) 730-2547

CASS COOK, CFIP
Auditor-Controller/ Treasurer-Tax Collector
(559) 636-5200
FAX (559) 730-2547

PAUL SAMPIETRO, CPA
Chief Deputy Treasurer-Tax Collector
(559) 636-5250
FAX (559) 730-2532

TCERA Pensionable Approval

New Earnings Code: SPS

Description (Name): SPS – Supplemental Paid Sick

Bargaining Unit(s) impacted: All Bargaining Unions

Pay Group: LNG

Effective Date of Action: PP 8 / 2021, Pay date 4/20/2021

Request: Determine if new earnings code SPS is compensable.

Comments: In accordance with California Labor Section 248.2, employees are entitled to receive supplemental paid sick leave for various COVID-19 related absences in addition to paid time of benefits required by law or policy (e.g., non-COVID-19 related statutory paid sick leave or vacation). This supplemental paid sick leave will be available through September 30th, 2021 and is retroactive to January 1st, 2021. Employees are allowed 80 hours.

Authorized Signature: _____

TCERA Approval for pay code to be pensionable: Yes ____ No ____

TCERA Authorized Signature: _____

Date approved by TCERA Board: _____



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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VISALIA, CA 93291

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WEBSITE: www.tcera.org

Tulare County Employees' Retirement Association

Amendment to Resolution Regarding Tulare County Superior Courts Pay Codes Included as Pensionable Income

In accordance with the provisions of the California Public Employees' Pension Reform Act of 2012 (AB340), the Board of Retirement for the Tulare County Employees' Retirement Association (TCERA) determined on November 28, 2012 those Tulare County Superior Courts pay codes that are to be included in "compensation earnable" for the calculation of retirement benefits paid by TCERA. The TCERA Board of Retirement has been notified that a new pay code(s) has been approved by the Tulare County Superior Courts. All subsequent amendments remain in place. The TCERA Board of Retirement takes this action to amend the list of pay codes included in the original resolution. The eligibility for compensation earnable is identified below for the purpose of calculation of pension benefits for all tiers pursuant to Government Code §31461 and Government Code §7522.34:

Pay Code	Effective Date	Status	Description	Compensation Earnable
SPS	3/29/2021	A	Supplemental Paid Sick Leave	Y

This action is intended to amend but not replace the original Retirement Board resolution dated November 28, 2012. The above listed determinations by the Board of what is included or not included in compensation earnable, as well as the action taken by the TCERA Board in the resolution dated November 28, 2012, shall be in effect until such time as action taken by the Board or action by the Legislature or the Courts as a matter of law requires a different determination. All subsequent amendments remain in place.

The foregoing action was adopted by the Board of Retirement upon a motion by Board member _____, seconded by Board member _____, at a regular meeting of the Board of Retirement held on April 14, 2021 by the following vote:

Ayes:
Noes:
Abstain:
Absent:



Superior Court of the State of California

COUNTY OF TULARE

HUMAN RESOURCES

221 S. Mooney Blvd., Room 104

Visalia, California 93291

Telephone: (559) 730-5000

Facsimile: (559) 730-2772

Stephanie Cameron
Court Executive Officer/
Jury Commissioner

April 1, 2021

Tulare County Employees Retirement Association
Board of Retirement

Dear Board of Retirement,

Please accept this letter as formal request to TCERA from Tulare County Superior Court to identify the following pay code(s) as pensionable compensation.

Pay Code	Description	Type	Comments
SPS	Supplemental Paid Sick Leave	Hours/Earnings	regular sick earnings paid to employee due to pandemic

Respectfully,

A handwritten signature in black ink, appearing to read "Stephanie Cameron", with a long horizontal flourish extending to the right.

Stephanie Cameron
Court Executive Officer

cc: Valerie Velasquez, Director of Human Resources



March 25, 2021

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

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

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

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

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

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

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

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

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



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

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

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

SACRS Nominating Committee Final Ballot:

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

Additional Candidates Submitted:

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

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

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

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

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

Attached: Candidate submissions

Submissions for President



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

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

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

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

Submissions for Vice President



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

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

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

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@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: P.O. Box 579 Santa Barbara, CA 93102 Email Address: hhagen@co.santa-barbara.ca.us Phone: 805-568-2490
Name of Retirement System Candidate Currently Serves On	System Name: SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"><input type="radio"/> Chair<input type="radio"/> Alternate<input type="radio"/> General Elected<input type="radio"/> Retiree<input checked="" type="checkbox"/> Other: Ex-Officio Member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"><input type="radio"/> President<input type="radio"/> Vice President<input checked="" type="checkbox"/> Treasurer<input type="radio"/> Secretary<input type="radio"/> Regular Member
Brief Bio	See Attachment

Harry E. Hagen
Bio for SACRS Nomination Submission Form

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

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

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

February 22, 2021

To Dan McAllister, SACRS Nominating Committee Chair,

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

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

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

Thank you for your consideration.

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

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

Submissions for Secretary



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

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

Name of Candidate	Name: Thomas Garcia
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 107 South B Street, Imperial, CA 92251 Email Address: tgarcia@icso.org Phone: 442-265-2222
Name of Retirement System Candidate Currently Serves On	System Name: Imperial County Employees Retirement System (ICERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected (Safety) <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<p>ICERS Board Trustee, elected safety member (2015-Present) Vice Chair ICERS Board (Current) Chair ICERS Board (2016)</p> <p>25 Years Public Service in Law Enforcement with the Imperial County Sheriff's Office: Chief Deputy Sheriff Supervising Deputy Coroner</p> <p>Education & Training: Bachelor of Science, Public Administration (Northern Arizona University) Public Pension Investment Management Program, UC Berkeley 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 5th, 2021

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

Nomination Committee,

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

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

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

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

Sincerely,



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

Submissions for General Member



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

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

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

David J MacDonald, MD

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

January 26, 2021

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

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

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

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

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

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD

Name of Candidate

Name:

JOHN B. KELLY

Candidate Contact Information

(Please include - Phone

Mailing Address:

1724 GLENBROOK LANE, LINCOLN, CA 95648

Email Address:

(916) 342-9279

Number, Email Address and Mailing Address)

Phone:

INVEST@SCHODIE@MAIL.COM

Name of Retirement System Candidate Currently Serves On

System Name:

SCLRS

List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)

- ☐ Chair
- ☐ Alternate
- ☐ General Elected
- ☐ Retiree
- ☒ Other _____

Applying for SACRS Board of Directors Position (select only one)

- ☐ President
- ☐ Vice President
- ☐ Treasurer
- ☐ Secretary
- ☒ Regular Member

Brief Bio

- FISCAL/INVESTMENT ADVISOR
- 22 YEARS SCLRS TRUSTEE
- MASTERS OF PUBLIC ADMINISTRATION
- FORMER EXECUTIVE BOARD MEMBER

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

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

Applying as regular member for SACRS.

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

Bio:

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

Thank you for the opportunity and your consideration.

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



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

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

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

March 1, 2021

VIA Email

Dan McAllister,

SACRS Immediate Past President/ Nominating Committee Chair

SACRS Nominating Committee

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

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

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

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

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

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

Please find attached the completed SACRS nomination form.

Respectfully,



Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



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

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

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

SACRS
Attn: Dan McAlister
Nominations Committee

February 22, 2021

Dear Dan,

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

Regards,

A handwritten signature in dark ink, appearing to read 'Chris Prevatt', with a long horizontal flourish 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@sdcountry.ca.gov and Regular Mail

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

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

Dear Mr. McAllister:

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

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

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

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

Thank you.

Best regards,

Steve Delaney
Chief Executive Officer

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

02-26-21

Dear Nomination Committee,

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

Thank you,

Roger Hilton

SACRS and OCERS Board Member

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.

SB 634
As Introduced, 2/19/2021
2021 CERL Amendments

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

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

February 19, 2021

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

LEGISLATIVE COUNSEL'S DIGEST

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This bill would make various technical and stylistic changes.

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

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

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

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

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

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

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

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

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

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

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

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

(7) Service subject to coverage under the Defined Benefit Program performed while a member of another California public 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

21499.1. Any overpayment, 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, including, but not limited to, contributions, interest, retirement allowance, payments of any kind, or federal or state tax, shall be deducted from any subsequent payment or benefit that is payable by this system as a result of the death.

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

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



COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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BEFORE THE BOARD OF RETIREMENT OF THE
TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Resolution Ordering Board of Retirement Trustee Special Election;) RESOLUTION 2021-01
)

WHEREAS, California Government Code Section 31523 authorizes the Tulare County Employees' Retirement Association (TCERA) to hold an election to fill a vacancy in the second member position on the Board of Retirement and TCERA policy requires such an election if the remaining portion of the current term is greater than nine months; and

WHEREAS, with respect to a vacancy in the second member position, candidates shall be a general member; and

WHEREAS, TCERA policy requires that the Board of Retirement shall call a Special Election, which shall be held not less than 90 nor more than 120 days from the date the seat was vacated; and

WHEREAS, the Board of Retirement has requested and the County of Tulare (County) has agreed that the Elections Official of the County shall conduct the election, provided TCERA reimburses the county for the actual costs incurred by the county elections official in conducting the election for TCERA.

NOW, THEREFORE, IT IS ORDERED that an election be held among safety members of TCERA on the 20th day of July, 2021, for the purpose of electing a trustee to the Board of Retirement in accordance with the following specifications:

SPECIFICATIONS OF THE ELECTION ORDER

1. The election shall be held on Tuesday, the 20th day of July, 2021. The purpose of the election is to choose a trustee of the Board of Retirement for the following seat and term:

Second Member (General Member Representative)

Date of Certification of
Election - Dec. 31, 2021

Incumbent: Vacant

2. TCERA will reimburse the County for the actual cost incurred by the County Elections Official in conducting the election upon receipt of a bill stating the amount due as determined by the Elections Official.

3. Each candidate shall pay \$25 toward the cost of his or her Candidate's Statement.
4. All other specifications for the election are addressed in the attached Trustee Election Procedures.

THE FOREGOING RESOLUTION WAS ADOPTED upon motion by _____,
seconded by _____, at a regular meeting on this 14th day of April, 2021, by the following
vote:

AYES :

NOES :

ABSENT:

ABSTAIN:

Leanne Malison
Retirement Administrator

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY EDUCATION REPORT

NAME OF ATTENDEE: Mary Warner

CONFERENCE/SEMINAR ATTENDED: CALAPRS General Assembly

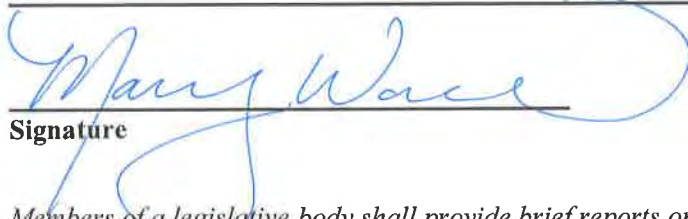
DATES ATTENDED: March 8 and 9, 2021

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED: 7.75

TOPICS OF DISCUSSION: Opening Remarks; Cyber Security; Covid: One-Year Later; Table Topic-
Verus (Ian Toner); Unconscious Bias: A Quiet Performance Killer; Evaluating the Risk of Investing in China;
The Australian Model - Understanding the the Approach Taken by Super Annuation Funds .

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM: The topics were interesting and
educational. I particularly enjoyed the the Unconscious Bias and the Evaluating the Risk of Investing in China
session. All the topics were timely and provided quality education.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: *(i.e., should we send a representative in the future? If so, who should attend?)* Trustees and Staff should participate whenever possible.



Signature

3/10/21

Date

Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body. (Gov. Code, § 53232.3, subd. (d).)

NOTE: Attachments to this report will be held on file in the Retirement Office for review by interested parties, but will not be photocopied for the Retirement Board.

RETBD\EDUC-SUM.RPT

EDUCATIONAL EVENTS - Board of Retirement

2021

1. **CALAPRS**, Trustees Round Table, May 10, 2021 – Virtual
2. **SACRS**, Spring Conference, May 11-14, 2021 – Virtual. Speakers: David Kelly, JP Morgan; David Rubenstein, The Carlyle Group; Mohamed El-Erian, Allianz; Steve Westly, The Westly Group; and Seema Hingorani, Morgan Stanley. Preliminary agenda is in the binder.
3. **CALAPRS**, Principles of Pension Governance for Trustees, Sept 28 – October 1 – Virtual
4. **CALAPRS**, Trustees Round Table, October 29, 2021 - Virtual



April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

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

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

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

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

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

We have a few observations.

That's not a lot of Strings

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

Lots of Money, Lots of People Want it

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

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

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

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

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

New Attorney General

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

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



SACRS Business Meeting Packet

Friday, May 14, 2021

10:00 AM - Upon Adjournment

SACRS Event Tech Platform

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



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

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

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2020 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2020 – January 2021 Financials

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – Action

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

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Elections 2021-2022

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2019-2020 Annual Audit



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

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

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

- A. SACRS Annual Virtual Spring 2021 Conference Report

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Spring Conference Breakout Reports – No Action

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

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

13. Adjournment

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



1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



SACRS Business Meeting Roll Call of the System Membership

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



2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2020 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes

Friday, November 13, 2020

9:00 AM - Upon Adjournment

Online Via SACRS Conference Platform

Meeting Called to Order at 9:04 am

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

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

19 SACRS Member Systems Present

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

Arrived at 9:25 am: Imperial

Absent: Merced

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2019 SACRS Business Meeting Minutes

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

2nd: San Diego CERA

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

No: 0

Absent: Merced, Imperial

Motion Passes 18-0-2

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – August 2020 Financials



B. 2020 – 2021 Annual Budget

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

2nd: Orange

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

No: 0

Absent: Merced, Imperial

Motion Passes 18-0-2

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

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

5. SACRS Legislative Committee Update – No Action

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

A. 2020 Legislative Report – No Action

B. Los Angeles CERA Proposal – No Action

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

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

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

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

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

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

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

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair



A. SACRS Election Notice 2021-2022

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

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2018-2019 Annual Audit

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

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

2nd: Kern

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

No: 0

Absent: Merced

Motion Passes 19-0-1

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Fall 2020 Conference Evaluations/Feedback

Discussion: No report

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Fall Conference Report 2020

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

10. SACRS Affiliate Committee Report – No Action

Teri Noble, Pathway, SACRS Affiliate Committee Chair



A. Affiliate Committee Update

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

11. SACRS Bylaws Committee Report – Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Use of SACRS' Intellectual Property

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

2nd: Marin

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

No: 0

Absent: Merced

Motion Passes 19-0-1

B. Termination of Membership

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

2nd: San Bernardino

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

No: 0

Absent: Merced

Motion Passes 19-0-1

C. Electronic Meetings

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

2nd: Contra Costa

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



No: 0

Absent: Merced

Motion Passes 19-0-1

12. SACRS Fall Conference Breakout Reports – No Action

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

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

13. Adjournment

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

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

2nd: Orange

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

No: 0

Absent: Merced

Motion Passes 19-0-1

Minutes submitted by;

Kathryn Cavness, SACRS Secretary

Sulema Peterson, SACRS Executive Director



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of January 31, 2021

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

Jul '20 - Jan 21

Ordinary Income/Expense

Income

4100 · Membership Dues

4101 · Affiliates	236,250.00
4102 · Non Profit - Organizations	3,000.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Other	3,750.00

Total 4100 · Membership Dues 343,000.00

4200 · Webinar Symposium Registration 350.00

4270 · UC Berkeley Program

4271 · Registrations	12,000.00
4272 · Sponsorships	23,500.00
4270 · UC Berkeley Program - Other	2,000.00

Total 4270 · UC Berkeley Program 37,500.00

4300 · Fall Conference Registration

4301 · Affiliates - Early	23,700.00
4302 · Affiliates - Regular	24,150.00
4303 · Affiliates - Late/Onsite	13,600.00
4304 · Non Profit	720.00
4305 · Systems	16,200.00
4306 · Non-Members	16,670.00
4307 · Fun Run	355.00
4308 · Yoga	105.00
4300 · Fall Conference Registration - Other	7,200.00

Total 4300 · Fall Conference Registration 102,700.00

4900 · Interest Earned 5,562.42

Total Income 489,112.42

Gross Profit 489,112.42

Expense

5000 · Administrative Fee	105,000.00
5001 · Administrative Services	0.00
5003 · Bank Charges/Credit Card Fees	7,219.12
5010 · Berkeley & Symposium	
5015 · Materials/Printing/Design	108.75
5017 · UC Berkeley	-20,301.00

Total 5010 · Berkeley & Symposium -20,192.25

5020 · Webinar Symposium

5022 · Webinar Technology 28,700.00

Total 5020 · Webinar Symposium 28,700.00

5040 · Commissions & Fees 150.00

5041 · Consulting 16,162.00

5042 · Dues & Subscriptions 3,885.00

5050 · Fall Conference

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2020 through January 2021

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

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

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

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

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

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

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



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed material for this item



5. SACRS Legislative Committee Update – Action

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

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



April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

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

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

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

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

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

We have a few observations.

That's not a lot of Strings

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

Lots of Money, Lots of People Want it

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

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

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

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

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

New Attorney General

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

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

March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

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

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

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

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

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

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

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

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

SB 634
As Introduced, 2/19/2021
2021 CERL Amendments

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

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

February 19, 2021

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

LEGISLATIVE COUNSEL'S DIGEST

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This bill would make various technical and stylistic changes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) As used in this part, "elective officer" includes any officer of the Senate or Assembly who is elected by vote of the members 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:

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

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

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

21499.1. Any overpayment, 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, including, but not limited to, contributions, interest, retirement allowance, payments of any kind, or federal or state tax, shall be deducted from any subsequent payment or benefit that is payable by this system as a result of the death.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice – Action
Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022



March 25, 2021

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

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

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

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

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

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

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

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

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



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

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

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

SACRS Nominating Committee Final Ballot:

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

Additional Candidates Submitted:

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

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

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

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

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

Attached: Candidate submissions

Submissions for President



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

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

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

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

Submissions for Vice President



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

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

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

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@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: P.O. Box 579 Santa Barbara, CA 93102 Email Address: hhagen@co.santa-barbara.ca.us Phone: 805-568-2490
Name of Retirement System Candidate Currently Serves On	System Name: SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"><input type="radio"/> Chair<input type="radio"/> Alternate<input type="radio"/> General Elected<input type="radio"/> Retiree<input checked="" type="radio"/> Other: Ex-Officio Member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"><input type="radio"/> President<input type="radio"/> Vice President<input checked="" type="radio"/> Treasurer<input type="radio"/> Secretary<input type="radio"/> Regular Member
Brief Bio	See Attachment

Harry E. Hagen
Bio for SACRS Nomination Submission Form

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

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

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

February 22, 2021

To Dan McAllister, SACRS Nominating Committee Chair,

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

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

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

Thank you for your consideration.

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

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

Submissions for Secretary



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

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

Name of Candidate	Name: Thomas Garcia
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 107 South B Street, Imperial, CA 92251 Email Address: tgarcia@icso.org Phone: 442-265-2222
Name of Retirement System Candidate Currently Serves On	System Name: Imperial County Employees Retirement System (ICERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected (Safety) <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<p>ICERS Board Trustee, elected safety member (2015-Present) Vice Chair ICERS Board (Current) Chair ICERS Board (2016)</p> <p>25 Years Public Service in Law Enforcement with the Imperial County Sheriff's Office: Chief Deputy Sheriff Supervising Deputy Coroner</p> <p>Education & Training: Bachelor of Science, Public Administration (Northern Arizona University) Public Pension Investment Management Program, UC Berkeley 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 5th, 2021

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

Nomination Committee, .

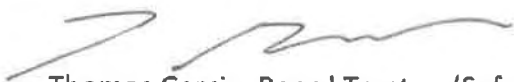
Please accept this as my letter of intent to run as Secretary in the State Association of County Retirement System (SACRS) Board of Directors (BOD) officers' 2021-22 election. I have served as an elected Board Trustee to the Imperial County Employees Retirement System (ICERS) since 2015. As an ICERS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

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

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

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

Sincerely,



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

Submissions for General Member



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

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

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

David J MacDonald, MD

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

January 26, 2021

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

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

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

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

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

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD

Name of Candidate

Name:

JOHN B. KELLY

Candidate Contact Information

(Please include - Phone

Mailing Address:

1724 GLENBROOK LANE, LINCOLN, CA 95648

Email Address:

(916) 342-9279

Number, Email Address and Mailing Address)

Phone:

INVESTORSCHODDIE@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)

- ☐ Chair
- ☐ Alternate
- ☐ General Elected
- ☐ Retiree
- ☒ Other _____

Applying for SACRS Board of Directors Position (select only one)

- ☐ President
- ☐ Vice President
- ☐ Treasurer
- ☐ Secretary
- ☒ Regular Member

Brief Bio

- FISCAL/INVESTMENT ADVISOR
- 22 YEARS SCERS TRUSTEE
- MASTERS OF PUBLIC ADMINISTRATION
- FORMER EXECUTIVE BOARD MEMBER

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

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

Applying as regular member for SACRS.

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

Bio:

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

Thank you for the opportunity and your consideration.

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



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

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

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

March 1, 2021

VIA Email

Dan McAllister,

SACRS Immediate Past President/ Nominating Committee Chair

SACRS Nominating Committee

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

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

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

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

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

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

Please find attached the completed SACRS nomination form.

Respectfully,



Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



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

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

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

SACRS
Attn: Dan McAlister
Nominations Committee

February 22, 2021

Dear Dan,

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

Regards,

A handwritten signature in dark ink, appearing to read 'Chris Prevatt', with a long horizontal flourish 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 and Regular Mail

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

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

Dear Mr. McAllister:

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

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

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

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

Thank you.

Best regards,

Steve Delaney
Chief Executive Officer

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

02-26-21

Dear Nomination Committee,

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

Thank you,

Roger Hilton

SACRS and OCERS Board Member



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

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

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

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020

BOARD OF DIRECTORS

Vivian Gray
President

Roger Hilton
Vice President

Harry Hagen
Treasurer

Kathryn Cavness
Secretary

Dan McAllister
Immediate Past President

Teri Noble
Affiliate Chair

John Kelly
Board Member

David MacDonald
Board Member

* * * *

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020 AND 2019

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James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

Opinion

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

Basis of Accounting

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

Other Information

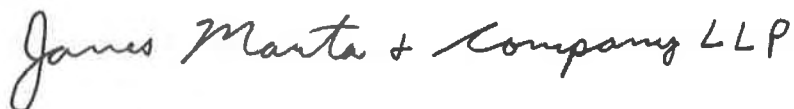
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are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

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

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

Restricted Use

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



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

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

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

B. BASIS OF ACCOUNTING

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

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

C. INCOME TAXES

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

D. CONTRACTUAL AGREEMENTS

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

E. COMPARATIVE DATA

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

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

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

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

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

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

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

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

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

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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

Investments

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

3. CONTRACTS

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

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

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

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

4. DONATED SERVICES

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

5. SUBSEQUENT EVENTS

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

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

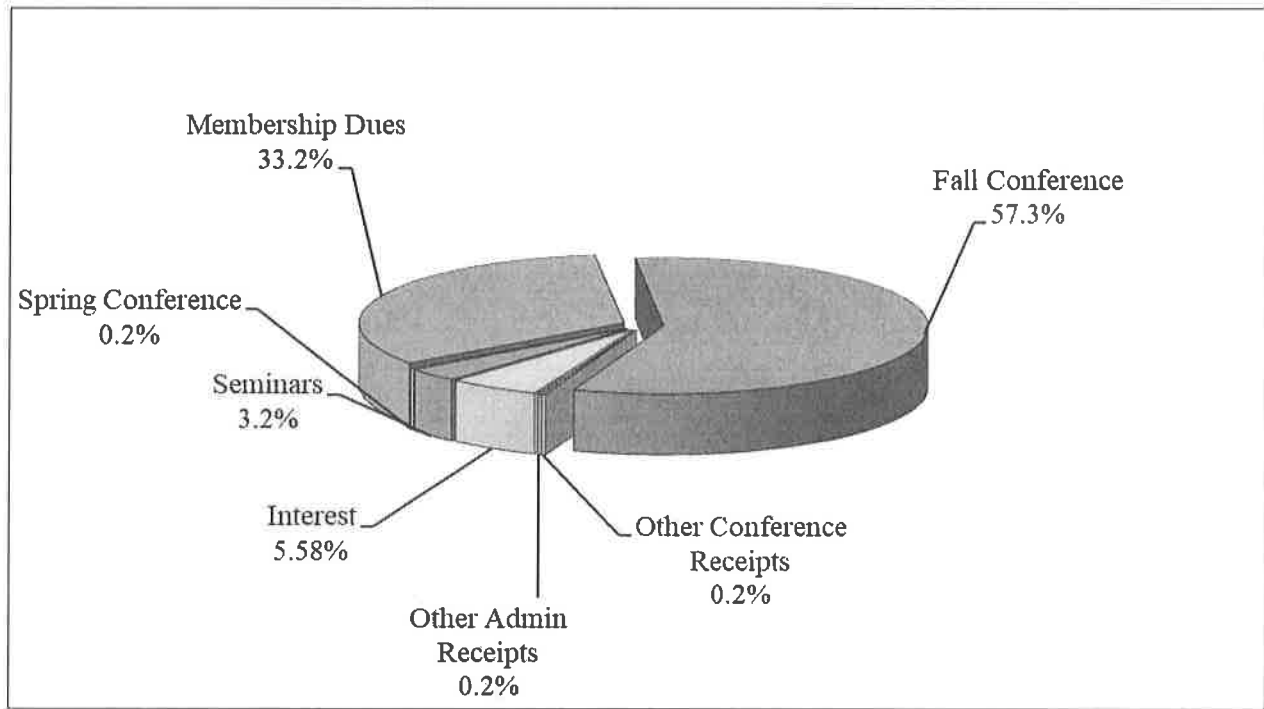
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 364,000	\$ 364,000
Conference			
Fall	628,070	-	628,070
Spring	2,520	-	2,520
Seminars	35,000		35,000
Other Admin Receipts	-	2,340	2,340
Other Conference Receipts	2,450	-	2,450
Interest	61,108	-	61,108
Total Cash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

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH RECEIPTS BY SOURCE

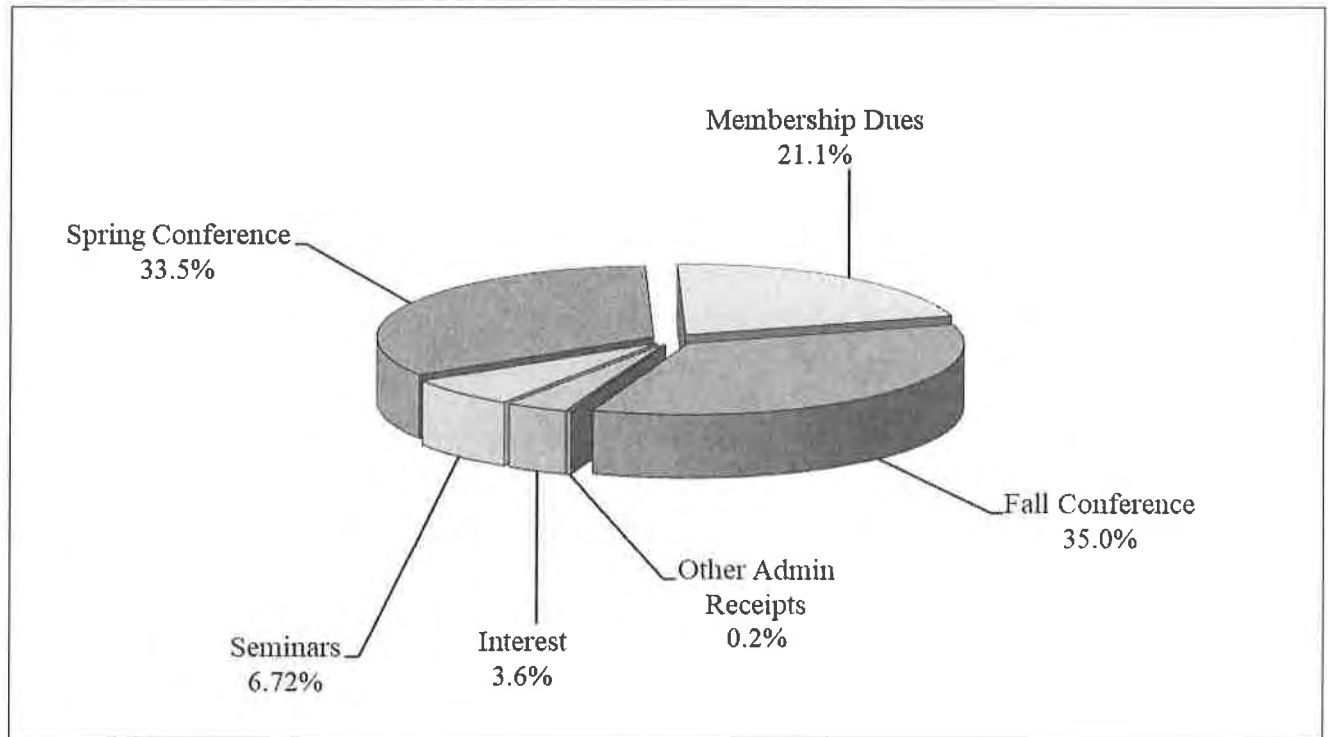


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CASH RECEIPTS BY SOURCE

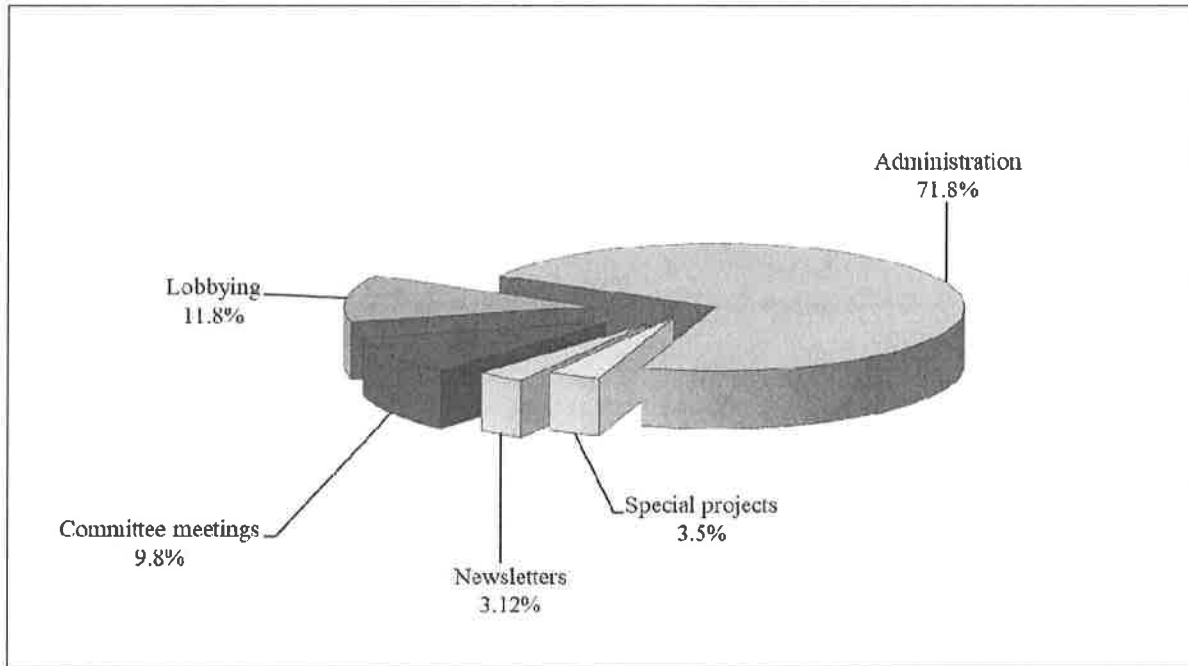


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

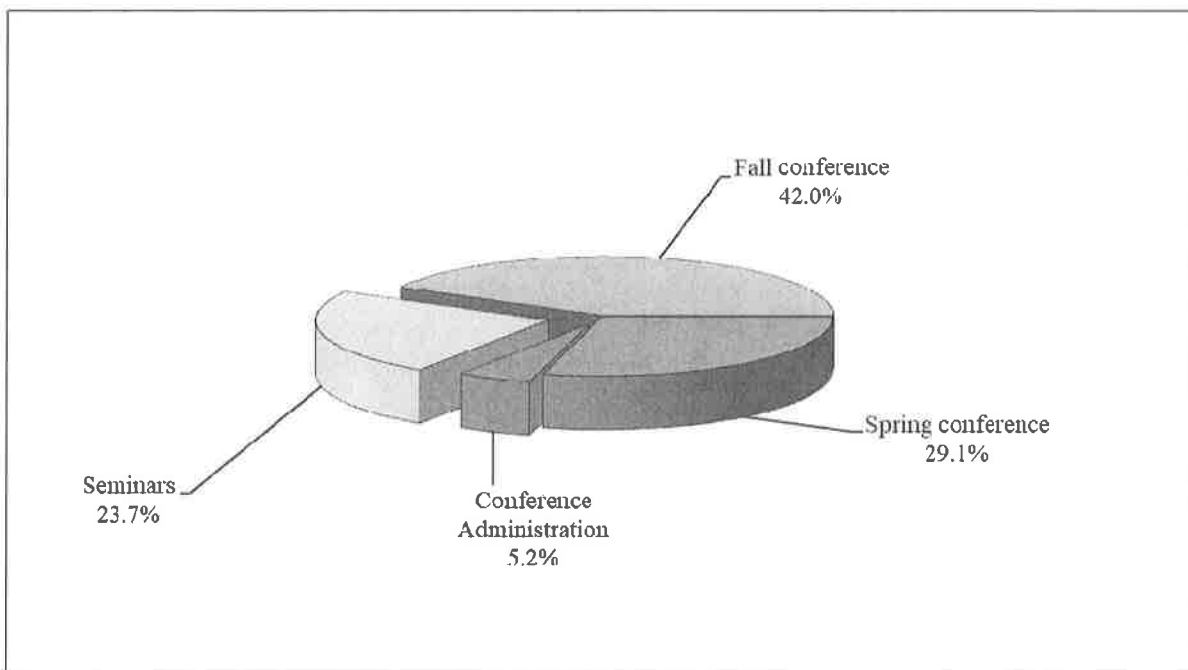
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

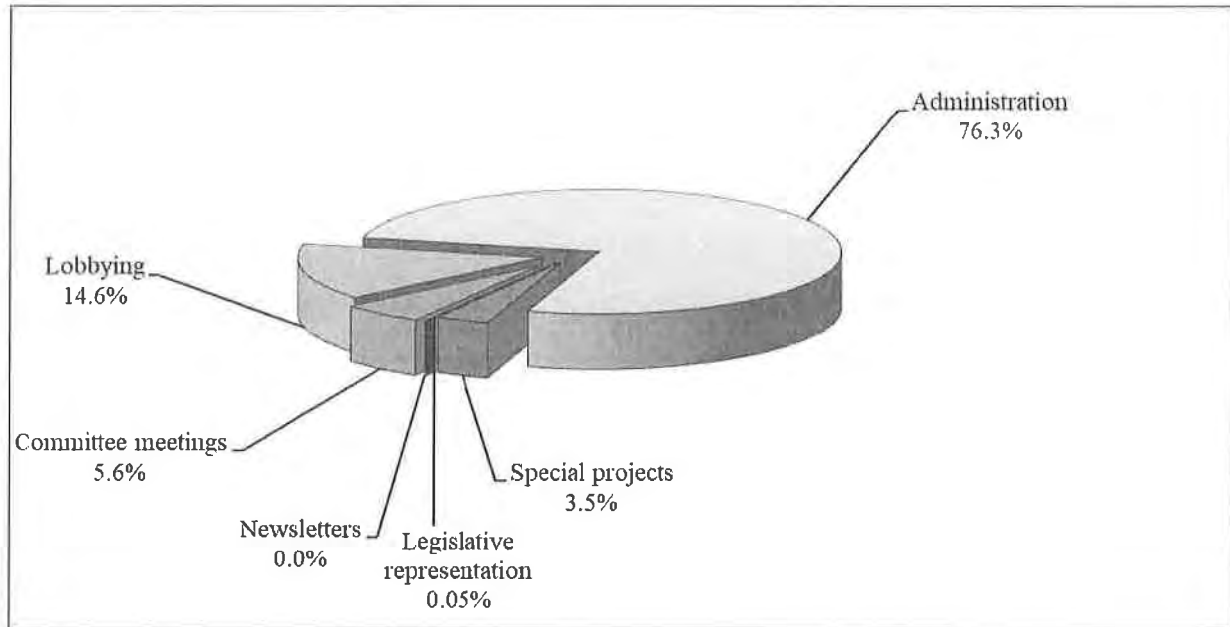


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

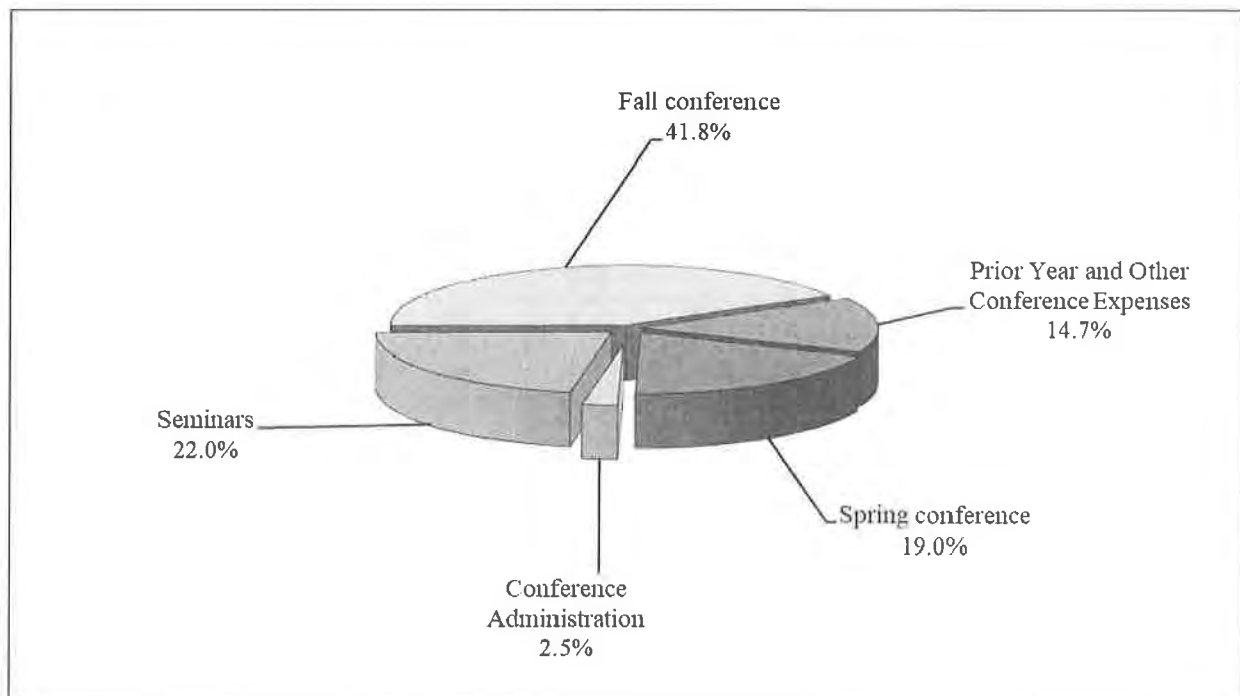
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

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



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

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

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

Our Responsibility in Relation to the Financial Statement Audit

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

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

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

James Marta & Company LLP
Certified Public Accountants

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

James Marta & Company LLP

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

Adjusting Journal Entries:

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 1			
To back out unrealized gain/loss recognized in prior years			
2100	Unrealized Gain (Loss)	74,256.00	
3200	Retained Earnings		74,256.00
Total		74,256.00	74,256.00
Adjusting Journal Entry JE # 3			
PBC AJE to remove liability account			
2150	Refund Liability	2,500.00	
1000	First Foundation Bank-Checking		2,500.00
Total		2,500.00	2,500.00

Reclassifying Journal Entries:

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



MANAGEMENT REPRESENTATION LETTER

October 23, 2020

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

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

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

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

Financial Statement

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



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

Information Provided

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

Supplementary Information in Relation to the Financial Statement as a Whole

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



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

Additional Representations

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



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

Sulema H. Peterson

Sulema Peterson, SACRS Executive Director



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

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

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

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

Current Year Recommendations

2020-1 Unrealized Gain/Loss

Observation:

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

Recommendation:

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

Management Response:

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

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

Prior Year Recommendations

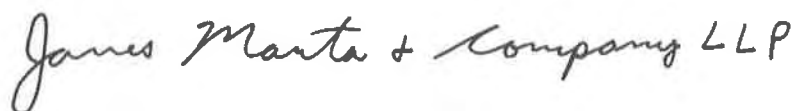
None

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

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

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

Sincerely,



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



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

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

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

Internal Control over Financial Reporting

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

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

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

Purpose of this Report

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

James Marta & Company LLP

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



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback



No printed material for this item



9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report



No printed material for this item



10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No printed material for this item



11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No printed material for this item



12. SACRS Spring Conference Breakout Reports – No Action

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

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



No printed material for this item



13. Adjournment

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



No printed material for this item