



SACRS Business Meeting Packet

Friday, November 15, 2019

10:00 AM - Upon Adjournment

Hyatt Regency Monterey Hotel and Spa

1 Old Golf Course Rd
Monterey, CA 93940



SACRS Business Meeting Agenda
Friday, November 15, 2019
10:00 AM - Upon Adjournment
Hyatt Regency Monterey
Monterey, CA

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. May 2019 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2019 – August 2019 Financials

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update - Vote

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

- A. 2019 Legislative Report – No Action
- B. SACRS Omnibus Bill SB 783- Vote
- C. Los Angeles CERA Proposal – Vote

6. SACRS Nomination Committee - 2020-2021 SACRS Election Notice – No Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2020-2021

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit Committee Update



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Fall Conference Evaluations 2019

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

- A. SACRS Fall Conference Report 2019

10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Fall Conference Breakout Reports – No Action

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

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

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 15, 2020 at the Paradise Point Hotel and Resort in San Diego, CA.



1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



1. SACRS System Roll Call
Kathryn Cavness, SACRS Secretary

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



2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. May 2019 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, May 10, 2019
10:00 AM - Upon Adjournment
Resort at Squaw Creek
Lake Tahoe, CA

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

Meeting called to order at 9:48 AM by President Dan McAllister

SACRS Board Members Present: Dan McAllister, President; Vivian Gray, Vice President; Kathryn Cavness, Secretary; Harry Hagen, Treasurer; Chris Cooper, Board Member; Roger Hilton, Board Member; Ray McCray, Immediate Past President; and Ben Lazarus, Affiliate Chair

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

20 SACRS Member Systems Present

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

At the time of roll call, San Bernardino CERA did not have a voting proxy present. Louis Fiorino arrived as SBCERA's delegate after the meeting was called to order and item 4.

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2018 SACRS Business Meeting Minutes

Motion: A motion to adopt the November 2018 Business Meeting Minutes was made by San Diego CERA.

2nd: Santa Barbara CERS

Yes: 19

No: 0

Abstain: 0

Absent: 1 - San Bernardino CERS

Motion Passes



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – February 2019 Financials

Motion: A motion to approve the Treasurers report was made by Los Angeles CERA.

2nd: Imperial CERS

Yes: 19

No: 0

Abstain: 0

Absent: 1 - San Bernardino CERS

Motion Passes

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

A. SACRS President Update

Discussion: No action taken, information only.

5. SACRS Legislative Committee Update – No Action

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

A. 2019 Legislative Report

Discussion: No action taken, information only. Bills to watch; SACRS Bill SB 783 is a technical cleanup bill for the CERL; AB 664 (Cooper) County Employees Permanent Incapacity; AB 1212 (Levine) Infrastructure Investment; AB 1320 (Nazarian) Divestment in Turkey; ab 233 (Bonta) Divestment in Private Prisons; AB 1332 (Bonta) Sanctuary State Contracting.

6. SACRS Nomination Committee - 2019-2020 SACRS Elections – Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election 2019-2020

Motion: A motion to approve the Nomination Committee recommendation for the 2019-2020 Board of Directors was made by Fresno CERA. Recommendation includes - Dan McAllister, President; Vivian Gray, Vice President; Kathryn Cavness, Secretary; Harry Hagen, Treasurer; Chris Cooper, Board Member and Roger Hilton, Board Member.

2nd: San Diego CERA

Yes: 20

No: 0

Abstain: 0

Motion Passes



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2017-2018 Audit Report

Motion: A motion to approve the Audit report was made by Los Angeles CERA.

2nd: Imperial CERS

Yes: 19

No: 0

Abstain: 1 - Contra Costa

Motion Passes

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Spring Conference Evaluations 2019

Discussion: No action taken, information only, a verbal report was provided by JJ Popowich, Committee Chair. Feedback was positive and the committee had many attendees at their meeting. Many attendees utilized the online survey during the conference, more communication/instructions on how to access accounts will be needed in future conferences. Attendees were reminded to complete their evaluations online to receive credit toward their 24 hours of required continuing education.

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Spring Conference Report 2019

Discussion: No action taken, information only, a verbal report was provided by Vivian Gray, Committee Chair. Vivian thanked the committee members for their efforts and hard work developing a great program. Vivian asked members to please submit ideas for topics and suggestion online at the sacrs.org website.

10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion: No action taken, information only, a verbal report was provided by Ben Lazarus, Committee Chair. Ben thanked the Affiliate Committee members and Tim Price for assisting with the developing the Affiliate Breakout session on Wednesday. The Affiliates also discussed the UC Berkeley program, Affiliate Member Guideline amendments and elections for the committee.



11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

Discussion: No action taken, information only, a verbal report was provided by Sulema Peterson. Update on bylaw amendments are forthcoming, the committee is reviewing for changes in management and structure for committees.

12. SACRS Fall Conference Breakout Reports – No Action

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

- A. Administrators – Eric Stern reported that Debby Cherney will moderate the Administrators session at the Fall 2019 Conference.
- B. Counsel – Johanna Fontenot will moderate the Counsel session at the Fall 2019 Conference.
- C. Disability/ Operations & Benefits Combo – No Report, Arlene Owens will moderate the Tuesday Disability/Ops session at the Fall 2019 Conference.
- D. Internal Auditors – No Report
- E. Investment Officers – Tim Price will moderate the Investment session at the Fall 2019 Conference. They will have a closed-door session separate from the Affiliate breakout.
- F. Safety Trustees – Brian Williams will moderate the Safety session at the Fall 2019 Conference.
- G. General Trustees – Dan McAllister reported that Gina Sanchez will moderate the Tuesday Trustee session at the Fall 2019 Conference.

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 15, 2019, Hyatt Regency Hotel & Spa, Monterey, CA.

Motion: A motion to adjourn at 10:08 am was made by Mendocino CERA.

2nd: Fresno CERA

Yes: 20

No: 0

Motion Passes



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2019 – August 2019 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Exhibit A: Page 12

Balance Sheet

As of August 31, 2019

Aug 31, 19

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	263,995.07
1001 · BofA Interest Checking 4389	363,111.91
1002 · First Foundation Bank ICS Acct	57,453.38
1107 · CalTrust Liquidity Fund	8,131.39

Total Checking/Savings	692,691.75
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Other Current Assets

1100 · CalTrust - Medium Term	1,189,358.25
1104 · CalTrust - BlackRock FedFund	781,346.23
1201 · Deposits in Transit	10,534.17

Total Other Current Assets	1,981,238.65
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Total Current Assets	2,673,930.40
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TOTAL ASSETS	<u>2,673,930.40</u>
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2100 · Unrealized Gain (Loss)	89,757.88
2150 · Refund Liability	2,510.00

Total Other Current Liabilities	92,267.88
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Total Current Liabilities	92,267.88
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Total Liabilities	92,267.88
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Equity

32000 · Retained Earnings	2,298,166.07
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Net Income	283,496.45
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Total Equity	2,581,662.52
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TOTAL LIABILITIES & EQUITY	<u>2,673,930.40</u>
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STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Exhibit A: Page 13
Profit & Loss
July through August 2019

	<u>Jul - Aug 19</u>
Ordinary Income/Expense	
Income	
4100 - Membership Dues	
4101 - Affiliates	173,750.01
4102 - Non Profit - Organizations	2,000.00
4103 - Non Profit - Systems	6,000.00
4104 - Systems - Medium	52,000.00
4105 - Systems - Large	42,000.00
Total 4100 - Membership Dues	<u>275,750.01</u>
4270 - UC Berkeley Program	
4271 - Registrations	7,500.00
4272 - Sponsorships	20,500.00
4270 - UC Berkeley Program - Other	-2,500.00
Total 4270 - UC Berkeley Program	<u>25,500.00</u>
4300 - Fall Conference Registration	
4301 - Affiliates - Early	142,790.00
4304 - Non Profit	240.00
4305 - Systems	5,400.00
4306 - Non-Members	125,490.00
4300 - Fall Conference Registration - Other	-2,670.00
Total 4300 - Fall Conference Registration	<u>271,250.00</u>
4350 - Spring Conference Registration	
4352 - Affiliates - Regular	30,510.00
4356 - Non-Members	0.00
4357 - Fun Run	150.00
4358 - Yoga	100.00
Total 4350 - Spring Conference Registration	<u>30,760.00</u>
4900 - Interest Earned	<u>129.22</u>
Total Income	<u>603,389.23</u>
Gross Profit	603,389.23
Expense	
5000 - Administrative Fee	15,000.00
5001 - Administrative Services	825.70
5002 - Awards	387.35
5003 - Bank Charges/Credit Card Fees	12,005.02
5010 - Berkeley & Symposium	
5013 - Hotel	10,625.53
5015 - Materials/Printing/Design	570.94
5016 - Travel	510.53
Total 5010 - Berkeley & Symposium	<u>11,707.00</u>
5041 - Consulting	9,332.00
5050 - Fall Conference	
5054 - Hotel	
5054.2 - Conference	2,000.00
Total 5054 - Hotel	<u>2,000.00</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Exhibit A: Page 14
Profit & Loss
July through August 2019

	<u>Jul - Aug 19</u>
5056 · Speakers	5,385.00
5058 · Travel	813.87
Total 5050 · Fall Conference	8,198.87
5071 · Legal & Professional Fees	2,744.00
5072 · Legislative Advocacy	10,002.00
5080 · Magazine	
5082 · Design/Printing/Etc.	2,640.00
Total 5080 · Magazine	2,640.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	4,733.62
6001.2 · Printing/Supplies	598.13
6001.3 · Travel - BOD Meetings	1,854.11
6001 · Board of Directors - Other	698.82
Total 6001 · Board of Directors	7,884.68
6002 · Legislative Committee Meetings	10.95
Total 6000 · Board & Committees	7,895.63
6010 · Office Expenses / Supplies	1,929.58
6011 · Postage & Delivery	368.50
6020 · Spring Conference	
6021 · Audio/Visual	6,155.29
6022 · Delivery & Shipping	5,966.48
6024 · Hotel	
6024.1 · Wednesday Night Event	72,476.97
6024.2 · Conference	8,306.40
6024.3 · Food & Beverage	100,844.41
6024 · Hotel - Other	8,476.54
Total 6024 · Hotel	190,104.32
6025 · Program Material	3,573.24
6026 · Speakers	10,875.84
6028 · Travel	8,855.81
Total 6020 · Spring Conference	225,530.98
6053 · Technology/AMS/Website	10,223.07
6054 · Travel	1,103.14
66900 · Reconciliation Discrepancies	-0.06
Total Expense	319,892.78
Net Ordinary Income	283,496.45
Net Income	<u><u>283,496.45</u></u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Exhibit A: Page 15
Profit & Loss Budget vs. Actual
July through August 2019

	<u>Jul - Aug 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4100 - Membership Dues				
4101 - Affiliates	173,750.01	268,750.00	-94,999.99	64.65%
4102 - Non Profit - Organizations	2,000.00	3,000.00	-1,000.00	66.67%
4103 - Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 - Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 - Systems - Large	42,000.00	42,000.00	0.00	100.0%
Total 4100 - Membership Dues	275,750.01	371,750.00	-95,999.99	74.18%
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	7,500.00	100,000.00	-92,500.00	7.5%
4272 - Sponsorships	20,500.00	55,000.00	-34,500.00	37.27%
4270 - UC Berkeley Program - Other	-2,500.00			
Total 4270 - UC Berkeley Program	25,500.00	155,000.00	-129,500.00	16.45%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	142,790.00	165,230.00	-22,440.00	86.42%
4302 - Affiliates - Regular	0.00	100,000.00	-100,000.00	0.0%
4303 - Affiliates - Late/Onsite	0.00	35,000.00	-35,000.00	0.0%
4304 - Non Profit	240.00	1,000.00	-760.00	24.0%
4305 - Systems	5,400.00	25,000.00	-19,600.00	21.6%
4306 - Non-Members	125,490.00	255,000.00	-129,510.00	49.21%
4307 - Fun Run	0.00	1,000.00	-1,000.00	0.0%
4308 - Yoga	0.00	300.00	-300.00	0.0%
4300 - Fall Conference Registration - Other	-2,670.00			
Total 4300 - Fall Conference Registration	271,250.00	582,530.00	-311,280.00	46.56%
4350 - Spring Conference Registration				
4351 - Affiliates - Early	0.00	160,000.00	-160,000.00	0.0%
4352 - Affiliates - Regular	30,510.00	100,000.00	-69,490.00	30.51%
4353 - Affiliates - Late/Onsite	0.00	35,000.00	-35,000.00	0.0%
4354 - Non Profit	0.00	1,000.00	-1,000.00	0.0%
4355 - Systems	0.00	22,500.00	-22,500.00	0.0%
4356 - Non-Members	0.00	255,000.00	-255,000.00	0.0%
4357 - Fun Run	150.00	1,000.00	-850.00	15.0%
4358 - Yoga	100.00	350.00	-250.00	28.57%
Total 4350 - Spring Conference Registration	30,760.00	574,850.00	-544,090.00	5.35%
4900 - Interest Earned	129.22			
Total Income	603,389.23	1,686,130.00	-1,082,740.77	35.79%
Gross Profit	603,389.23	1,686,130.00	-1,082,740.77	35.79%
Expense				
5000 - Administrative Fee	15,000.00	180,000.00	-165,000.00	8.33%
5001 - Administrative Services	825.70	500.00	325.70	165.14%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Exhibit A: Page 16
Profit & Loss Budget vs. Actual
July through August 2019

	<u>Jul - Aug 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5002 · Awards	387.35	500.00	-112.65	77.47%
5003 · Bank Charges/Credit Card Fees	12,005.02	36,000.00	-23,994.98	33.35%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5013 · Hotel	10,625.53	12,000.00	-1,374.47	88.55%
5014 · Food & Beverage	0.00	13,000.00	-13,000.00	0.0%
5015 · Materials/Printing/Design	570.94	2,900.00	-2,329.06	19.69%
5016 · Travel	510.53	2,500.00	-1,989.47	20.42%
5017 · UC Berkeley	0.00	206,000.00	-206,000.00	0.0%
Total 5010 · Berkeley & Symposium	11,707.00	238,600.00	-226,893.00	4.91%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	0.00	20,000.00	-20,000.00	0.0%
5041 · Consulting	9,332.00	19,992.00	-10,660.00	46.68%
5042 · Dues & Subscriptions	0.00	3,700.00	-3,700.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	50,000.00	-50,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
5054.2 · Conference	2,000.00	15,000.00	-13,000.00	13.33%
5054 · Hotel - Other	0.00	275,000.00	-275,000.00	0.0%
Total 5054 · Hotel	2,000.00	365,000.00	-363,000.00	0.55%
5055 · Program Material	0.00	30,000.00	-30,000.00	0.0%
5056 · Speakers	5,385.00	50,000.00	-44,615.00	10.77%
5057 · Supplies	0.00	1,000.00	-1,000.00	0.0%
5058 · Travel	813.87	15,000.00	-14,186.13	5.43%
Total 5050 · Fall Conference	8,198.87	520,000.00	-511,801.13	1.58%
5070 · Insurance	0.00	5,000.00	-5,000.00	0.0%
5071 · Legal & Professional Fees	2,744.00	35,000.00	-32,256.00	7.84%
5072 · Legislative Advocacy	10,002.00	60,012.00	-50,010.00	16.67%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	2,640.00	20,000.00	-17,360.00	13.2%
5080 · Magazine - Other	0.00	5,200.00	-5,200.00	0.0%
Total 5080 · Magazine	2,640.00	25,800.00	-23,160.00	10.23%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	4,733.62	8,500.00	-3,766.38	55.69%
6001.2 · Printing/Supplies	598.13	4,000.00	-3,401.87	14.95%
6001.3 · Travel - BOD Meetings	1,854.11	11,000.00	-9,145.89	16.86%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Exhibit A: Page 17
Profit & Loss Budget vs. Actual
July through August 2019

	Jul - Aug 19	Budget	\$ Over Budget	% of Budget
6001.4 · Travel - Miscellaneous BOD	0.00	1,200.00	-1,200.00	0.0%
6001 · Board of Directors - Other	698.82	3,000.00	-2,301.18	23.29%
Total 6001 · Board of Directors	7,884.68	27,700.00	-19,815.32	28.47%
6002 · Legislative Committee Meetings	10.95	250.00	-239.05	4.38%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
6000 · Board & Committees - Other	0.00	175.00	-175.00	0.0%
Total 6000 · Board & Committees	7,895.63	30,625.00	-22,729.37	25.78%
6010 · Office Expenses / Supplies	1,929.58	2,500.00	-570.42	77.18%
6011 · Postage & Delivery	368.50	2,500.00	-2,131.50	14.74%
6020 · Spring Conference				
6021 · Audio/Visual	6,155.29	50,000.00	-43,844.71	12.31%
6022 · Delivery & Shipping	5,966.48	3,000.00	2,966.48	198.88%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	72,476.97	75,000.00	-2,523.03	96.64%
6024.2 · Conference	8,306.40			
6024.3 · Food & Beverage	100,844.41			
6024 · Hotel - Other	8,476.54	275,000.00	-266,523.46	3.08%
Total 6024 · Hotel	190,104.32	350,000.00	-159,895.68	54.32%
6025 · Program Material	3,573.24	35,000.00	-31,426.76	10.21%
6026 · Speakers	10,875.84	50,000.00	-39,124.16	21.75%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	8,855.81	15,000.00	-6,144.19	59.04%
Total 6020 · Spring Conference	225,530.98	510,500.00	-284,969.02	44.18%
6050 · Strategic Facilitator	0.00	10,000.00	-10,000.00	0.0%
6051 · Taxes & Licenses	0.00	50.00	-50.00	0.0%
6053 · Technology/AMS/Website	10,223.07	30,000.00	-19,776.93	34.08%
6054 · Travel	1,103.14	10,000.00	-8,896.86	11.03%
66900 · Reconciliation Discrepancies	-0.06			
Total Expense	319,892.78	1,759,079.00	-1,439,186.22	18.19%
Net Ordinary Income	283,496.45	-72,949.00	356,445.45	-388.62%
Net Income	283,496.45	-72,949.00	356,445.45	-388.62%

**STATE ASSOCIATION OF COUNTY
RETIREMENT SYSTEMS
2019-2020 Budget**

	Budget
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	268,750.00
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
Total 4100 · Membership Dues	371,750.00
4250 · Product Income	
4255 · Magazine Advertising	2,000.00
Total 4250 · Product Income	2,000.00
4270 · UC Berkeley Program	
4271 · Registrations	100,000.00
4272 · Sponsorships	55,000.00
4270 · UC Berkeley Program - Other	
Total 4270 · UC Berkeley Program	155,000.00
4300 · Fall Conference Registration	
4301 · Affiliates - Early	165,230.00
4302 · Affiliates - Regular	100,000.00
4303 · Affiliates - Late/Onsite	35,000.00
4304 · Non Profit	1,000.00
4305 · Systems	25,000.00
4306 · Non-Members	255,000.00
4307 · Fun Run	1,000.00
4308 · Yoga	300.00
4300 · Fall Conference Registration - Other	
Total 4300 · Fall Conference Registration	582,530.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	160,000.00
4352 · Affiliates - Regular	100,000.00
4353 · Affiliates - Late/Onsite	35,000.00
4354 · Non Profit	1,000.00
4355 · Systems	22,500.00
4356 · Non-Members	255,000.00
4357 · Fun Run	1,000.00
4358 · Yoga	350.00
Total 4350 · Spring Conference Registration	574,850.00
4900 · Interest Earned	
Total Income	1,686,130.00
Gross Profit	1,686,130.00
Expense	
5000 · Administrative Fee	180,000.00
5001 · Administrative Services	500.00

Exhibit A: Page 19

5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	36,000.00
5010 · Berkeley & Symposium	
5011 · Audio/Visual	2,200.00
5013 · Hotel	12,000.00
5014 · Food & Beverage	13,000.00
5015 · Materials/Printing/Design	2,900.00
5016 · Travel	2,500.00
5017 · UC Berkeley	206,000.00
Total 5010 · Berkeley & Symposium	238,600.00
5030 · CERL	
5031 · Materials/Printing/Design	16,500.00
5032 · Shipping	1,300.00
Total 5030 · CERL	17,800.00
5040 · Commissions & Fees	20,000.00
5041 · Consulting	19,992.00
5042 · Dues & Subscriptions	3,700.00
5050 · Fall Conference	
5051 · Audio/Visual	50,000.00
5052 · Delivery & Shipping	2,500.00
5053 · Entertainment	6,500.00
5054 · Hotel	
5054.1 · Wednesday Night Event	75,000.00
5054.2 · Conference	15,000.00
5054 · Hotel - Other	275,000.00
Total 5054 · Hotel	365,000.00
5055 · Program Material	30,000.00
5056 · Speakers	50,000.00
5057 · Supplies	1,000.00
5058 · Travel	15,000.00
Total 5050 · Fall Conference	520,000.00
5070 · Insurance	5,000.00
5071 · Legal & Professional Fees	35,000.00
5072 · Legislative Advocacy	60,012.00
5080 · Magazine	
5081 · Delivery & Shipping	600.00
5082 · Design/Printing/Etc.	20,000.00
5080 · Magazine - Other	5,200.00
Total 5080 · Magazine	25,800.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	8,500.00
6001.2 · Printing/Supplies	4,000.00
6001.3 · Travel - BOD Meetings	11,000.00
6001.4 · Travel - Miscellaneous BOD	1,200.00
6001 · Board of Directors - Other	3,000.00

Exhibit A: Page 20

Total 6001 - Board of Directors	27,700.00
6002 - Legislative Committee Meetings	250.00
6003 - Program Committee Meetings	2,500.00
6000 - Board & Committees - Other	175.00
Total 6000 - Board & Committees	30,625.00
6010 - Office Expenses / Supplies	2,500.00
6011 - Postage & Delivery	2,500.00
6020 - Spring Conference	
6021 - Audio/Visual	50,000.00
6022 - Delivery & Shipping	3,000.00
6023 - Entertainment	6,500.00
6024 - Hotel	
6024.1 - Wednesday Night Event	75,000.00
6024.2 - Conference	
6024.3 - Food & Beverage	
6024 - Hotel - Other	275,000.00
Total 6024 - Hotel	350,000.00
6025 - Program Material	35,000.00
6026 - Speakers	50,000.00
6027 - Supplies	1,000.00
6028 - Travel	15,000.00
Total 6020 - Spring Conference	510,500.00
6050 - Strategic Facilitator	10,000.00
6051 - Taxes & Licenses	50.00
6053 - Technology/AMS/Website	30,000.00
6054 - Travel	10,000.00
66900 - Reconciliation Discrepancies	
Total Expense	1,759,079.00
Net Ordinary Income	-72,949.00
Net Income	-72,949.00



4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

A. SACRS President Update



No Printed Materials For This Item



5. SACRS Legislative Committee Update - Vote

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

- A. 2019 Legislative Report – No Action
- B. SACRS Omnibus Bill SB 783- Vote
- C. Los Angeles CERA Proposal – Vote



**SACRS Legislative Committee
Ad Hoc Committee on Employer Liabilities
August 2019**

On February 15, 2019, the Legislative Committee established an ad hoc committee to study the statutory tools that county retirement systems can use to ensure payment of contributions from employers. Dave Nelsen (Alameda), Gina Ratto (Orange), Eric Stern (Sacramento), Julie Wyne (Sonoma), and actuarial advisor Andy Yeung (Segal Consulting) were appointed to the ad hoc committee.

This memo reflects the ad hoc committee's findings and recommendations.

Background

This issue gained media attention in recent years as CalPERS exercised its statutory authority for the first time to reduce benefit payments for retirees after two employers terminated membership and stopped making required pension payments. CalPERS also has statutory authority to place a lien on the assets of a terminating agency.

County retirement systems do not have the same enforcement tools as CalPERS, though several CERL statutes address the retirement board's authority to require payments from counties and districts.

- **Policy question:** Is more legislation needed to provide CERL systems with sufficient tools to ensure payments from employers?

Recommendations

The ad hoc committee does not recommend any significant legislative changes.

- We believe the current statutory structure and case law provide the necessary legal support for collecting contributions from employers.
- We advise CERL systems to adopt declining employer payroll and/or terminating employer liability policies to establish a process to identify liabilities and collect payments from employers.
- We also recommend that CERL systems use strong language in participation agreements with district employers that include contractual remedies for a breach.
- We recommend affirming the *Mijares* ruling in the CERL omnibus bill, SB 783, to emphasize the Board's authority to collect contributions from employers,



regardless of whether the county or district has active employees participating in the retirement system.

- We do not recommend pursuing CalPERS-type remedies, such as reducing member's benefits or securing a lien for collection purposes, though those tools may be appropriate for a larger system like CalPERS, with 3,000 participating employers and more resources.

Analysis

- Public employees have a contractual right to an actuarially sound retirement system. *Board of Administration v. Wilson* (1997) 52 Cal.App.4th 1109 at 1137
- Retirement Boards have the sole and exclusive duty to administer the system in a manner that will assure prompt delivery of benefits and to provide for actuarial services to assure the competency of assets. *County of Orange v. Association of Orange County Deputy Sheriffs* (2011) 192 Cal.App.4th 21 at 34; Cal. Constitution Article XVI, Sec. 17
- Contribution rates are binding on the County and participating districts and are set by law. *City of Oakland v. PERS* (2002) 95 Cal.App.4th 29 at 49; *In re Retirement Cases* (2003) 110 Cal.App.4th 421 at 453 and CERL Section 31586
- The obligation to pay the unfunded liability arises from predictions and future estimates about often-fluctuating factors over the years and is a highly variable amount. *Orange*, supra at 37
- The court in the *Mijares* case that OCERS took up on appeal found that Section 31453.5 applied to both active and inactive employers who have retired employees currently receiving benefits from the County retirement system. *Mijares v. Orange County Employees Retirement System*, 32 Cal.App. 5th 316
- The *Mijares* court also found that the unfunded liability payment is not required to be deducted from active employee payroll and recognized the system's right to recommend changes in county and district appropriations as necessary. (Section 31453)
- The *Mijares* court also found that the board's plenary constitutional authority to administer the system in a manner that will assure prompt delivery of benefits and related services to participants and beneficiaries supports the ability to collect from an employer that has no active payroll but still has deferred or retired members.

**2020 CERL Clean-Up/Omnibus Bill**

August 28, 2019

Dear SACRS Board of Directors:

At its August 16, 2019 meeting, the Legislative Committee approved bill language for a CERL Omnibus Bill and recommended approval by the SACRS Board of Directors.

A “shell” bill – SB 783 – has been filed on behalf of SACRS by the Senate Committee on Labor, Public Employment and Retirement. If approved by the SACRS membership at the Fall Conference, SB 783 can be amended in January 2020 for consideration during the 2020 legislative session.

The enclosed language reflects the work of Legislative Committee members, in collaboration with system administrators, over the past six months to develop non-controversial, technical, and clarifying amendments to the CERL. The proposed amendments will help the 1937 Act systems administer benefits in accordance with changes in federal law and recent appellate court rulings, provide more flexibility to Retirement Boards, and add parity to the CERL by aligning certain statutes with CalPERS and CalSTRS laws. Specifically, the amendments:

- Consolidate the military service-credit statutes to better conform to federal law and ensure members who are called to duty are made whole for their time away.
- Affirm the recent *Mijares v. OCERS* appellate case regarding an employer’s liability and obligation to make contributions for pension benefits.
- Allow counties to authorize members to purchase parental leave service credit, aligning with CalPERS and CalSTRS statutes and evolving law about family leave.
- Clarify existing law regarding which benefit tier a member rejoins when reinstated to active service after an involuntary separation is overturned.
- Allow Boards to delegate to staff the authority to finalize retirement applications and put retirees on payroll, in compliance with the *Wilmot vs CCCERA* ruling.
- Provide flexibility to Retirement Boards to accept retirement applications earlier than the current 60-day limit.
- Allow for the lump-sum distribution of contributions when a member reaches mandatory distribution age instead of requiring a pension benefit that may be only a few dollars.
- Update incorrect statutory references, and make other technical changes.

The bill language and a summary matrix are enclosed.

Respectfully,

Dave Nelsen and Eric Stern
Legislative Committee Co-Chairs

Amendments to SB 783

VERSION 5

As Adopted by SACRS Legislative Committee
August 16, 2019

Additional Member Contributions; Removes Incorrect Cross Reference

Amend Section 31465:

“Additional contributions” means contributions made by members in addition to normal contributions under ~~Sections 31504 and~~ Section 31627.

Additional Member Contributions; Removes Incorrect Cross Reference

Amend Section 31627.1:

A member who has additional contributions under Section 31627 of the Government Code, ~~or under Section 31504 of the Government Code,~~ Code may, within 30 days prior to retirement, elect in writing to have all or any part of ~~his~~ the member's accumulated additional contributions returned to ~~him~~ the member. The portion returned shall not be included in the calculation of the member's annuity.

Additional Member Contributions; Removes Incorrect Cross Reference

Amend Section 31627.2:

In any county in which the provisions of Section 31676.1 apply, any member who has additional contributions under ~~Section 31504 of the Government Code, or under Section~~ 31627 of the Government Code, Code may elect in writing to have all or any part of ~~his~~ the member's accumulated additional contributions returned to ~~him~~ the member. The portion returned shall not be included in the calculation of the member's annuity. The board may order payment in whole or in part withheld for a period not to exceed 90 days after receipt of such written election.

Amend Section 31631.5:

Member Contributions; Removes Incorrect Cross Reference

(a) (1) Notwithstanding any other provision of this chapter, a board of supervisors or the governing body of a district may require that members pay 50 percent of the normal cost of benefits. However, that contribution shall be no more than 14 percent above the

applicable normal rate of contribution of members established pursuant to this article for local general members, no more than 33 percent above the applicable normal rate of contribution of members established pursuant to Article 6.8 (commencing with Section ~~21639~~ **31639**) for local police officers, local firefighters, county peace officers, and no more than 37 percent above the applicable normal rate of contribution of members established pursuant to Article 6.8 (commencing with Section 31639) for all local safety members other than police officers, firefighters, and county peace officers.

(2) Before implementing any change pursuant to this subdivision for any represented employees, the public employer shall complete the good faith bargaining process as required by law, including any impasse procedures requiring mediation and factfinding. This subdivision shall become operative on January 1, 2018. This subdivision shall not apply to any bargaining unit when the members of that unit are paying at least 50 percent of the normal cost of their pension benefit or are subject to an agreement reached pursuant to paragraph (1). Applicable normal rate of contribution of members means the statutorily authorized rate applicable to the member group as the statutes read on December 31, 2012.

(b) Nothing in this section shall modify a board of supervisors' or the governing body of a district's authority under law as it existed on December 31, 2012, including any restrictions on that authority, to change the amount of member contributions.

Employer Liabilities; Affirming the Mijares vs OCERS Ruling

Amend Section 31453:

(a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, recommend a rate which is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision. (b)(1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary. (2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable in that county.

(c) The legislature affirms the ruling of *Mijares v. Orange County Employees Retirement System* (2019) 32 Cal.App.5th 316 with respect to the board's plenary authority to recommend adjustments to county and district contributions as necessary to ensure the appropriate funding of the system, and with respect to the mandate of Section 31454 that the county and districts adjust the rates of contributions of members and appropriations in accordance with the board's recommendations. Under all circumstances, the county and districts shall each remain liable to the retirement system for their respective share of any unfunded actuarial liability of the system, as determined by the board.

Member Refunds; Removes Incorrect Cross Reference

Amend Section 31641.45:

Whenever a member is entitled to redeposit funds previously withdrawn from a retirement system and thereby becomes eligible to receive a pension or retirement allowance for the service for which he was granted public service credit as authorized in Section 31641.1, regardless of whether or not the member elects to exercise such entitlement, the member shall be refunded the amount deposited by him in accordance with Section 31641.2 plus interest which has been credited to such amount and shall receive no credit in the system for such service.

This section applies only to a member who would be eligible to receive the benefit of Section 31835 or ~~20023.4~~**20638** on making the redeposit.

Concurrent Retirement; Clarifies Age Requirement for PEPRA members

Amend Section 31835.1 to read:

Notwithstanding the provisions of Sections 31835 and 31836, a member of a retirement system established under this chapter who is eligible to retire at age 50 pursuant to Section 31672 **or Section 7522.25, or at age 52 pursuant to Section 7522.20**, or who is required to retire because of age while a member of the Public Employees' Retirement System, a retirement system established under this chapter in another county, the State Teachers' Retirement System, or a retirement system of any other public agency of the state that has established reciprocity with the Public Employees' Retirement System subject to the conditions of Section 31840.2, but who cannot retire concurrently from the Public Employees' Retirement System, a retirement system established under this chapter in another county, the State Teachers' Retirement System, or a retirement system of any other public agency of the state that has established reciprocity with the Public Employees' Retirement System subject to the conditions of Section 31840.2, shall be entitled to have his final compensation and service determined under Sections 31835 and 31836 as if he had retired concurrently under such other system.

Service Credit Purchases for Parental Leave

Amend 31646:

- (a) A member who returns to active service following an uncompensated leave of absence on account of illness may receive service credit for the period of such absence upon the payment of the contributions that the member would have paid during such period, together with the interest that such contributions would have earned had they been on deposit, if the member was not absent. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit may not be received for any period of such absence in excess of 12 consecutive months.
- (b) (1) A member who returns to active service following an uncompensated leave of absence on account of parental leave, may receive service credit for the period of such absence upon the payment of the contributions that the member and the employer would have paid during such period, together with the interest that such contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subsection, parental leave is defined as any time, up to one year, during which a member is granted an approved maternity or paternity leave and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit may not be received for any period of such absence in excess of 12 consecutive months.
- (2) This subsection shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county, and applies to parental leave that commences after the adoption by the board of supervisors.

Military Leave; Streamlines Military Service Credit Provisions

Government Code section 31649 should be amended to read:

- ~~(a) Any member who resigns to enter and does enter the Armed Forces of the United States on a voluntary or involuntary basis, and within 90 days after the termination of that service under honorable conditions, reenters county service, or~~
- ~~(b) Any member who obtains a leave of absence to enter and does enter the Armed Forces of the United States on a voluntary or involuntary basis, and within one year after the termination under honorable conditions of~~

~~leave of absence reenters county service, if he or she has not contributed to the retirement fund the total percentage of his or her compensation earnable due pursuant to Section 31461 or pensionable compensation as defined in Section 7522.34, whichever is applicable, due under this chapter for the entire period during which he or she was out of county service and in military service, may, not more than 90 days after his or her reentrance into county service, file with the board his or her election that no further contributions be deducted from his or her compensation except contributions due because of current service.~~

~~(c) A member who reenters county service under either (a) or (b) above may be allowed up to five years credit for vesting in the system~~

(a) This chapter shall comply with the Uniformed Services Employment and Reemployment Act of 1994 (USERRA) (38 U.S.C. § 4301 et. seq.) as amended from time to time. Any member who was absent from county or district employment for military service and is eligible for reemployment benefits pursuant to USERRA, may, as provided in USERRA, make contributions and receive service credit for the time absent.

(b) Any member who does not qualify for reemployment benefits under (a) due to the length of the military service and who returns to county or district employment within one year of being honorably discharged from the Armed Forces of the United States, shall receive credit for service for all or any part of his or her military service, if, before retirement from the county or district, he or she contributes what he or she would have paid to the fund based on his or her compensation earnable as defined by section 31461 or pensionable compensation as defined in section 7522.34, whichever is applicable, at the time of the beginning of the absence together with regular interest thereon.

(c) Nothing in this section shall affect any arrangement to pay contributions pursuant to section 31653.

Sections 31649.5, 31649.6, 31650, and 31651 should be repealed.

Board Approval/Notification of Retirement Applications; Delegation to Staff

Amend Section 31670:

(a) Retirement of a member who has met the requirements for age and service shall be made by the board pursuant to this article or pursuant to the California Public Employees' Pension Reform Act of 2013, whichever is applicable.

(b) The board may authorize the administrator or other personnel to exercise the board's power and perform its duty to retire members under this section. The administrator or other personnel shall report service

retirements to the board at the next public meeting of the board after the retirement.

Amend Section 31662.2:

- (a) Retirement of a safety member in a county subject to the provisions of 31676.1, or of Section 31695.1, if applicable, who has met the requirements for age and service shall be made by the board pursuant to this article or pursuant to the California Public Employees' Pension Reform Act of 2013, whichever is applicable.
- (b) **The board may authorize the administrator or other personnel to exercise the board's power and perform its duty to retire members under this section. The administrator or other personnel shall report service retirements to the board at the next public meeting of the board after the retirement.**

60-Day Application Window; Provides Option for Longer Period

Amend Sections 31672, 31672.1, 31672.2, 31672.3 et al:

...may be retired upon filing with the board a written application, setting forth the date upon which he or she desires his or her retirement to become effective ~~not earlier than the date the application is filed with the board and not more than 60 days after the date of filing the application.~~ **That effective retirement date shall not be:**

- (a) **earlier than the date the application is filed with the board, and**
- (b) **more than 60 days after the date of filing the application, or such number of days as approved by the Board.**

Reinstatement to Prior Benefit Level

Add Section 31680.10:

- (a) **A person who has been retired under this chapter for service following an involuntary termination of his or her employment, and who is subsequently reinstated to that employment pursuant to an administrative or judicial proceeding that is final and not subject to appeal, shall be reinstated from retirement as if there were no intervening period of retirement. Except as provided in subdivision (b), the requirements of Sections 31680.4, 31680.5, and 31680.7 shall not apply to that reinstatement.**
- (b) **The allowance received by the person during retirement shall be repaid by him or her to the retirement system from which he or she retired in accordance with the retirement system's repayment policy. Contributions shall be made for any period for which salary is awarded in the administrative or judicial proceedings in the amount that would have contributed had the member's employment not been terminated, and he or**

she shall receive credit for the period for which salary is awarded. If the person fails to repay the allowance received during retirement, then his or her contributions and allowance upon retirement subsequent to reinstatement shall be calculated under Sections 31680.5 or 31680.7, as applicable.

- (c) As used in this section, “administrative proceeding” means the process for appeal of an involuntary termination established by county or district ordinance or charter.
- (d) This section shall only apply to persons reinstated to such employment by final action on or after the effective date of this section pursuant to an administrative or judicial proceeding.

Minimum Age Distributions; Timing and Lump-Sum Option

Amend Section 31706:

Any member who has left county service and has elected to leave accumulated contributions in the retirement fund or who is deemed to have elected a deferred retirement pursuant to subdivision (b) of Section 31700 and has attained age 70 but has not yet applied for a deferred retirement allowance and who is not a reciprocal member of a retirement system established pursuant to this chapter or the Public Employees’ Retirement Law shall be notified in writing by the treasurer, or other entity authorized by the board, that the member is eligible to apply for and shall begin receiving either; a deferred retirement allowance by April 1 of the year following the year in which the member attains age 70 ½, or, a one-time distribution of all accumulated contributions and interest. The notification shall be made at the time the deferred member attains age 70 and shall be sent by certified mail to the member’s last known address, or to the member’s last known employer, as shown by the records of the retirement system. If the member can be located but does not make proper application for a deferred retirement allowance with retirement to be effective by April 1 of the year following the year in which the member attains age 70 ½, the retirement system shall commence paying either an unmodified allowance to the member if the member was eligible to begin receiving a deferred retirement allowance under the provisions of 31485.22, or, a one-time distribution of all accumulated contributions and interest if the member is otherwise ineligible for a deferred retirement allowance. If the member cannot be located by April 1 of the year following the year in which the member attains age 70 ½, all of the member’s accumulated contributions and interest thereon shall be deposited in, and become a part of, the current pension reserve fund of the retirement system. The board may at any time after transfer of proceeds to the reserve fund upon receipt of proper information satisfactory to it, redeposit the proceeds to the credit of the claimant, to be administered in the manner provided under this law. This section shall not apply to a member while the member is actively employed past mandatory retirement age in a retirement system established under the provisions of this chapter or the Public Employees’ Retirement Law.

Optional Retirement Allowances and Survivor Benefits; Clarifies Age for Children

Amend sections 31760.1, 31760.2, 31765, 31765.1, 31781.1, 31781.2, 31785, 31785.1, 31786, 31786.1, 31787, and 31787.5:

...Notwithstanding any other provisions of this section, the benefits otherwise payable to the children of the member shall be paid to ~~such children through the age of 21~~**those children up to the 22nd birthday of the children** if such children remain unmarried and are regularly enrolled as full-time students in and accredited school as determined by the board.

And, amend section 31855.3 (c) to read:

(c) ~~Between 18 and 22 years of age,~~ **Over age 18 but under age 22,** and enrolled as a full-time student in an accredited school, as determined by the board.

SB 783 -- 1937 Act Omnibus Bill

Gov Code	Topic	Issue/Justification
31465	Additional member contributions	Removes incorrect reference to GC 31504, which was repealed
31627.1	Additional member contributions, refunds	Removes incorrect cross reference to GC 31504; adds gender neutral language
31627.2	Additional member contributions, refunds	Removes incorrect cross reference to GC 31504; adds gender neutral language
31631.5	Member contributions, normal cost-sharing	Fixes incorrect cross reference to GC 31639 (currently 21639)
31453	Withdrawn Employer Liabilities	Affirms <i>Mijares vs. OCERS</i> ruling to emphasize Board's authority to set contributions for employers (even if they no longer have active members) to ensure sustainability of the fund.
31641.45	Refunds	Removes incorrect cross reference to 20023.1, which was repealed in 1995.
31646	Service Purchase for Uncompensated Illness	Allows members to purchase parental leave time, similar to CalPERS (GC 21013) and CalSTRS (EC 22803). Current statute does not permit purchases for unpaid absences other than for illness. This amendment adds parity for county retirement systems in an area of law and practice that has been evolving regarding parental leave. Unlike current statute that requires only member contributions for service purchases related to unpaid medical leave, this amendment requires the member to pay ALL contributions (employee and employer). This provision also require BOS approval, and applies prospectively to future parental leave to ensure compliance with PEPRAs ban on retroactive benefit increases.
31649 31649.5, 31649.5, 31649.6, 31650, and 31651	Military Leave	Consolidates military service credit statutes to conform to federal laws to ensure members who have been called to duty and return to work can be made whole for retirement purposes due to their leave of absence. These amendments do not contain policy changes, but add clarity and remove potential conflict with federal law regarding the treatment of military service purchases.

31662.2 31670	Board Approval of Retirements	Delegates authority to the system administrator or other personnel to accept and process service retirement applications, approve effective retirement dates, and pay members, and directs staff to notify Board at the next public meeting. The recent Wilmot v. CCCERA appellate ruling raised a question as to when a member officially retires. The court, citing section 31670, held that a member was not retired until the Board formally approved the member's retirement application. There are various approaches that retirement boards currently use to approve, ratify, or review service retirement applications. By formally delegating the authority to staff to process service retirements, current practices can be codified to comply with section 31670 to ensure members can be paid in a timely manner.
31672, 31672.1, 31672.2, 31672.3	60-Day Advance Application Window	Allows each system to set an application window based on business needs/ability. Statute currently prohibits members from submitting applications more than 60 days before retirement, which will remain the default unless proactively changed by the Board. The 60-day rule is arbitrary and likely reflected the constraints on a manual processes. Technology solutions today can accommodate applications filed earlier, which can help facilitate retirement planning for the individual and succession planning for the employer.
31680	Reinstatement from Retirement	Reinstates to prior status members who had involuntarily termination overturned by administrative or judicial proceeding. This amendment clarifies what Tier the member should return to, if the member was separated from service during the appeal that may have stretched for long periods. Similar to CalPERS (GC 21198)
31706	Minimum Age Distribution	<p>Conforms to IRC regulations the timing of notice for mandatory distribution by clarifying that member deadline to retire/take action is April 1 of year following the year in which the member attains age 70 ½.</p> <p>Adds language for flexibility for lump sum distribution of contributions instead of an "allowance." There are frequent situations in which a deferred member who worked for the county many years ago may have a small amount of member contributions on file. It is cumbersome and inefficient to provide an annual pension on what may amount to a few dollars, instead of providing a lump sum distribution.</p>

<p>31760.1, 31760.2, 31765, 31765.1, 31781.1, 31782.2, 31785, 31785.1, 31787, 31787.5, 31853.3</p>	<p>Optional Retirement Allowances and Death Benefits: Age 21</p>	<p>Amends CERL sections to clarify survivor benefit are to be paid up to the child's 22nd birthday as long as the child remains unmarried and enrolled full time. CERL provides for a benefit to be paid to a child over the age of 18 who is regularly enrolled as a full-time student in an accredited school. The benefit is to be paid "through the age of 21." "Through the age of 21" could mean up to the date that the child turns 21 because as of that date the child is 21 plus one day. On the other hand, it could mean up to the child's 22nd birthday. This amendment reflects the majority interpretation and practice.</p>
<p>31835.1</p>	<p>Concurrent Retirement: PEPRAs members</p>	<p>Adds clarifying language regarding early retirement for PEPRAs members who also have legacy status in another system. This section deals with concurrent retirement for reciprocal members who can retire in one system at age 50 but aren't eligible to retire in the reciprocal system until after age 50, and ensures reciprocity is maintained if they retire in the earlier eligible system. There could be a situation where a member is a Legacy member in the first system, and leaves for more than 180 days and enters the second system as a PEPRAs member. If the Legacy system has not passed a resolution to lower age 55 to age 50, then the member could be subject to an age 55 requirement in one system, and an age 50 or 52 requirement in the other system. This amendment adds PEPRAs reference to age 52.</p>

#1

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, September 04, 2019 4:23:53 PM
Last Modified: Wednesday, September 04, 2019 4:49:26 PM
Time Spent: 00:25:33
IP Address: 63.193.71.3

Page 1

Q1 Title of Issue:

Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor or Drugs

Q2 Retirement Association/System:

Los Angeles County Employees Retirement Association

Q3 Contact Person:

Barry Lew, Legislative Affairs Officer

Q4 Contact e-mail:

blew@lacera.com

Q5 Contact Phone #:

626-564-2370

Q6 Description of issue:

Government Code Sections 31726 and 31726.5 were added to CERL in 1937 and 1951, respectively. These sections limit a member's nonservice-connected disability retirement allowance to an annuity that is the actuarial equivalent of his accumulated contributions if the member's disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part. In the successive decades since 1937 and 1951, views on alcohol and drug use have evolved from a legal and moral perspective to a medical, scientific, and public health perspective—from temperance and prohibition to treatment, recovery, and counseling. The public policy underlying the limitation on nonservice-connected disability retirement allowances due to intemperate use of alcoholic liquor or drugs may no longer reflect contemporary views of alcohol and drug use. If alcohol and drug use were viewed from a disease perspective rather than a moral failure, the benefit limitation as a consequence would be financially punitive and discriminatory for members.

Q7 Recommended solution:

Amend the CERL sections related to nonservice-connected disability retirement to remove the element related to intemperate use of alcoholic liquor or drugs.

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

Section 31726: Upon retirement for nonservice-connected disability a member who has attained age 65 shall receive his or her service retirement allowance. Every member under age 65 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the State Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of the following: (a) The sum to which he or she would be entitled as service retirement. (b) A sum which shall consist of any of the following: (1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement. (2) If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district. (3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph shall only apply to a person who becomes a member of the system on or after January 1, 1988. Section 31726.5: Upon retirement for nonservice-connected disability a safety member who has attained age 55 shall receive his or her service retirement allowance. Every safety member under age 55 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of: (a) The sum to which he or she would be entitled to as service retirement; or (b) A sum which shall consist of: (1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement. (2) If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district. (3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. Paragraph (3) shall only apply to a person who becomes a member of the association on or after January 1, 1988. Section 31728: If, in the opinion of the board, the disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on the part of the member, and his annuity is less than two hundred forty dollars (\$240) a year, the board may pay the member his accumulated contributions in one lump sum in lieu of his annuity. Section 31838: Every safety member under age 55 years and every other member under age 65 years who is retired for nonservice-connected disability and who is retired simultaneously under a disability retirement allowance from the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a retirement allowance equal to the greater of the following amounts: (1) The sum to which he would be entitled as service retirement; or (2) A sum which shall consist of: (a) An annuity which is the actuarial equivalent of his accumulated contributions at the time of his retirement, and (b) If, in the opinion of the board, his disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct or violation of law on his part, a disability retirement pension purchased by contributions of the county or district, all computed as provided in Sections 31727 or 31727.2.

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

The nonservice-connected disability retirement provisions apply to all SACRS systems.

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

As plan administrators, the other SACRS systems may not be amenable to this proposal that would substantively change the policy underlying the benefit structure for nonservice-connected disability retirements. This proposal may put a plan administrator at odds with its plan sponsor.

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

SACRS systems that view the benefit limitation as financially punitive and discriminatory may support this proposal. Plan sponsors may oppose this proposal because it is a substantive change to the benefit structure of a nonservice-connected disability retirement allowance.

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

Barry Lew, Legislative Affairs Officer Joe Ackler, Ackler & Associates

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor or Drugs
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Government Code Sections 31726 and 31726.5 were added to CERL in 1937 and 1951, respectively. These sections limit a member's nonservice-connected disability retirement allowance to an annuity that is the actuarial equivalent of his accumulated contributions if the member's disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part.

In the successive decades since 1937 and 1951, views on alcohol and drug use have evolved from a legal and moral perspective to a medical, scientific, and public health perspective—from temperance and prohibition to treatment, recovery, and counseling. The public policy underlying the limitation on nonservice-connected disability retirement allowances due to intemperate use of alcoholic liquor or drugs may no longer reflect contemporary views of alcohol and drug use. If alcohol and drug use were viewed from a disease perspective rather than a moral failure, the benefit limitation as a consequence would be financially punitive and discriminatory for members.
- **Recommended Solution**
Amend the CERL sections related to nonservice-connected disability retirement to remove the element related to intemperate use of alcoholic liquor or drugs.
- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Section 31726

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

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

(a) The sum to which he or she would be entitled as service retirement.

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

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

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

(3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph shall only apply to a person who becomes a member of the system on or after January 1, 1988.

Section 31726.5

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

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

(b) A sum which shall consist of:

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

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

(3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. Paragraph (3) shall only apply to a person who becomes a member of the association on or after January 1, 1988

Section 31728

If, in the opinion of the board, the disability is due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct,~~willful misconduct or violation of law on the part of the member, and his annuity is less than two hundred forty dollars (\$240) a year, the board may pay the member his accumulated contributions in one lump sum in lieu of his annuity.

Section 31838

Every safety member under age 55 years and every other member under age 65 years who is retired for nonservice-connected disability and who is retired simultaneously under a disability retirement allowance from the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a retirement allowance equal to the greater of the following amounts:

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

(2) A sum which shall consist of:

(a) An annuity which is the actuarial equivalent of his accumulated contributions at the time of his retirement, and

(b) If, in the opinion of the board, his disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct,~~willful misconduct or violation of law on his part, a disability retirement pension purchased by contributions of the county or district, all computed as provided in Sections 31727 or 31727.2.

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

The nonservice-connected disability retirement provisions apply to all SACRS systems.

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

As plan administrators, the other SACRS systems may not be amenable to this proposal that would substantively change the policy underlying the benefit structure for nonservice-connected disability retirements. This proposal may put a plan administrator at odds with its plan sponsor.

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

SACRS systems that view the benefit limitation as financially punitive and discriminatory may support this proposal. Plan sponsors may oppose this proposal because it is a substantive change to the benefit structure of a nonservice-connected disability retirement allowance.

- **Who will be available from your association/system to testify before the Legislature?**

Barry Lew, Legislative Affairs Officer

Joe Ackler, Ackler & Associates



6. SACRS Nomination Committee - 2020-2021 SACRS Election Notice – No Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2020-2021



October 1, 2019

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2020-2021 - Elections Notice

SACRS BOD 2020-2021 election process will begin January 2020. Please provide this elections notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2020	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, 2020	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 15, 2020	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 12-15, 2020)
May 15, 2020	Board of Directors take office for 1 year

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

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

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

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

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

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



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

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

The elections will be held at the SACRS Spring Conference May 12-15, 2020 at the Paradise Point Hotel and Spa, San Diego, CA. Elections will be held during the Annual Business meeting on Friday, May 15, 2020.

If you have any questions, please contact me at Ray McCray, raym1@sbcglobal.net or (209) 471-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

Ray McCray

Ray McCray, San Joaquin CERA Trustee
SACRS Nominating Committee Chair

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



7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Audit Committee Update



No Printed Materials For This Item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Fall Conference Evaluations 2019



No Printed Materials For This Item



9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Fall Conference Report 2019



No Printed Materials For This Item



10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No Printed Materials For This Item



11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No Printed Materials For This Item



12. SACRS Fall Conference Breakout Reports – No Action

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

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



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 15, 2020 at the Paradise Point Hotel and Resort in San Diego, CA.