

**MCERA INVESTMENT RETIREMENT BOARD AGENDA  
THURSDAY, APRIL 25, 2019  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
3199 M STREET, MERCED, CA 95348**

**Please turn your cell phone or other electronic device to non-audible mode.**

**CALL TO ORDER: 8:15 A.M.**

- ROLL CALL.
- APPROVAL OF MINUTES – April 11, 2019.

**PUBLIC COMMENT**

Members of the public may comment on any item under the Board's jurisdiction. Matters presented under this item will not be discussed or acted upon by the Board at this time. For agenda items, the public may make comments at the time the item comes up for Board consideration. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

**CLOSED SESSION**

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

**(1) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation. (Govt Code § 54956.9)

Number of Potential Cases: 2

**RETURN TO OPEN SESSION**

Report on any action taken in closed session.

**BOARD ACTION<sup>1</sup>/DISCUSSION**

Pursuant to Govt. Code § 31594 and MCERA's Investment Objectives & Policy Statement due diligence analysis requirement:

1. Discussion and possible action to approve amended Resolutions for IRS Regulations 401(a)(9), 401(h) and 401(a) – Staff.
2. Presentation and discussion of the Monthly Investment Performance Report with possible board action on any funds – Meketa Investment Group.
3. Presentation and discussion from MCERA's fixed income manager Barrow, Hanley, Mewhinney & Strauss, LLC – Eddie Guerra.
4. Discussion and possible action to approve the SACRS Business Packet and Elections with direction to voting delegate – Staff.

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<sup>1</sup> "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

5. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - a. SACRS Spring Conference, May 7-10, 2019, Squaw Valley, CA.
  - b. NCPERS Annual Conference & Exhibition, May 19-22, 2019, Austin, TX.
  - c. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.
  - d. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.

## **INFORMATION ONLY**

### **MCERA Upcoming Board Meetings:**

Please note: The MCERA Board Meeting and/or Education Day times and dates may be changed in accordance with the Ralph M. Brown Act by the MCERA Board as required.

- May 9, 2019
- May 23, 2019
- June 13, 2019

## **ADJOURNMENT**

All supporting documentation is available for public review in the office of the Merced County Employees' Retirement Association, 3199 M Street, Merced, California, 95348 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

**The agenda is available online at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)**

Any material related to an item on this Agenda submitted to the Merced County Employees' Retirement Association, after distribution of the Agenda packet is available for public inspection in the office of the Merced County Employees' Retirement Association.

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to Merced County Employees' Association, 3199 M Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

**MCERA RETIREMENT BOARD MEETING MINUTES**  
**THURSDAY, APRIL 11, 2019**  
**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**3199 M STREET, MERCED, CA 95348**

**ROLL CALL: 8:15 A.M.**

**Board Members Present:** Darlene Ingersoll, Karen Adams, Scott Silveira, David Ness (arrived at 8:19 am), Al Peterson, Janey Cabral, Ryan Paskin, Michael Rhodes, Scott Johnston, and Jason Goins. **Counsel:** Forrest Hansen. **Staff:** Mark Harman, Angelo Lamas, Michelle Lee, Sheri Villagrana and Brenda Mojica.

**Absent:** None.

**APPROVAL OF MINUTES: March 28, 2019 and Education Day.**

**Motion to approve the March 28, 2019 regular meeting and Education Day meeting minutes.**

**Cabral/Peterson      U/A (8-0).**

**PUBLIC COMMENT**

No public comment.

**CLOSED SESSION**

**RETURN TO OPEN SESSION**

**(1) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION**

Disability update and possible action:

**No action taken.**

**CONSENT CALENDAR**

**RETIREMENTS:**

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

a. Tucker, Stephan L. Jr.	Sheriff	24 Yrs. Svc.	Eff. 03/31/2019
b. Vang, Khou	H.S.A.	27 Yrs. Svc.	Eff. 03/30/2019
c. Xiong, William	H.S.A.	30 Yrs. Svc.	Eff. 03/30/2019
d. Barnes, Donna	H.S.A.	21 Yrs. Svc.	Eff. 03/30/2019
e. Arlington, Susan	H.S.A.	3 Yrs. Svc.	Eff. 04/01/2019
f. Huff, Robin	Probation	30 Yrs. Svc.	Eff. 03/30/2019
g. Watkins, Perry	Beh. Hlth.	21 Yrs. Svc.	Eff. 03/19/2019
h. Hintenach, Mary	MCMC	10 Yrs. Svc.	Eff. 03/31/2019
i. Pope, John	Admin/I.S.	6 Yrs. Svc.	Eff. 04/01/2019
j. Simmons, Rodney L.	Admin/I.S.	27 Yrs. Svc.	Eff. 03/30/2019
k. Chavez, Freddie	H.S.A.	33 Yrs. Svc.	Eff. 03/30/2019
l. Cloud, Michelle	Courts	38 Yrs. Svc.	Eff. 03/30/2019
m. Carroll, Robert	D.A.	25 Yrs. Svc.	Eff. 03/06/2019
n. Carvajal, Arnie	Risk Mgt	28 Yrs. Svc.	Eff. 03/03/2019
o. Craig, Meredith	Health	28 Yrs. Svc.	Eff. 03/30/2019
p. Michaelis, Fred	Ag Comm	29 Yrs. Svc.	Eff. 03/30/2019

q. Saechao, Cheng	H.S.A.	28 Yrs. Svc.	Eff. 03/30/2019
r. Saechao, Chio	Beh. Hlth	29 Yrs. Svc.	Eff. 03/30/2019
s. Yanez, Kim	Probation	33 Yrs. Svc.	Eff. 03/30/2019
t. Contreras, John	Chld Supt	9 Yrs. Svc.	Eff. 04/01/2019
u. Bryan, Victoria	BOS	33 Yrs. Svc.	Eff. 03/30/2019
v. Carrera, Michael	Envir Hlth	1 Yrs. Svc.	Eff. 03/30/2019
w. Mackenzie, Thomas	Sheriff	16 Yrs. Svc.	Eff. 03/16/2019
x. Perez, Rosemarie	Beh. Hlth	37 Yrs. Svc.	Eff. 03/30/2019
y. Janssen, Linda	D.A.	33 Yrs. Svc.	Eff. 03/30/2019
z. Glusing, Marlene	D.A.	36 Yrs. Svc.	Eff. 03/30/2019
aa. Arroyo, Elizabeth	H.S.A.	21 Yrs. Svc.	Eff. 03/30/2019
bb. Amezcua, Rhonda	D.A.	15 Yrs. Svc.	Eff. 04/05/2019

YTD fiscal year 2018/2019 retirees: 085  
YTD fiscal year 2017/2018 retirees: 082  
YTD fiscal year 2016/2017 retirees: 065

**REFUND OF SERVICE PURCHASE:** None.

**DEATH BENEFIT:** None.

**MONTHLY BUDGET REPORT:** Submitted.

**Motion to approve Consent Calendar.**

**Paskin/Adams U/A (9-0).**

## **REGULAR CALENDAR**

### **BOARD ACTION<sup>1</sup>/DISCUSSION**

1. Discussion and possible action on quarterly budget report for MCERA – Staff.  
**No action taken.**
2. Discussion and possible action to (1) extend current contract by amendment of MCERA's current actuarial consultants with Cheiron, Inc. and (2) enter into a new agreement with Segal Consulting for actuarial auditing services – Staff.  
**Motion to approve contract amendment for actuarial firm Cheiron, Inc. and new contract for Segal Consulting (Auditing Actuarial Contract), pending legal review.**  
**Adams/Ness U/A (9-0).**
3. Discussion and possible action to delegate Plan Administrator as voting delegate for NCPERS Annual Conference May 19 – 22, 2019 - Staff.  
**Motion to appoint the Plan Administrator as Voting Delegate for NCPERS Conference on May 19-22, 2019.**  
**Paskin/Cabral U/A (9-0).**

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4. Discussion and possible update on Legislative Update – Staff.  
**No action taken.**
5. Discussion and possible action on Staff Service Resolution for Angelo Lamas – Chair.  
**Motion to adopt Resolution for Angelo Lamas for service as a Retirement Officer of the Merced County Employees’ Retirement Association.**  
**Adams/Paskin U/A (9-0).**
6. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - a. SACRS Spring Conference, May 7-10, 2019, Squaw Valley, CA.
  - b. NCPERS Annual Conference & Exhibition, May 19-22, 2019, Austin, TX.
  - c. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.
  - d. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.**No action taken.**

### **INFORMATION ONLY**

Trustee Silveira stated that the Merced County May Fair event this year is May 1 – 5, 2019.

Trustee Goins informed the Board that he will not be present for the April 25, 2019 MCERA Board meeting.

Trustee Adams mentioned that the Kiwanians Kiddy Land will be open this Saturday and on April 20, 2019, there will be Easter Egg Painting event.

Counsel informed the Board that he will not be present for the April 25, 2019 MCERA Board meeting.

Fiscal Manager reminded the Budget Committee members that there is an Ad Hoc Budget Committee meeting immediately following the Board meeting.

### **ADJOURNMENT**

The meeting adjourned at 8:51 a.m.

Respectfully submitted,

\_\_\_\_\_  
Darlene Ingersoll, Chair

\_\_\_\_\_  
Al Peterson, Secretary

\_\_\_\_\_  
Date

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**Merced County Employees' Retirement Association (MCERA)**  
**RETIREMENT BOARD AGENDA ITEM**

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**DATE:** April 25, 2019

**TO:** MCERA Board of Retirement  
**FROM:** Kristie Santos, Plan Administrator

**SUBJECT:** Revision to IRS Model Regulations for the Merced County Employees' Retirement Association (MCERA)

**ITEM NUMBER:** 1

**ITEM TYPE:** Discussion and Action

**STAFF RECOMMENDATION:**

1. Adopt new Resolution to remove language from MCERA's IRS Model Regulations 401(a)(9) Required Minimum Distribution, regarding lump sum distributions for non-spouse beneficiaries more than 10 years younger than the retiree.
2. Adopt new Resolution to delete MCERA's IRS Model Regulations 401(h) Retiree Health Benefits.
3. Adopt new Resolution to correct language in MCERA's IRS Model Regulations 401(a) Distribution Limitations to update the required calendar day separation period.

**DISCUSSION:**

IRS Regulation 401(a)(9) – Required Minimum Distribution

The MCERA Board of Retirement passed several IRS model regulations in January of 2016. The IRS agreed for MCERA (and other '37 act pension plans) to include language in our model regulations that allowed MCERA to pay a lump sum benefit to a non-spouse beneficiary (upon the death of the retiree) that was more than 10 years younger than the retiree. Generally, the IRS does not allow this type of lump sum distribution to be paid and in fact in all such cases, the beneficiary's benefit must be reduced based on the age difference between the beneficiary and retiree.

Several other '37 act pension systems including MCERA provided feedback to the IRS that the reduction in benefits constituted a violation of vested rights in the California Constitution. As a result, the IRS allowed California pension systems to include the language regarding lump sums in our model regulations. Today, MCERA and other systems are reconsidering their stance on the lump sum payout. MCERA Staff believes the removal of the language more closely aligns with Treasury Code and is much less administratively burdensome and reduces MCERA's risk of being out of compliance with the IRS Regulation in the future. Staff reached out to MCERA's tax counsel and counsel concurs with the recommendation to remove the language from the model regulations. Because of this, staff are recommending to remove this language from our model regulations.

IRS Regulation 401(h) – Retiree Medical/Health

The MCERA Board of Retirement passed an IRS Model Regulation 401(h) Retiree Health Benefits in January 2016. At one time, MCERA did administer a 401(h) trust

**Merced County Employees' Retirement Association (MCERA)**  
**RETIREMENT BOARD AGENDA ITEM**

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account, which was separate from the pension trust. This trust allowed the employer(s) to pay contributions into the 401(h) account to pay for retiree medical and health costs. The last known date that the 401(h) trust account was offered by MCERA was in 2012. MCERA's Model Regulations include specific language pertaining to the 401(h) trust account. However, because this ancillary benefit is no longer offered, MCERA's tax counsel feels it would be prudent to adopt a resolution officially deleting the 401(h) Retiree Health Benefit, so there is no ambiguity that the 401(h) IRS Model Regulations are not applicable to MCERA.

IRS Regulation 401(a) – Distribution Limitations

The MCERA Board of Retirement passed an IRS Regulation 401(a) Distribution Limitations in January 2016. This IRS Regulation pertains to a required bona fide separation of service for a member who retires prior to MCERA's established normal retirement age (age 60 for general members and age 50 for safety members) before returning to work after retirement. The IRS requires a 60 calendar day separation period and MCERA's regulations that were passed in 2016 only required a 15 calendar day separation period. After discussion with MCERA's tax counsel, it is advised that MCERA's Board of Retirement pass the proposed Resolution establishing a 60 calendar day separation period as required by the IRS.

MCERA recently adopted the Normal Retirement Age and Bona Fide Separation Policy (adopted April 12, 2018) which established the IRS mandated 60 calendar day separation period. This policy is currently being followed by all MCERA staff and this proposed Resolution is required to update the IRS Model Regulations, in accordance with the policy.

**BOARD OF RETIREMENT  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
RESOLUTION NO. 2019-**

**RESOLUTION OF DELETING REGULATION FOR INTERNAL REVENUE CODE  
SECTION 401(h) (RETIREE HEALTH BENEFITS)**

WHEREAS, the Board of Retirement for the Merced County Employees' Retirement Association ("MCERA") administers MCERA for the benefit of its members and their beneficiaries; and

WHEREAS, MCERA is intended to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or replaced from time to time and the regulations issued thereunder as applicable; and

WHEREAS, the Board of Retirement submitted to the Internal Revenue Service ("IRS") a request for a favorable determination that MCERA meets the applicable requirements of the Code; and

WHEREAS, the plan documents, including Regulations of the Board of Retirement, were submitted for review with MCERA's determination letter application; and

WHEREAS, MCERA by Resolution 2003-01 approved the establishment of a Code section 401(h) account that was included in MCERA's determination letter application to the IRS; and

WHEREAS, the granting of the favorable determination letter by the IRS was contingent upon MCERA's adoption of approved model tax regulations reviewed by the IRS; and

WHEREAS, the model tax regulation dealing with compliance with Code section 401(h) was adopted by the Board of Retirement on January 14, 2016; and

WHEREAS, the Board of Retirement has now determined that MCERA will not provide benefits from a 401(h) account in the foreseeable future;

NOW, THEREFORE, BE IT RESOLVED that the Board of Retirement hereby determines that the Regulation for IRC Code §401(h) is no longer in effect for MCERA and shall be removed from MCERA's official documents.

ADOPTED: \_\_\_\_\_, 2019

Aye:

Nay:

Abstain:

Absent:

\_\_\_\_\_  
Darlene Ingersoll, Chair

ATTEST:

\_\_\_\_\_  
Kristen Santos, Plan Administrator



**BOARD OF RETIREMENT  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
RESOLUTION NO. 2019-**

**RESOLUTION  
AMENDING REGULATION FOR INTERNAL REVENUE CODE  
SECTION 401(a) (DISTRIBUTION RESTRICTIONS)**

WHEREAS, the Board of Retirement for the Merced County Employees' Retirement Association ("MCERA") administers MCERA for the benefit of its members and their beneficiaries; and

WHEREAS, MCERA is intended to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or replaced from time to time and the regulations issued thereunder as applicable; and

WHEREAS, the Board of Retirement submitted to the Internal Revenue Service ("IRS") a request for a favorable determination that MCERA meets the applicable requirements of the Code; and

WHEREAS, the plan documents, including Regulations of the Board of Retirement, were submitted for review with MCERA's determination letter application; and

WHEREAS, Code section 401(a)(9) and IRS guidance issued under that Code section establish very complex rules concerning the time at which distributions of benefits to members and beneficiaries must commence and the period over which the benefits must be paid; and

WHEREAS, the granting of the favorable determination letter by the IRS was contingent upon MCERA's adoption of approved model tax regulations reviewed by the IRS; and

WHEREAS, the model tax regulation adopted under Code section 401(a) by the Board of Retirement on January 14, 2016, provided that members who had not reached normal retirement age must have a minimum break in service of at least the greater of (a) any required separation from service prior to return to work required under the terms of the California Public Employees' Pension Reform Act of 2013 ("PEPRA") or (b) a 15 calendar day separation from service; and

WHEREAS, the Board of Retirement determined by policy adopted on April 12, 2018 that the minimum calendar-day separation should be 60 days rather than 15 days, which is consistent with requirements under Code section 401(a);

NOW, THEREFORE, BE IT RESOLVED that the Board of Retirement hereby amends the Regulation for IRC Code §401(a) to reflect the prior change in MCERA procedures to read as follows:

Section II.2. is amended effective as of April 12, 2018 to read:

"2. Prior to entering into an agreement to return or returning to employment with the County, or a participating employer under the Association, while retired, the Member must have a separation from service of at least the greater of (a) any required separation from service prior to return to work required under the terms of the California Public Employees' Pension Reform Act of 2013 or (b) a 60 calendar day separation from service."

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ADOPTED: \_\_\_\_\_, 2019

Aye:

Nay:

Abstain:

Absent:

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Darlene Ingersoll, Chair

ATTEST:

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Kristen Santos, Plan Administrator

**BOARD OF RETIREMENT  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
RESOLUTION NO. 2019-**

**RESOLUTION  
AMENDING REGULATION FOR INTERNAL REVENUE CODE  
SECTION 401(a)(9) (REQUIRED MINIMUM DISTRIBUTIONS)**

WHEREAS, the Board of Retirement for the Merced County Employees' Retirement Association ("MCERA") administers MCERA for the benefit of its members and their beneficiaries; and

WHEREAS, MCERA is intended to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or replaced from time to time and the regulations issued thereunder as applicable; and

WHEREAS, the Board of Retirement submitted to the Internal Revenue Service ("IRS") a request for a favorable determination that MCERA meets the applicable requirements of the Code; and

WHEREAS, the plan documents, including Regulations of the Board of Retirement, were submitted for review with MCERA's determination letter application; and

WHEREAS, Code section 401(a)(9) and IRS guidance issued under that Code section establish very complex rules concerning the time at which distributions of benefits to members and beneficiaries must commence and the period over which the benefits must be paid; and

WHEREAS, the granting of the favorable determination letter by the IRS was contingent upon MCERA's adoption of approved model tax regulations reviewed by the IRS; and

WHEREAS, the model tax regulation adopted under Code section 401(a)(9) by the Board of Retirement on January 14, 2016, provided specific distribution rules, based on good faith compliance with the IRS rules as permitted for governmental plans, and those rules are structured to provide for compliance with both the federal tax rules and the California state laws that apply to distributions from MCERA, including rules regarding payment of benefits to non-spouse beneficiaries more than 10 years younger than the member; and

WHEREAS, the Board of Retirement has now determined to adopt distribution rules limiting distributions of benefits to non-spouse beneficiaries more than 10 years younger than the member, as provided by the provisions of 401(a)(9), and to eliminate the elective provision in that regulation that provided for the payment of a lump-sum benefit for such beneficiaries, representing the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with the provisions of 401(a)(9);

NOW, THEREFORE, BE IT RESOLVED that the Board of Retirement hereby amends the Regulation for IRC Code §401(a)(9), as follows:

The first paragraph of Section I.A.1 is amended to read:

"A. Purpose and Effective Date

In accordance with sections 31485.14, 31525 and 31706 of the California Government Code, the regulations set forth herein are effective as of January 1, 2016, except to the extent otherwise provided herein and reaffirm and clarify the existing practices of the Stanislaus County Employees' Retirement Association (the "Association") with respect to the minimum distribution requirements under section 401(a)(9) of the Internal Revenue Code (the "Code")."

Section III.D.3 is amended to read:

"3. Rule Regarding Other Beneficiaries

For members who retired between January 1, 2016 and April 25, 2019, solely to the extent required by section 401(a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to survivor benefits. Effective April 25, 2019, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), then the survivor benefit shall be calculated in accordance with Treasury regulations section 1.401(a)(9)-6, Q&A-2(c)."

Section III.E.4 is amended to read:

"4. Rule Regarding Other Beneficiaries

For members who retired between January 1, 2016 and April 25, 2019, under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit. Effective April 25, 2019, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 3 of this subsection E), then the survivor benefit shall be calculated in accordance with Treasury regulations section 1.401(a)(9)-6, Q&A-2(c)."

ADOPTED: \_\_\_\_\_, 2019

Aye:

Nay:

Abstain:

Absent:

\_\_\_\_\_  
Darlene Ingersoll, Chair

ATTEST:

\_\_\_\_\_  
Kristen Santos, Plan Administrator

# FUND EVALUATION REPORT

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## Merced County Employees' Retirement Association

Monthly Performance Review  
As of March 31, 2019



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M E K E T A   I N V E S T M E N T   G R O U P

BOSTON  
MASSACHUSETTS

CHICAGO  
ILLINOIS

MIAMI  
FLORIDA

NEW YORK  
NEW YORK

PORTLAND  
OREGON

SAN DIEGO  
CALIFORNIA

LONDON  
UNITED KINGDOM

[www.meketagroup.com](http://www.meketagroup.com)

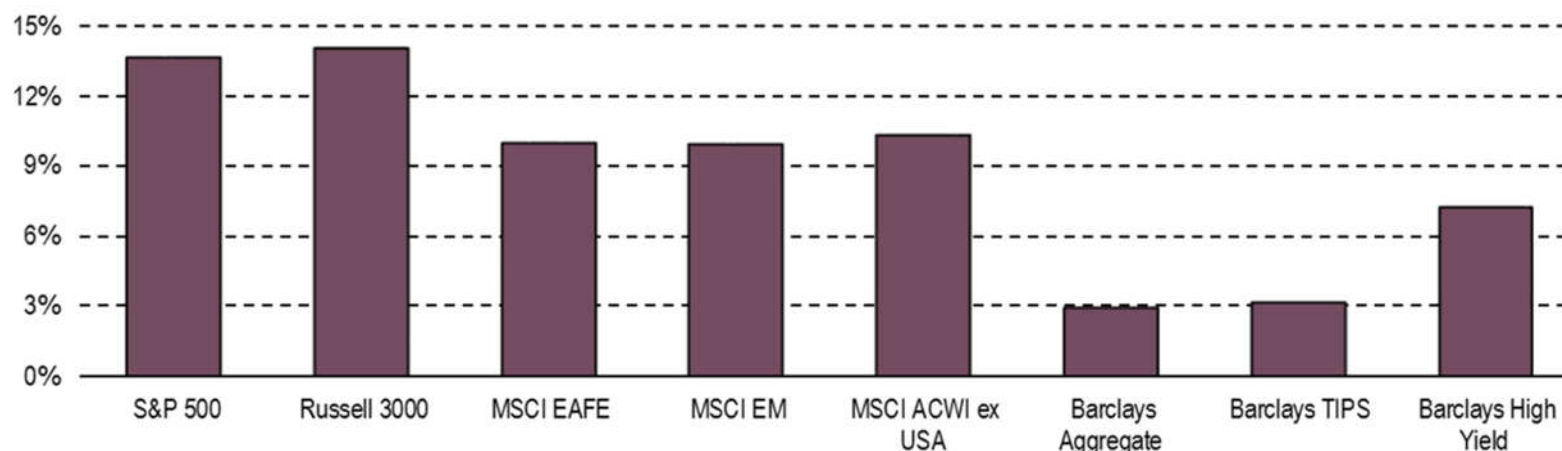
- 1. Executive Summary**
- 2. Monthly Performance Review As of March 31, 2019**
- 3. Disclaimer**

## **Executive Summary**

### **As of March 31, 2019**

## Market Review for Q1 2019

Q1 Returns for Major Indices



Growth > Value

US Treasury 10 yr: -28 basis points

Small Cap > Large Cap

## Commentary

- World stocks and credit markets rebounded considerably from the fourth quarter of 2018.
- Equity markets were up close to, or into the double digits in most areas of the world.
- More optimism in trade relations & major central banks steering away from tighter monetary policy.
- Strong results across risk assets, despite Brexit uncertainty and slowing of global economic growth.
- Interest rates generally fell & lower quality bonds outpaced higher quality.



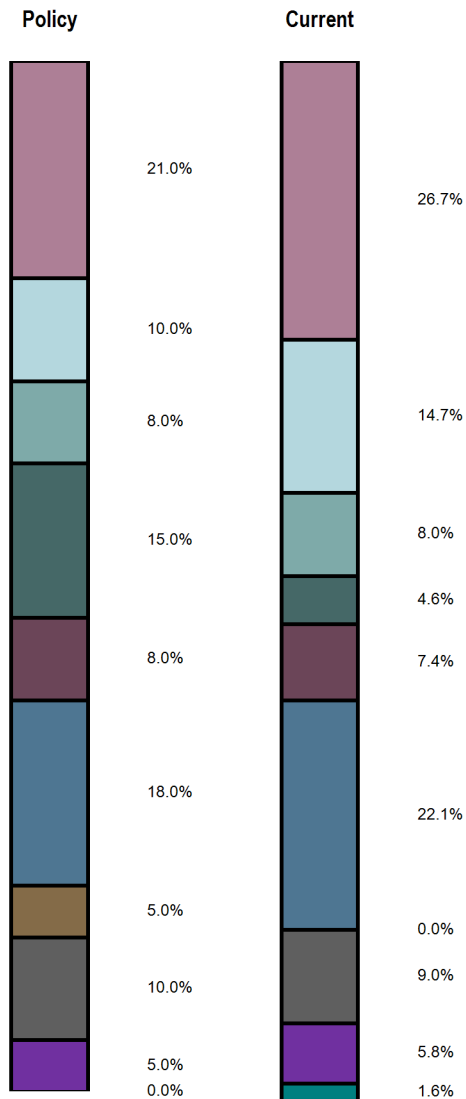
## MCERA Portfolio Overview

**As of March 31, 2019, total assets stood at \$836.0 million.**

- For the month of March, the MCERA Portfolio posted a +1.0% return, keeping pace with the Policy benchmark. Most asset classes were modestly positive in this month.
- Q1 2019 was a very strong period, with many segments of the global equity market posting double digit returns. The MCERA Portfolio recorded a return of +7.6% for the period, outpacing its Policy benchmark by approximately +100 basis points.
- As expected, the Total Equity portion of the portfolio was the salient positive factor during the quarter in both an absolute and relative basis. Emerging Markets Equity manager Wells Capital was a key contributor as it posted a +13.8% return, exceeding the MSCI Emerging Markets Index by +3.9% for the quarter. January was the big month for this manager as it posted a +10.8% return (+8.8% for MSCI Emerging Markets Index), with notable positive contributions to relative performance for the month from China/Hong Kong, India and Brazil. At the end of the period, Wells Capital had approximately 39.7% allocation to China/Hong Kong, with about half of the positive excess return for the quarter explained by this exposure (mostly through selection).
- The Fixed Income aggregate kept pace with its benchmark, posting positive returns of +2.6% for Q1.
- Through Q1, U.S. Equity, Private Equity, and Opportunistic Credit were out of policy ranges.
  - U.S. Equity has purposely been left overweight relative to the policy target as it will be one of the main sources of future Private Equity commitments, and equities are the most closely aligned asset class.
  - As you recall, it will take considerable time to fund up to the policy target for Private Equity, hence the significant underweight to the new asset allocation policy target.
  - The Board recently approved two new managers within Opportunistic Credit in the March meeting; we should see this space funded for the next performance report.
- A full comprehensive Q1 2019 report will be reviewed at the next meeting. No current recommendations.

## **Monthly Performance Review As of March 31, 2019**

As of March 31, 2019

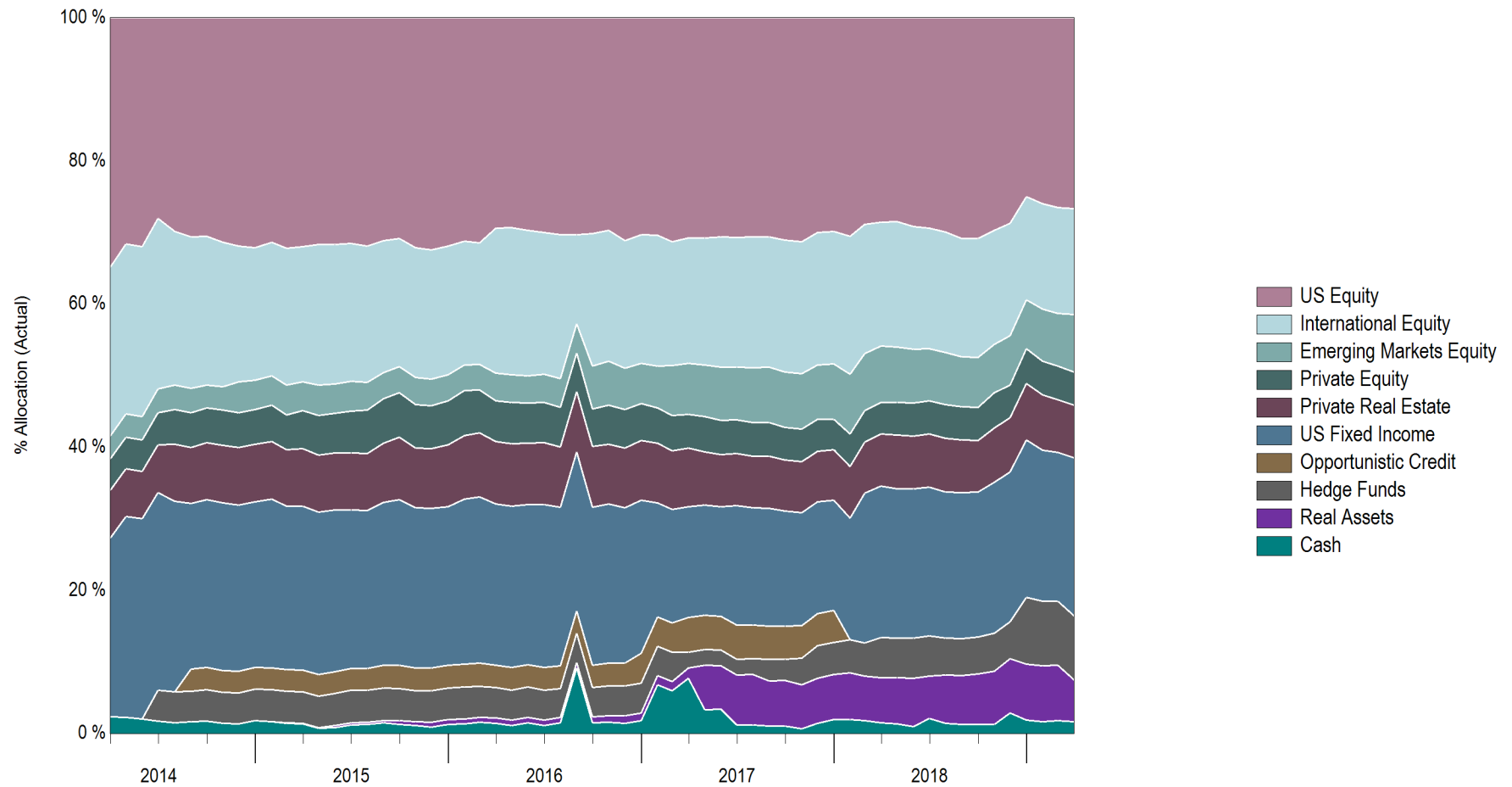


Cash range displayed for illustrative purposes only.

## Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
US Equity	\$223,381,378	26.7%	21.0%	5.7%	15.0% - 26.0%	No
International Equity	\$123,207,291	14.7%	10.0%	4.7%	5.0% - 15.0%	Yes
Emerging Markets Equity	\$67,248,736	8.0%	8.0%	0.0%	4.0% - 12.0%	Yes
Private Equity	\$38,528,597	4.6%	15.0%	-10.4%	5.0% - 20.0%	No
Private Real Estate	\$61,583,837	7.4%	8.0%	-0.6%	6.0% - 10.0%	Yes
US Fixed Income	\$184,574,864	22.1%	18.0%	4.1%	13.0% - 23.0%	Yes
Opportunistic Credit	--	--	5.0%	-5.0%	3.0% - 7.0%	No
Hedge Funds	\$74,906,340	9.0%	10.0%	-1.0%	5.0% - 15.0%	Yes
Real Assets	\$48,797,626	5.8%	5.0%	0.8%	3.0% - 7.0%	Yes
Cash	\$13,733,940	1.6%	0.0%	1.6%	0.0% - 5.0%	Yes
<b>Total</b>	<b>\$835,962,608</b>	<b>100.0%</b>	<b>100.0%</b>			

Asset Allocation History  
5 Years Ending March 31, 2019



As of March 31, 2019

## Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund (Net)*</b>	<b>835,962,608</b>	<b>100.0</b>	<b>1.0</b>	<b>2.0</b>	<b>7.6</b>	<b>3.3</b>	<b>8.3</b>	<b>6.0</b>	<b>10.1</b>	<b>7.9</b>	<b>Dec-94</b>
<b>Total Fund (Gross)*</b>			<b>1.0</b>	<b>2.2</b>	<b>7.7</b>	<b>3.5</b>	<b>8.6</b>	<b>6.3</b>	<b>10.5</b>	<b>8.1</b>	
<i>Policy Index</i>			<i>1.1</i>	<i>1.5</i>	<i>6.6</i>	<i>2.8</i>	<i>8.6</i>	<i>6.3</i>	<i>10.7</i>	<i>5.9</i>	<i>Dec-94</i>
<b>Total Fund w/o Alternatives (Net)</b>	<b>598,412,270</b>	<b>71.6</b>	<b>1.2</b>	<b>1.8</b>	<b>9.7</b>	<b>2.5</b>	<b>8.8</b>	<b>5.9</b>	<b>--</b>	<b>--</b>	<b>Dec-94</b>
<b>Total Fund w/o Alternatives (Gross)</b>			<b>1.3</b>	<b>2.0</b>	<b>9.8</b>	<b>2.8</b>	<b>9.1</b>	<b>6.2</b>	<b>--</b>	<b>--</b>	
<i>Policy Index w/o AI</i>			<i>1.2</i>	<i>2.5</i>	<i>9.3</i>	<i>3.1</i>	<i>8.9</i>	<i>5.9</i>	<i>--</i>	<i>--</i>	<i>Dec-94</i>
<b>US Equity (Net)</b>	<b>223,381,378</b>	<b>26.7</b>	<b>1.5</b>	<b>3.4</b>	<b>14.6</b>	<b>7.9</b>	<b>13.9</b>	<b>11.1</b>	<b>16.4</b>	<b>9.9</b>	<b>Dec-94</b>
<b>US Equity (Gross)</b>			<b>1.5</b>	<b>3.6</b>	<b>14.6</b>	<b>8.1</b>	<b>14.1</b>	<b>11.3</b>	<b>16.6</b>	<b>10.0</b>	
<i>80% R1000 / 20% R2000</i>			<i>1.0</i>	<i>3.3</i>	<i>14.1</i>	<i>7.9</i>	<i>13.5</i>	<i>10.0</i>	<i>15.8</i>	<i>9.9</i>	<i>Dec-94</i>
<b>International Equity (Net)</b>	<b>190,456,027</b>	<b>22.8</b>	<b>0.6</b>	<b>-2.2</b>	<b>11.4</b>	<b>-4.7</b>	<b>8.0</b>	<b>2.3</b>	<b>9.4</b>	<b>5.1</b>	<b>Dec-98</b>
<b>International Equity (Gross)</b>			<b>0.7</b>	<b>-1.9</b>	<b>11.6</b>	<b>-4.4</b>	<b>8.4</b>	<b>2.8</b>	<b>10.0</b>	<b>5.3</b>	
<i>International Equity Custom</i>			<i>0.8</i>	<i>-1.3</i>	<i>10.1</i>	<i>-4.4</i>	<i>9.0</i>	<i>3.3</i>	<i>9.2</i>	<i>4.3</i>	<i>Dec-98</i>
<b>US Fixed Income (Net)</b>	<b>184,574,864</b>	<b>22.1</b>	<b>1.6</b>	<b>4.2</b>	<b>2.6</b>	<b>4.2</b>	<b>3.2</b>	<b>2.9</b>	<b>4.7</b>	<b>5.3</b>	<b>Dec-94</b>
<b>US Fixed Income (Gross)</b>			<b>1.6</b>	<b>4.3</b>	<b>2.6</b>	<b>4.4</b>	<b>3.4</b>	<b>3.1</b>	<b>5.1</b>	<b>5.4</b>	
<i>US Fixed Custom</i>			<i>1.7</i>	<i>4.3</i>	<i>2.6</i>	<i>4.2</i>	<i>3.3</i>	<i>3.1</i>	<i>4.0</i>	<i>5.6</i>	<i>Dec-94</i>
<b>Hedge Fund (Net)</b>	<b>74,906,340</b>	<b>9.0</b>	<b>0.8</b>	<b>-0.5</b>	<b>3.8</b>	<b>1.5</b>	<b>6.4</b>	<b>--</b>	<b>--</b>	<b>3.7</b>	<b>Jun-14</b>
<b>Hedge Fund (Gross)</b>			<b>0.8</b>	<b>-0.4</b>	<b>3.8</b>	<b>1.6</b>	<b>6.5</b>	<b>--</b>	<b>--</b>	<b>3.8</b>	
<i>Hedge Fund Custom</i>			<i>1.3</i>	<i>0.0</i>	<i>5.0</i>	<i>0.5</i>	<i>4.4</i>	<i>--</i>	<i>--</i>	<i>2.7</i>	<i>Jun-14</i>
<b>Private Equity (Net)</b>	<b>38,528,597</b>	<b>4.6</b>	<b>0.0</b>	<b>7.6</b>	<b>2.0</b>	<b>14.4</b>	<b>11.7</b>	<b>9.8</b>	<b>8.0</b>	<b>8.1</b>	<b>Jun-05</b>
<b>Private Equity (Gross)</b>			<b>0.0</b>	<b>7.6</b>	<b>2.0</b>	<b>14.4</b>	<b>11.7</b>	<b>9.8</b>	<b>8.2</b>	<b>8.3</b>	
<i>Thomson Reuters Cambridge Private Equity Index</i>			<i>0.0</i>	<i>3.8</i>	<i>0.0</i>	<i>9.4</i>	<i>14.7</i>	<i>12.6</i>	<i>--</i>	<i>--</i>	<i>Jun-05</i>
<b>Real Assets (Net)</b>	<b>110,381,463</b>	<b>13.2</b>	<b>0.3</b>	<b>3.9</b>	<b>3.2</b>	<b>6.2</b>	<b>6.3</b>	<b>7.2</b>	<b>--</b>	<b>--</b>	<b>Mar-99</b>
<b>Real Assets (Gross)</b>			<b>0.3</b>	<b>4.0</b>	<b>3.3</b>	<b>6.3</b>	<b>6.5</b>	<b>8.0</b>	<b>--</b>	<b>--</b>	
<i>Real Asset Custom</i>			<i>1.4</i>	<i>2.5</i>	<i>5.7</i>	<i>5.4</i>	<i>8.8</i>	<i>7.0</i>	<i>--</i>	<i>--</i>	<i>Mar-99</i>

Data prior to March 2018 provided by prior consultant



As of March 31, 2019

	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Real Estate (Net)</b>	<b>61,583,837</b>	<b>7.4</b>	<b>0.0</b>	<b>5.3</b>	<b>1.9</b>	<b>7.2</b>	<b>7.0</b>	<b>7.8</b>	<b>--</b>	<b>--</b>	<b>Mar-99</b>
<b>Private Real Estate (Gross)</b>			<b>0.0</b>	<b>5.3</b>	<b>1.9</b>	<b>7.2</b>	<b>7.3</b>	<b>8.6</b>	<b>9.1</b>	<b>8.7</b>	
<i>NCREIF ODCE (net)</i>			<i>1.2</i>	<i>4.7</i>	<i>1.2</i>	<i>6.6</i>	<i>7.0</i>	<i>9.2</i>	<i>7.7</i>	<i>7.5</i>	<i>Mar-99</i>
<b>Private Infrastructure (Net)</b>	<b>21,391,920</b>	<b>2.6</b>	<b>0.0</b>	<b>4.1</b>	<b>0.0</b>	<b>5.7</b>	<b>9.7</b>	<b>--</b>	<b>--</b>	<b>6.4</b>	<b>Dec-14</b>
<b>Private Infrastructure (Gross)</b>			<b>0.0</b>	<b>4.1</b>	<b>0.0</b>	<b>5.7</b>	<b>9.7</b>	<b>--</b>	<b>--</b>	<b>6.4</b>	
<i>S&amp;P Global Infrastructure Net TR USD</i>			<i>2.4</i>	<i>5.8</i>	<i>13.8</i>	<i>8.2</i>	<i>7.7</i>	<i>4.5</i>	<i>--</i>	<i>4.2</i>	<i>Dec-14</i>
<b>Private Natural Resources (Net)</b>	<b>10,826,703</b>	<b>1.3</b>	<b>0.0</b>	<b>8.8</b>	<b>2.1</b>	<b>11.0</b>	<b>17.3</b>	<b>--</b>	<b>--</b>	<b>17.6</b>	<b>Sep-15</b>
<b>Private Natural Resources (Gross)</b>			<b>0.0</b>	<b>8.8</b>	<b>2.1</b>	<b>11.0</b>	<b>17.3</b>	<b>--</b>	<b>--</b>	<b>17.6</b>	
<i>S&amp;P Global Natural Resources Index TR USD</i>			<i>1.0</i>	<i>-5.2</i>	<i>12.4</i>	<i>-0.1</i>	<i>13.4</i>	<i>1.8</i>	<i>4.9</i>	<i>14.4</i>	<i>Sep-15</i>
<b>Cash (Net)</b>	<b>13,733,940</b>	<b>1.6</b>	<b>0.1</b>	<b>0.8</b>	<b>0.3</b>	<b>0.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Cash (Gross)</b>			<b>0.1</b>	<b>0.8</b>	<b>0.3</b>	<b>0.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	

\*One or more accounts have been excluded from the composite for the purposes of performance calculations and market value.

As of March 31, 2019

## Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund(Net)*</b>	<b>835,962,608</b>	<b>100.0</b>	<b>--</b>	<b>1.0</b>	<b>2.0</b>	<b>7.6</b>	<b>3.3</b>	<b>8.3</b>	<b>6.0</b>	<b>10.1</b>	<b>7.9</b>	<b>Dec-94</b>
<i>Policy Index</i>				1.1	1.5	6.6	2.8	8.6	6.3	10.7	5.9	Dec-94
<b>Total Fund w/o Alternatives(Net)</b>	<b>598,412,270</b>	<b>71.6</b>	<b>71.6</b>	<b>1.2</b>	<b>1.8</b>	<b>9.7</b>	<b>2.5</b>	<b>8.8</b>	<b>5.9</b>	<b>--</b>	<b>--</b>	<b>Dec-94</b>
<i>Policy Index w/o AI</i>				1.2	2.5	9.3	3.1	8.9	5.9	--	--	Dec-94
<b>US Equity(Net)</b>	<b>223,381,378</b>	<b>26.7</b>	<b>37.3</b>	<b>1.5</b>	<b>3.4</b>	<b>14.6</b>	<b>7.9</b>	<b>13.9</b>	<b>11.1</b>	<b>16.4</b>	<b>9.9</b>	<b>Dec-94</b>
<i>80% R1000 / 20% R2000</i>				1.0	3.3	14.1	7.9	13.5	10.0	15.8	9.9	Dec-94
Mellon Dynamic US Equity(Net)	81,155,671	9.7	36.3	3.1	6.1	15.9	9.6	15.5	13.4	--	17.0	Dec-12
<i>S&amp;P 500</i>				1.9	5.9	13.6	9.5	13.5	10.9	15.9	13.9	Dec-12
Mellon Large Cap(Net)	107,058,152	12.8	47.9	1.7	5.6	14.0	9.3	13.5	--	--	13.5	Mar-16
<i>Russell 1000</i>				1.7	5.5	14.0	9.3	13.5	10.6	16.0	13.5	Mar-16
DFA Small Cap(Net)	17,511,053	2.1	7.8	-3.0	-6.8	12.0	-0.2	10.5	--	--	6.8	Jun-14
<i>Russell 2000</i>				-2.1	-5.3	14.6	2.0	12.9	7.1	15.4	7.0	Jun-14
PanAgora(Net)	17,656,502	2.1	7.9	-2.9	-8.4	14.3	0.5	11.4	7.2	--	8.9	Sep-13
<i>Russell 2000</i>				-2.1	-5.3	14.6	2.0	12.9	7.1	15.4	8.2	Sep-13
<b>International Equity(Net)</b>	<b>190,456,027</b>	<b>22.8</b>	<b>31.8</b>	<b>0.6</b>	<b>-2.2</b>	<b>11.4</b>	<b>-4.7</b>	<b>8.0</b>	<b>2.3</b>	<b>9.4</b>	<b>5.1</b>	<b>Dec-98</b>
<i>International Equity Custom</i>				0.8	-1.3	10.1	-4.4	9.0	3.3	9.2	4.3	Dec-98
Copper Rock(Net)	20,354,170	2.4	10.7	0.8	-10.9	11.8	-12.3	2.6	1.8	--	4.1	Sep-13
<i>MSCI World ex USA Small Cap</i>				-0.1	-7.8	10.9	-8.7	7.3	3.7	12.2	5.0	Sep-13
Mellon International(Net)	102,853,121	12.3	54.0	0.7	-2.4	10.0	-3.2	7.7	--	--	7.7	Mar-16
<i>MSCI EAFE</i>				0.6	-2.5	10.0	-3.7	7.3	2.3	9.0	7.3	Mar-16
Wells Capital(Net)	67,248,736	8.0	35.3	0.5	1.4	13.8	-5.0	11.6	4.5	--	3.1	Mar-12
<i>MSCI Emerging Markets</i>				0.8	0.6	9.9	-7.4	10.7	3.7	8.9	2.7	Mar-12

Historical returns for the US Equity Composite prior to January 2012 and for the International Equity Composite prior to December 2010 are gross only.



As of March 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>US Fixed Income(Net)</b>	<b>184,574,864</b>	<b>22.1</b>	<b>30.8</b>	<b>1.6</b>	<b>4.2</b>	<b>2.6</b>	<b>4.2</b>	<b>3.2</b>	<b>2.9</b>	<b>4.7</b>	<b>5.3</b>	<b>Dec-94</b>
<i>US Fixed Custom</i>				1.7	4.3	2.6	4.2	3.3	3.1	4.0	5.6	Dec-94
Barrow Hanley(Net)	136,991,243	16.4	74.2	1.9	4.7	3.1	4.6	2.0	2.7	--	3.3	Mar-10
<i>BBgBarc US Aggregate TR</i>				1.9	4.6	2.9	4.5	2.0	2.7	3.8	3.3	Mar-10
Vanguard Short-Term Treasury Index Fund(Net)	47,583,621	5.7	25.8	0.7	2.5	1.0	2.7	--	--	--	2.7	Feb-18
<i>BBgBarc US Govt 1-3 Yr TR</i>				0.6	2.5	1.0	2.7	1.0	1.0	1.1	2.7	Feb-18
<b>Hedge Fund(Net)</b>	<b>74,906,340</b>	<b>9.0</b>	<b>9.0</b>	<b>0.8</b>	<b>-0.5</b>	<b>3.8</b>	<b>1.5</b>	<b>6.4</b>	<b>--</b>	<b>--</b>	<b>3.7</b>	<b>Jun-14</b>
<i>Hedge Fund Custom</i>				1.3	0.0	5.0	0.5	4.4	--	--	2.7	Jun-14
OZ Domestic II(Net)	10,144,211	1.2	13.5	1.6	2.3	9.2	4.3	9.0	--	--	5.8	Jun-14
Graham Absolute Return(Net)	7,234,742	0.9	9.7	-0.4	-1.1	3.3	1.0	--	--	--	1.9	Aug-17
Wellington-Archipelago(Net)	11,697,160	1.4	15.6	1.3	1.4	8.6	1.6	--	--	--	4.7	Aug-17
KLS Diversified(Net)	9,124,788	1.1	12.2	-0.7	-2.5	0.5	1.6	--	--	--	1.6	Oct-17
Winton(Net)	6,075,612	0.7	8.1	1.8	-1.5	0.3	0.8	--	--	--	1.6	Oct-17
Marshall Wace Eureka(Net)	3,148,339	0.4	4.2	1.6	-1.4	4.5	0.1	--	--	--	3.4	Nov-17
Silver Point Capital(Net)	12,138,007	1.5	16.2	0.2	-2.7	2.1	-0.8	--	--	--	1.2	Nov-17
<i>HFRI Fund of Funds Composite Index</i>				0.9	-0.4	4.6	0.1	3.9	2.2	3.5	1.0	Nov-17
Laurion Capital(Net)	5,189,381	0.6	6.9	1.2	--	1.5	--	--	--	--	4.8	Aug-18
Taconic Opportunity Fund(Net)	10,154,101	1.2	13.6	1.1	--	1.9	--	--	--	--	--	Dec-18

Historical returns for the US Fixed Income Composite prior to December 2010 and for Barrow Hanley prior to June 2010 are gross only.





As of March 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Equity(Net)</b>	<b>38,528,597</b>	<b>4.6</b>	<b>4.6</b>	<b>0.0</b>	<b>7.6</b>	<b>2.0</b>	<b>14.4</b>	<b>11.7</b>	<b>9.8</b>	<b>8.0</b>	<b>8.1</b>	<b>Jun-05</b>
<i>Thomson Reuters Cambridge Private Equity Index</i>				<i>0.0</i>	<i>3.8</i>	<i>0.0</i>	<i>9.4</i>	<i>14.7</i>	<i>12.6</i>	<i>--</i>	<i>--</i>	<i>Jun-05</i>
Adams Street(Net)	7,585,202	0.9	19.7	0.0	8.8	0.0	12.5	12.3	12.4	10.6	7.0	Sep-05
Invesco IV(Net)	474,703	0.1	1.2	0.0	-19.1	0.0	-16.1	5.7	7.1	7.6	8.2	Jun-05
Invesco VI(Net)	5,976,760	0.7	15.5	0.0	5.3	0.0	10.4	11.8	13.3	--	11.9	Jun-13
Ocean Avenue II(Net)	9,730,272	1.2	25.3	0.0	13.8	8.0	32.7	22.0	--	--	12.5	Jun-14
Pantheon I(Net)	1,008,811	0.1	2.6	0.0	5.0	0.0	8.2	7.1	5.6	5.6	3.8	Dec-05
Pantheon II(Net)	3,962,978	0.5	10.3	0.0	10.1	0.0	14.9	14.0	11.4	--	11.7	Dec-11
Pantheon Secondary(Net)	1,223,060	0.1	3.2	0.0	18.3	0.0	15.3	6.4	4.2	1.7	4.1	Jun-07
Raven Asset Fund II(Net)	3,332,582	0.4	8.6	0.0	4.0	0.0	5.9	-0.2	--	--	-1.8	Aug-14
Davidson Kempner Long-Term Distressed Opportunities Fund IV(Net)	2,895,578	0.3	7.5	0.0	15.1	2.8	15.9	--	--	--	15.9	Apr-18
GTCR Fund XII(Net)	1,026,416	0.1	2.7	0.0	0.0	0.0	--	--	--	--	0.0	Jun-18
Carrick Capital Partners III(Net)	786,235	0.1	2.0	0.0	--	0.0	--	--	--	--	-4.8	Aug-18
Cressey & Company Fund VI(Net)	500,000	0.1	1.3	0.0	--	0.0	--	--	--	--	0.0	Jan-19

All private markets performance and market values reflect a 9/30/2018 capital account balance unless otherwise noted.

The market values for the following funds reflect a 12/31/2018 capital account balance: Davidson Kempner Long-Term Distressed Opportunities Fund IV and Ocean Avenue Fund II.

Adams Street includes Adams Street 2005, Adams Street 2007, and Adams Street 2011.

The market value for Invesco VI is preliminary and not adjusted for management fees until final call/distribution data can be verified.

Historical returns for Invesco IV prior to April 2012 are gross only.

Pantheon I includes Pantheon US Fund VI and Pantheon Europe Fund IV.

Pantheon II includes Pantheon US Fund IX, Pantheon Asia Fund VI, and Pantheon Europe Fund VII.

Pantheon Secondary includes Pantheon GLO SEC III B.



As of March 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
TCV X(Net)	26,000	0.0	0.1	0.0	--	--	--	--	--	--	--	Apr-19
<b>Real Assets(Net)</b>	<b>110,381,463</b>	<b>13.2</b>	<b>13.2</b>	<b>0.3</b>	<b>3.9</b>	<b>3.2</b>	<b>6.2</b>	<b>6.3</b>	<b>7.2</b>	<b>--</b>	<b>--</b>	<b>Mar-99</b>
Real Asset Custom				1.4	2.5	5.7	5.4	8.8	7.0	--	--	Mar-99
SSgA(Net)	16,579,003	2.0	15.0	1.2	0.4	8.9	3.7	--	--	--	4.3	Apr-17
Real Asset Custom				1.4	2.5	5.7	5.4	8.8	7.0	--	7.3	Apr-17
<b>Private Real Estate(Net)</b>	<b>61,583,837</b>	<b>7.4</b>	<b>55.8</b>	<b>0.0</b>	<b>5.3</b>	<b>1.9</b>	<b>7.2</b>	<b>7.0</b>	<b>7.8</b>	<b>--</b>	<b>--</b>	<b>Mar-99</b>
NCREIF ODCE (net)				1.2	4.7	1.2	6.6	7.0	9.2	7.7	7.5	Mar-99
Greenfield Gap VII(Net)	10,577,944	1.3	17.2	0.0	5.2	0.0	5.9	11.1	--	--	12.1	Dec-14
Patron Capital V(Net)	5,703,497	0.7	9.3	0.0	6.5	5.6	13.4	17.2	--	--	16.2	Jan-16
UBS Trumbull Property(Net)	42,952,430	5.1	69.7	0.0	5.0	1.7	6.8	5.1	7.4	6.8	7.3	Mar-99
Carlyle Realty VIII(Net)	581,501	0.1	0.9	0.0	2.9	35.1	2.9	--	--	--	-20.5	Dec-17
Taconic CRE Dislocation Fund II(Net)	1,691,598	0.2	2.7	0.0	--	-0.7	--	--	--	--	-0.7	Nov-18
Carmel Partners Investment Fund VII(Net)	76,866	0.0	0.1	--	--	--	--	--	--	--	--	Apr-19
<b>Private Infrastructure(Net)</b>	<b>21,391,920</b>	<b>2.6</b>	<b>19.4</b>	<b>0.0</b>	<b>4.1</b>	<b>0.0</b>	<b>5.7</b>	<b>9.7</b>	<b>--</b>	<b>--</b>	<b>6.4</b>	<b>Dec-14</b>
S&P Global Infrastructure Net TR USD				2.4	5.8	13.8	8.2	7.7	4.5	--	4.2	Dec-14
KKR Global II(Net)	10,268,249	1.2	48.0	0.0	6.3	0.3	8.0	9.2	--	--	10.0	Dec-14
North Haven Infrastructure II(Net)	9,619,275	1.2	45.0	0.0	4.6	0.0	6.0	11.9	--	--	6.0	May-15

The market values for the following funds reflect a 12/31/2018 capital account balance: Patron Capital V, UBS Trumbull Property, Carlyle Realty VIII, Taconic CRE Dislocation, KKR Global II and KKR Global Infrastructure Investors III.

As of March 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
ISQ Global Infrastructure Fund II(Net)	1,195,788	0.1	5.6	0.0	-31.9	0.0	--	--	--	--	-31.9	Jul-18
<i>DJ Brookfield Global Infrastructure Net TR USD</i>				3.2	8.0	15.7	12.5	8.7	5.7	13.4	8.0	Jul-18
KKR Global Infrastructure Investors III(Net)	308,608	0.0	1.4	0.0	--	-10.9	--	--	--	--	-10.9	Jan-19
<b>Private Natural Resources(Net)</b>	<b>10,826,703</b>	<b>1.3</b>	<b>9.8</b>	<b>0.0</b>	<b>8.8</b>	<b>2.1</b>	<b>11.0</b>	<b>17.3</b>	<b>--</b>	<b>--</b>	<b>17.6</b>	<b>Sep-15</b>
<i>S&amp;P Global Natural Resources Index TR USD</i>				1.0	-5.2	12.4	-0.1	13.4	1.8	4.9	14.4	Sep-15
EnCap XI(Net)	598,054	0.1	5.5	0.0	-14.0	-4.6	-19.2	--	--	--	-35.0	Jul-17
EnCap IV(Net)	827,735	0.1	7.6	0.0	-9.1	0.6	-16.5	--	--	--	-15.4	Feb-18
GSO Energy Opportunities(Net)	4,511,546	0.5	41.7	0.0	5.0	0.0	7.4	20.3	--	--	17.4	Nov-15
Taurus Mining(Net)	2,729,061	0.3	25.2	0.0	15.0	4.9	18.7	14.6	--	--	18.1	Sep-15
Taurus Mining Annex(Net)	2,160,307	0.3	20.0	0.0	23.7	7.3	28.3	--	--	--	31.4	Jan-17
<b>Cash(Net)</b>	<b>13,733,940</b>	<b>1.6</b>	<b>1.6</b>	<b>0.1</b>	<b>0.8</b>	<b>0.3</b>	<b>0.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
Cash(Net)	8,438,358	1.0	61.4	0.2	1.2	0.4	1.3	1.1	0.8	--	--	Sep-03
Treasury Cash(Net)	5,295,581	0.6	38.6									

\*One or more accounts have been excluded from the composite for the purposes of performance calculations and market value.

The market values for the following funds reflect a 12/31/2018 capital account balance: Encap XI, Encap IV, Taurus Mining, Taurus Mining Annex.



## Merced County Employees' Retirement Association

As of March 31, 2019

## Benchmark History

As of March 31, 2019

## Total Fund

1/1/2019	Present	21% US Equity Custom / 18% International Equity Custom / 23% US Fixed Custom / 10% Hedge Fund Custom / 15% Thomson Reuters Cambridge Private Equity Index / 13% Real Asset Custom
1/1/2017	12/31/2018	27% US Equity Custom / 23% International Equity Custom / 22% US Fixed Custom / 5% Hedge Fund Custom / 9% Thomson Reuters Cambridge Private Equity Index / 14% Real Asset Custom
7/1/2014	12/31/2016	22.7% Russell 1000 / 5.7% Russell 2000 / 23.6% International Equity Custom / 28.5% US Fixed Custom / 4.5% Hedge Fund Custom / 8% NCREIF ODCE (net) / 7% Cambridge Assoc. U.S. Private Equity Index

## US Equity

12/31/1994	Present	80% Russell 1000 / 20% Russell 2000
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## International Equity

1/1/2019	Present	56% MSCI EAFE Gross / 44% MSCI Emerging Markets Gross
1/1/2017	12/31/2018	69.56% MSCI EAFE Gross / 30.44% MSCI Emerging Markets Gross
7/1/2013	12/31/2016	MSCI ACWI ex USA Gross

## US Fixed Income

3/1/2018	Present	77.27% BBgBarc US Aggregate TR / 22.73% BBgBarc US Govt 1-5 Yr TR
1/1/2017	2/28/2018	77.27% BBgBarc US Aggregate TR / 22.73% Credit Suisse Leveraged Loans
8/1/2014	12/31/2016	71.93% BBgBarc US Aggregate TR / 17.54% ICE BofAML US High Yield TR / 10.53% Credit Suisse Leveraged Loans

## Hedge Fund

7/1/2017	Present	100% HFRI Fund of Funds Composite Index
1/1/2015	6/30/2017	50% HFRI Fund of Funds Composite Index / 50% HFRI RV: Multi-Strategy Index

## Real Assets

1/1/2019	Present	62% NCREIF ODCE (net) / 19% S&P Global Natural Resources Index TR USD / 19% S&P Global Infrastructure TR USD
6/1/2013	12/31/2018	57.14% NCREIF ODCE (net) / 21.43% S&P Global Natural Resources Index TR USD / 21.43% S&P Global Infrastructure TR USD



As of March 31, 2019

## Annual Investment Expense Analysis

As Of March 31, 2019

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
<b>Total Fund w/o Alternatives</b>		<b>\$598,412,270</b>		
<b>US Equity</b>		<b>\$223,381,378</b>		
Mellon Dynamic US Equity	0.30% of Assets	\$81,155,671	\$243,467	0.30%
Mellon Large Cap	0.04% of First 100.0 Mil, 0.02% Thereafter	\$107,058,152	\$41,412	0.04%
DFA Small Cap	0.35% of Assets	\$17,511,053	\$61,289	0.35%
PanAgora	0.80% of Assets	\$17,656,502	\$141,252	0.80%
<b>International Equity</b>		<b>\$190,456,027</b>		
Copper Rock	0.85% of Assets	\$20,354,170	\$173,010	0.85%
Mellon International	0.04% of Assets	\$102,853,121	\$41,141	0.04%
Wells Capital	0.90% of First 100.0 Mil, 0.85% Thereafter	\$67,248,736	\$605,239	0.90%
<b>US Fixed Income</b>		<b>\$184,574,864</b>		
Barrow Hanley	0.30% of First 50.0 Mil, 0.20% of Next 100.0 Mil, 0.15% Thereafter	\$136,991,243	\$323,982	0.24%
Vanguard Short-Term Treasury Index Fund	0.05% of Assets	\$47,583,621	\$23,792	0.05%
<b>Hedge Fund</b>		<b>\$74,906,340</b>		
OZ Domestic II	Performance-based 1.50 and 20.00	\$10,144,211	\$181,444	1.79%
Graham Absolute Return	Performance-based 1.75 and 20.00	\$7,234,742	\$126,608	1.75%
Wellington-Archipelago	Performance-based 1.00 and 20.00	\$11,697,160	\$146,297	1.25%
KLS Diversified	Performance-based 2.00 and 20.00	\$9,124,788	\$182,496	2.00%
Winton	Performance-based 0.90 and 20.00	\$6,075,612	\$76,888	1.27%
Marshall Wace Eureka	Performance-based 2.00 and 20.00	\$3,148,339	\$72,802	2.31%
Silver Point Capital	Performance-based 2.00 and 20.00	\$12,138,007	\$247,206	2.04%
Laurion Capital		\$5,189,381		
Taconic Opportunity Fund		\$10,154,101		

As of March 31, 2019

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Invesco IV		\$474,703		
Invesco VI		\$5,976,760		
Ocean Avenue II		\$9,730,272		
Pantheon I		\$1,008,811		
Pantheon II		\$3,962,978		
Pantheon Secondary		\$1,223,060		
Raven Asset Fund II		\$3,332,582		
Davidson Kempner Long-Term Distressed Opportunities Fund IV		\$2,895,578		
GTCR Fund XII		\$1,026,416		
Carrick Capital Partners III		\$786,235		
Cressey & Company Fund VI		\$500,000		
TCV X		\$26,000		
<b>Real Assets</b>		<b>\$110,381,463</b>		
SSgA	0.30% of First 50.0 Mil, 0.27% of Next 50.0 Mil, 0.25% Thereafter	\$16,579,003	\$49,737	0.30%
<b>Private Real Estate</b>		<b>\$61,583,837</b>		
Greenfield Gap VII		\$10,577,944		
Patron Capital V		\$5,703,497		
UBS Trumbull Property		\$42,952,430		
Carlyle Realty VIII		\$581,501		
Taconic CRE Dislocation Fund II		\$1,691,598		
Carmel Partners Investment Fund VII		\$76,866		

As of March 31, 2019

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
<b>Private Infrastructure</b>		<b>\$21,391,920</b>		
KKR Global II		\$10,268,249		
North Haven Infrastructure II		\$9,619,275		
ISQ Global Infrastructure Fund II		\$1,195,788		
KKR Global Infrastructure Investors III		\$308,608		
<b>Private Natural Resources</b>		<b>\$10,826,703</b>		
EnCap XI		\$598,054		
EnCap IV		\$827,735		
GSO Energy Opportunities		\$4,511,546		
Taurus Mining		\$2,729,061		
Taurus Mining Annex		\$2,160,307		
<b>Cash</b>		<b>\$13,733,940</b>		
Cash		\$8,438,358		
Treasury Cash		\$5,295,581		

## **Disclaimer, Glossary, and Notes**



WE HAVE PREPARED THIS QUARTERLY REPORT FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION.

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$ .

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.

Prepared for one-on-one presentation.

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APRIL 25, 2019

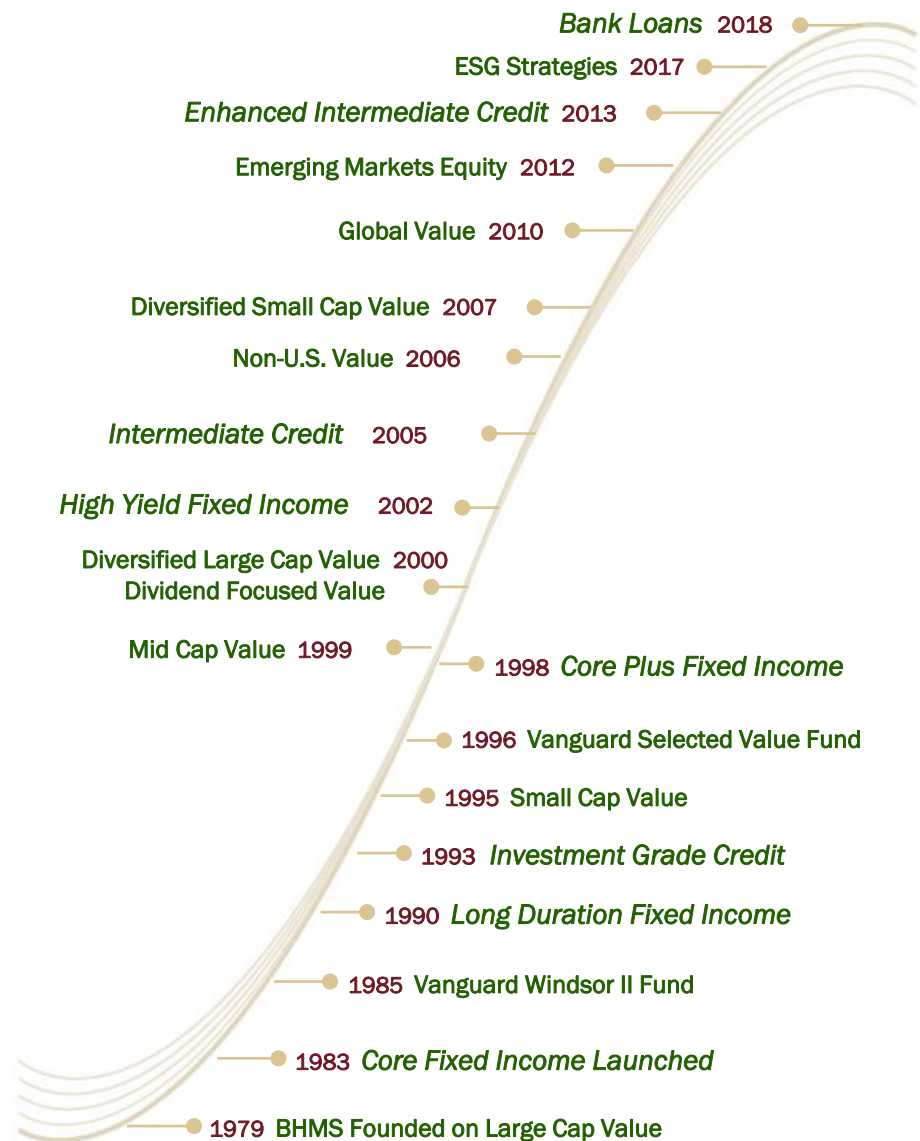
DEBBIE PETRUZZELLI – MANAGING DIRECTOR, PORTFOLIO MANAGER  
EDDIE GUERRA, III – DIRECTOR, CLIENT PORTFOLIO MANAGER

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# BRIEF HISTORY OF BHMS

- ❑ 40-Year-Old Firm, Founded in 1979 in Dallas, Texas, USA – \$75.7 Billion AUM
- ❑ History of Unique Organizational Stability
- ❑ Institutional Focus – Boutique Culture
- ❑ 99 Employees, Including 57 Investment Professionals
- ❑ Significant Employee Equity Ownership
- ❑ Uniquely Stable Partner Base – 45 Clients for More than 20 Years
- ❑ Experienced in Management of Large Portfolios – 25+ Larger than \$500 Million
- ❑ Serving Clients Globally: North America, Europe, Asia, Australia, Africa



Assets as of March 31, 2019.

# ORGANIZATION UPDATE

## ASSETS UNDER MANAGEMENT

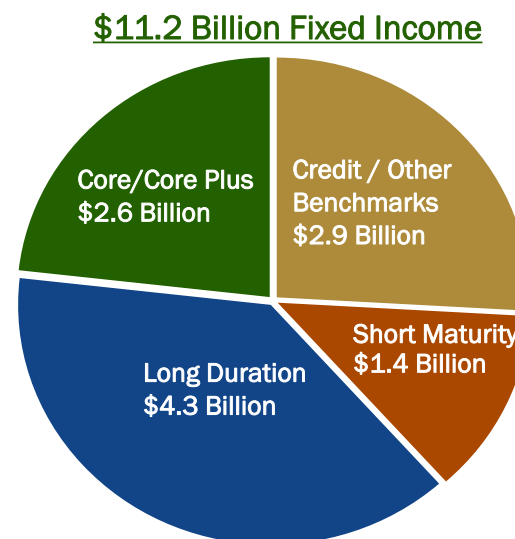
- ❑ \$75.7 Billion Under Management Firm-wide
- ❑ \$11.2 Billion in Fixed Income
- ❑ \$7.3 Billion in Credit Holdings

## STABILITY:

- ❑ Organization is Financially Strong and Employee Equity Ownership is approximately 24.9%

## TEAM:

- ❑ Experienced, Stable, and Multi-generational



## PORTFOLIO MANAGERS & ANALYSTS

	<i>Years of Experience</i>		<i>Years of Experience</i>		<i>Years of Experience</i>
James Barrow	57	Sherry Zhang, CFA	22	Patrik H.H. Wibom	14
Jane Gilday, CFA	51	Pranay Laharia, CFA	21	John Barber, CFA	12
Jim McClure, CFA	47	Luis Rhi	21	Chris Hathorn	12
John Harloe, CFA	43	<b>Erik Olson</b>	20	Jim McCormack, CFA, CIPM	12
Monroe Helm	43	Rand Wrighton, CFA	19	<b>Matt Routh, CFA</b>	11
Ray Nixon	42	<b>Chet Paipanandiker</b>	19	Preston Brown, CFA	11
<b>Mark Luchsinger, CFA</b>	38	<b>Nick Losey, CFA</b>	18	Coleman Hubbard	10
Lewis Ropp	38	Brian Quinn, CFA	18	<b>Jon Taylor, CFA</b>	10
<b>Debbie Petruzzelli</b>	33	Ross Campbell	16	<b>James Silcock</b>	9
<b>Scott McDonald, CFA</b>	30	<b>Justin Martin, CFA</b>	15	<b>Shannon Hogan, CFA</b>	9
Cory Martin	29	Michael Nayfa, CFA	15	Zane Keller, CFA	8
Mark Giambrone	27	TJ Carter, CFA, CPA	15	Brad Mickelson, CFA	7
David Ganucheau, CFA	23	David Feygenson	15	DJ Taylor, CFA	6
Brad Kinkelaar	23	Eric Micek, CFA	14	<b>Justin Chambers</b>	4
<b>Rahul Bapna, CFA</b>	22	Terry Pelzel, CFA	14	Dawson Liu	2
Jeff Fahrenbruch, CFA	22	<b>Michael Trahan, CFA, CPA</b>	14		

**Fixed Income team member.**  
Assets as of March 31, 2019.



# FIXED INCOME MANAGING DIRECTORS



- ❑ Fixed Income Team is Experienced and Stable, Leading to Consistency of Strategy
- ❑ Fixed Income Team – 24 Members
  - 7 Portfolio Managers, 7 Analysts, 2 Client Portfolio Managers, 1 Trader, 1 Business Development and 6 Staff Professionals
  - BHMS Fixed Income investment professionals have grown from 12 to 17 since 2014
  - New Bank Loan team focusing exclusively on Levered Loans and High Yield which increases capacity for existing credit analysts and allows them to concentrate on investment grade credit.

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## MCERA FIXED INCOME PORTFOLIO REVIEW

## BHMS – MCERA PARTNERSHIP HISTORY

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- ❑ MCERA initiated a Fixed Income search following the turmoil of the Financial Crisis of 2008/2009.
- ❑ BHMS hired to actively manage a Core Portfolio with a consistent and repeatable low risk approach.
- ❑ Original Mandate for BHMS Funded January 2010:

Core	\$85.5 Million in Cash
	\$12.6 Million in Securities (Workout Portfolio)
TIPS	\$20.0 Million (Opportunistic Allocation) – BHMS was given approval and latitude to lower the TIPS allocation to 0%.
- ❑ Cash and securities were transferred to BHMS as it was difficult for the existing manager to liquidate certain bonds at that time.
- ❑ The workout portfolio is valued at \$610,373 as of 3/31/19.
- ❑ Investment objectives include safety of funds invested, liquidity sufficient to meet cash needs and investment performance competitive in the current market environment.
- ❑ Guidelines allow for the following securities:
  - ❑ Investment grade corporate bonds – including yankee bonds
  - ❑ Mortgage, commercial and asset backed securities
  - ❑ U.S. Treasury and agency securities
  - ❑ Rule 144A Securities

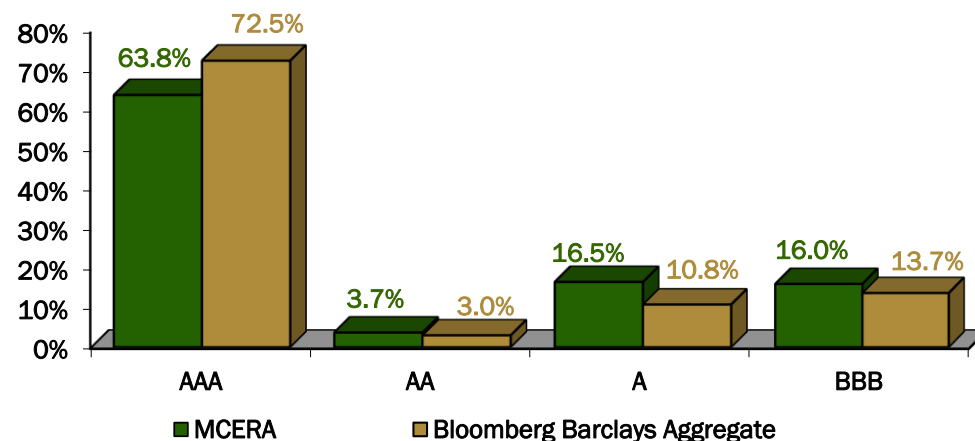
# PORTFOLIO SUMMARY

As of March 31, 2019

	Market Value	% of Total	Annual Income
Cash	\$ 1,413,684	1.0%	\$ 0
Bonds incl. accrued income	135,600,777	99.0%	4,366,304
Total Portfolio Appraisal	\$ 137,014,461	100.0%	\$ 4,366,304

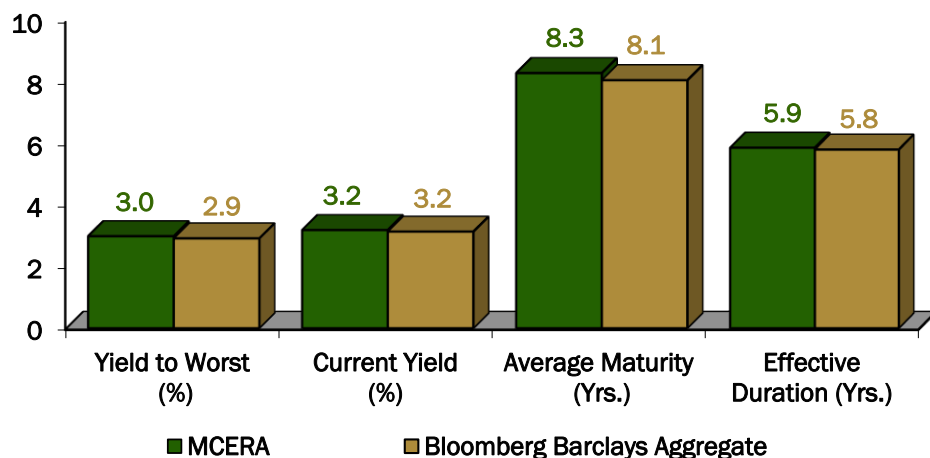
□ Distribution of \$68 Million in April 2019.

## Quality Distribution – Avg. Quality AA-

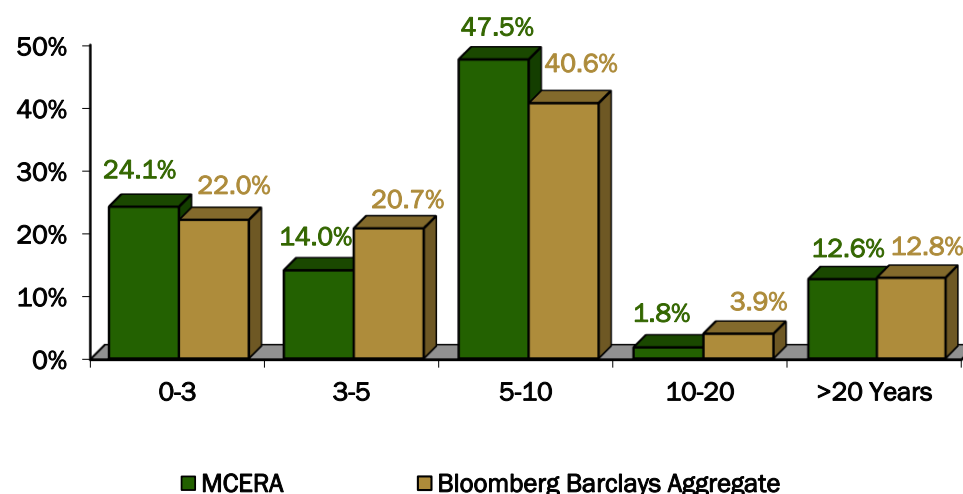


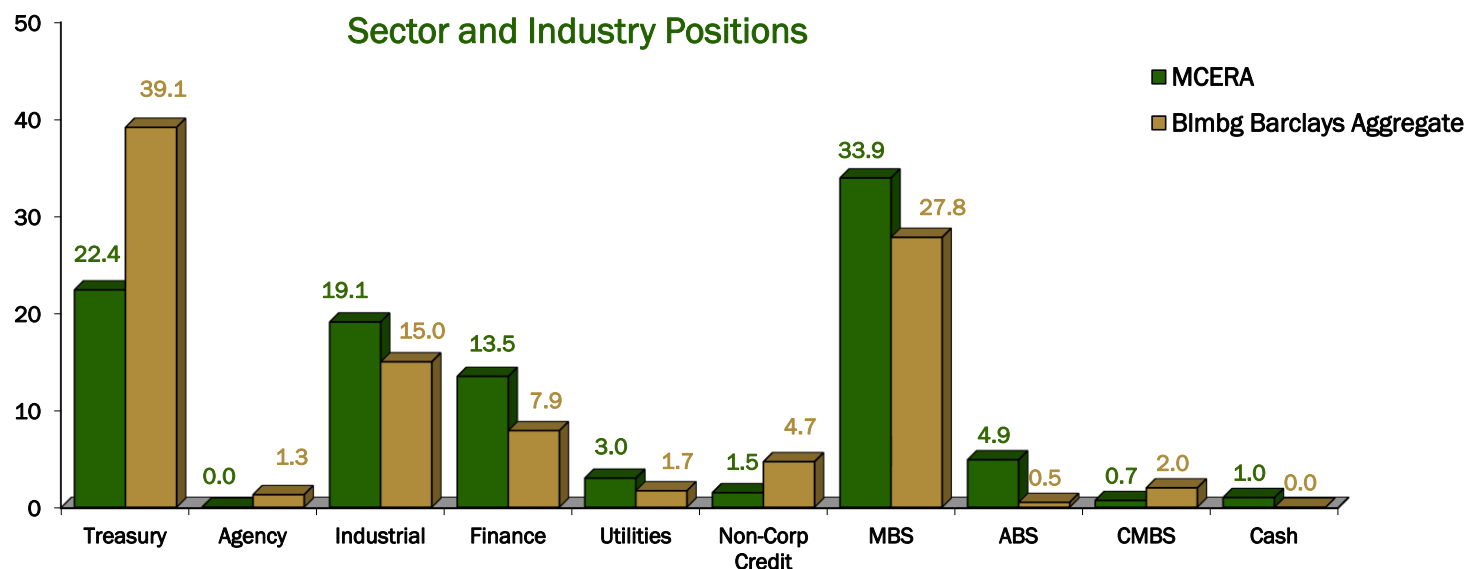
Quality Segments Based on Index Rules.

## Portfolio Structure



## Maturity Distribution (Yrs.)





Excess Return*	1Q	0.00	0.20	2.95	2.57	1.56	1.45	0.28	0.40	1.18	-
	1YR	0.00	-0.01	0.15	0.91	-1.69	0.44	0.09	0.74	0.87	-

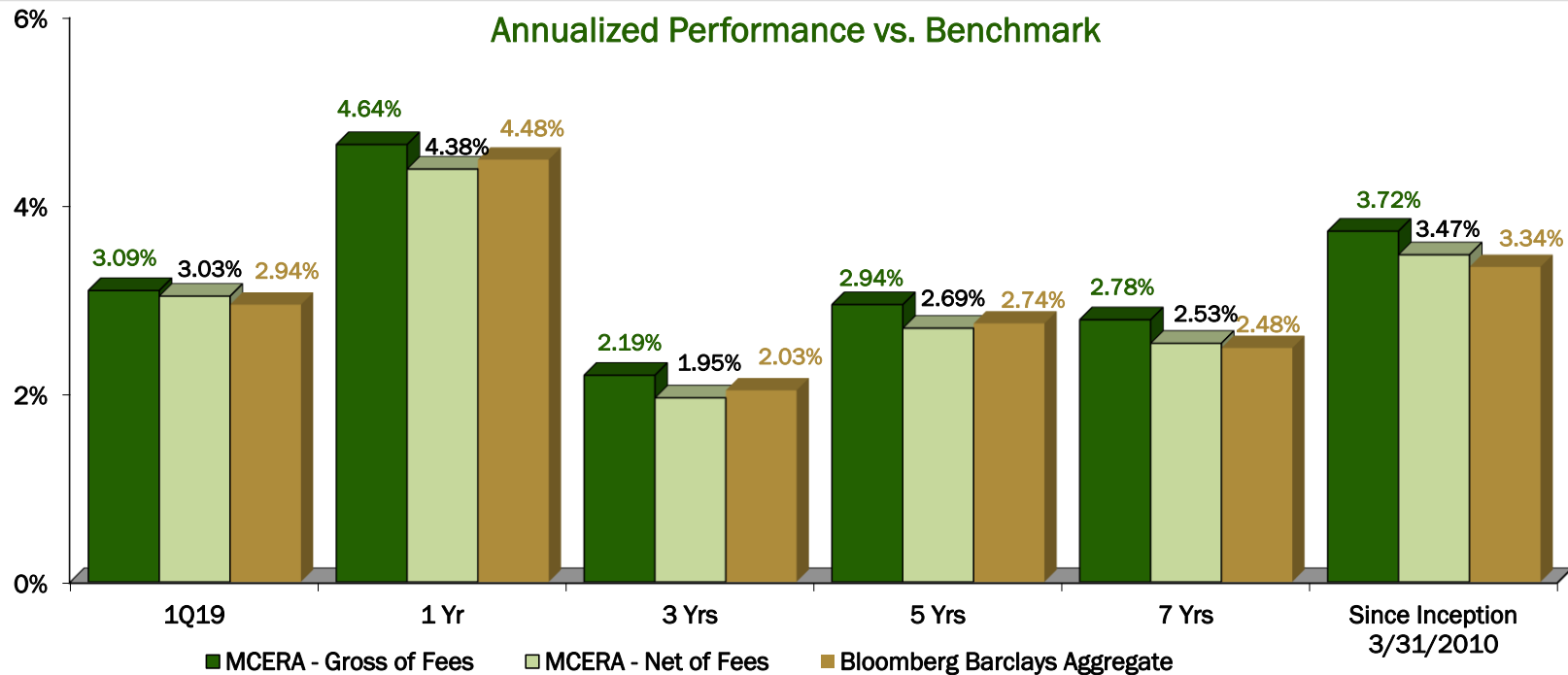
\* Bloomberg Barclays Indices calculates the excess return of various bond sectors by measuring the return above or below duration neutral Treasuries.

## Top 5 Overweights

	Portfolio	Benchmark	Difference
<b>Overweights - Largest (%)</b>			
Banking	9.98	5.81	4.17
Consumer Cyclical	4.51	1.81	2.70
Capital Goods	2.52	1.28	1.24
Electric	2.76	1.58	1.18
Technology	2.98	1.94	1.04

## Top 5 Underweights

	Portfolio	Benchmark	Difference
<b>Underweights - Largest (%)</b>			
Non-Corporate Credit	1.48	4.61	-3.13
Consumer Non-Cyclical	2.58	4.12	-1.54
Finance Companies	0.00	0.22	-0.22
Other Utility	0.00	0.17	-0.17
Other Industrial	0.00	0.15	-0.15



MCERA LAST TWELVE MONTHS ATTRIBUTION					
	Rate	Curve	Security Selection	Sector Allocation	Total
Total	-0.03	-0.02	-0.01	0.22	0.16

## Last 12-Month Contributors to Performance:

- Security Selection in All Corporate Sectors: Our decision to reduce corporate duration early in 2018 proved beneficial in an environment noted by wider spreads. In particular, the duration of our holdings in Consumer Cyclical, Capital Goods and Electric Utilities were roughly 65% of the subsectors in the Bloomberg Barclays Aggregate Index (“the benchmark”).
- Underweight in U.S. Treasuries: The sector generated nominal returns below the index and our underweight helped the relative performance.

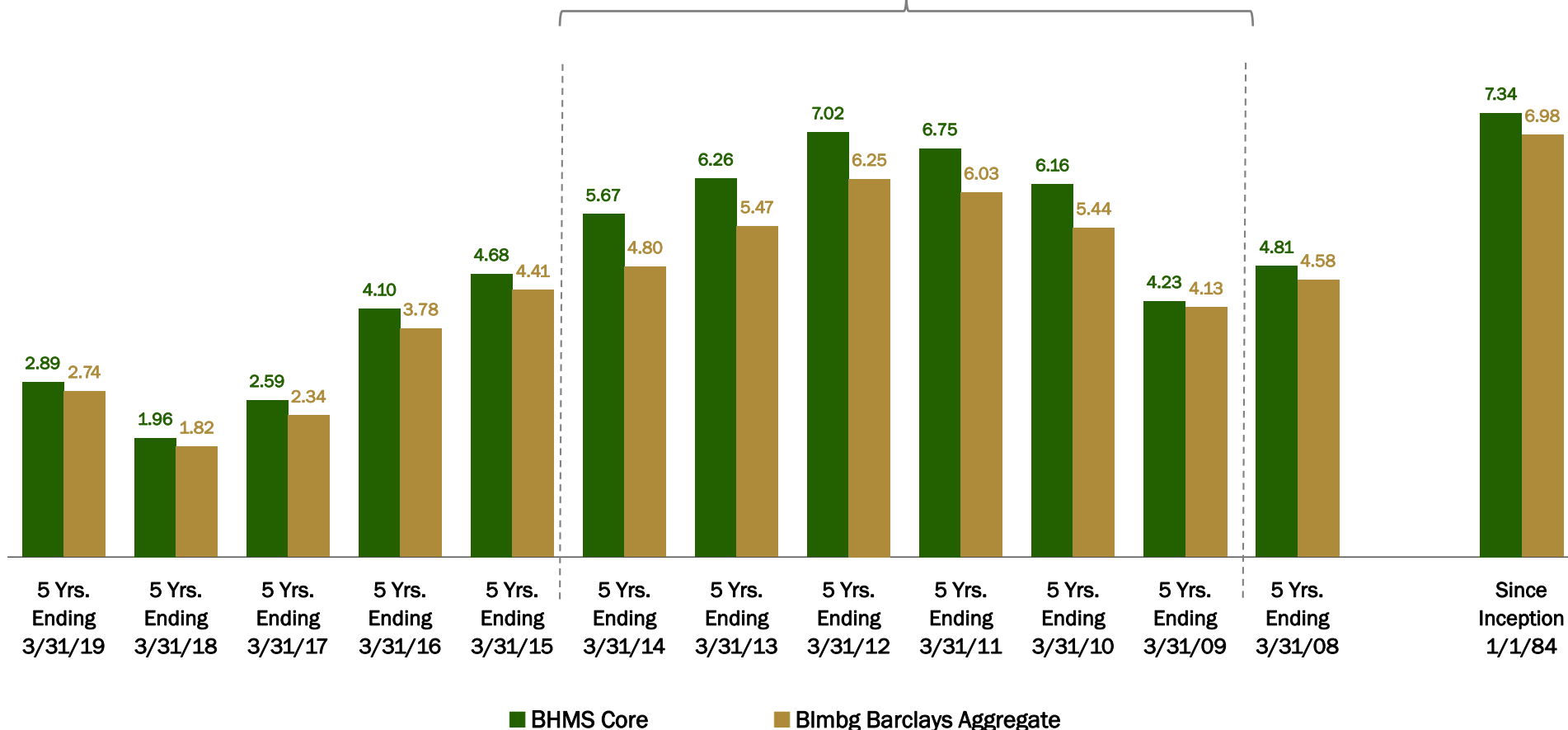
## Last 12-Month Detractors from Performance:

- Overweight and Security Selection in Asset Backed Securities (ABS): Our decision to overweight the sector negatively impacted performance as ABS securities lagged the overall index due to their shorter duration and higher quality characteristics.
- Overweight to Electric Utilities: The Utility sector generated the lowest nominal return of any other major sector in the index.

# CORE FIXED INCOME GROSS TRAILING 5-YEAR PERFORMANCE

AS OF MARCH 31, 2019

De-Risked Portfolios, Post End of Cycle, Are Rewarded.



- Consistent and Repeatable Performance: Outperformed the Index in 120 Out of 122 Rolling Five-Year Periods Since Inception (1/1/84 – 03/31/19)

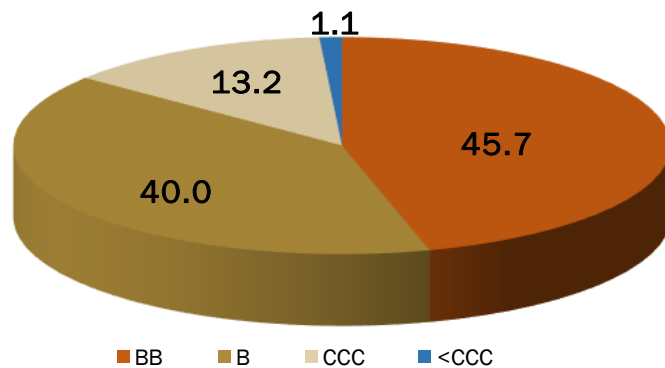
Returns are annualized for periods of more than one year. Returns represent an asset-weighted composite of all fully discretionary core fixed income portfolios. BHMS' returns are shown before investment management fees and custody expenses. Index returns are shown without transaction costs, management fees, and other expenses. Performance returns are reported in U.S. currency. Returns and statistics are presented as supplemental information to the BHMS Core Fixed Income Composite. See appendix for a GIPS® compliant presentation.

Source: PEP for Windows

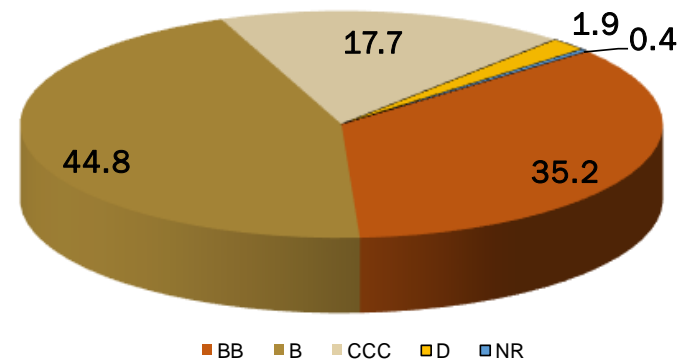
## Bond Markets Today and Yesterday

Bloomberg Barclays Indices	Market Value		Duration		Yield		Quality	
	<u>Dec 2010</u>	<u>Mar 2019</u>	<u>Dec 2010</u>	<u>Mar 2019</u>	<u>Dec 2010</u>	<u>Mar 2019</u>	<u>Dec 2010</u>	<u>Mar 2019</u>
Aggregate	\$15,133.9 B	\$21,617.7 B	5.0 Years	5.8 Years	2.97%	2.93%	AA1/AA2	AA1/AA2
U.S. Treasury	\$ 5,108.1 B	\$ 8,444.4 B	5.3 Years	6.2 Years	1.88%	2.38%	AAA	AAA
High Yield	\$ 930.3 B	\$ 1,233.2 B	4.3 Years	3.4 Years	7.51%	6.43%	B1/B2	B1/B2
Credit Suisse Bank Loans (HY)	\$ 619.2 B	\$ 1,193.5 B	0.3 Years	0.3 Years	7.08%	6.83%	Ba3/B1	B1

*High Yield Quality Distribution (%)*



*Bank Loans Quality Distribution (%)*

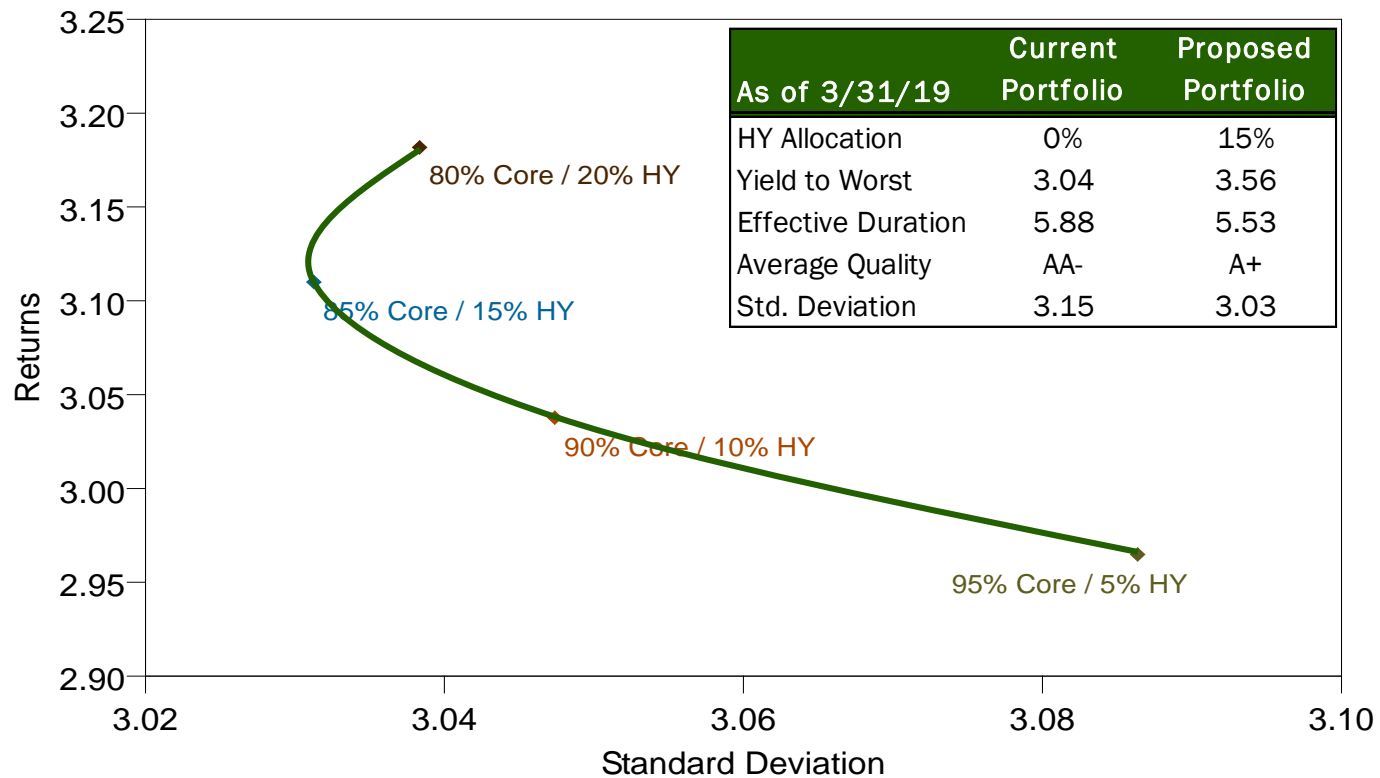


Sources: Barclays & Credit Suisse as of 03/31/19



## DISCUSSION: OPPORTUNISTIC HIGH YIELD ALLOCATION

### Efficient Frontier

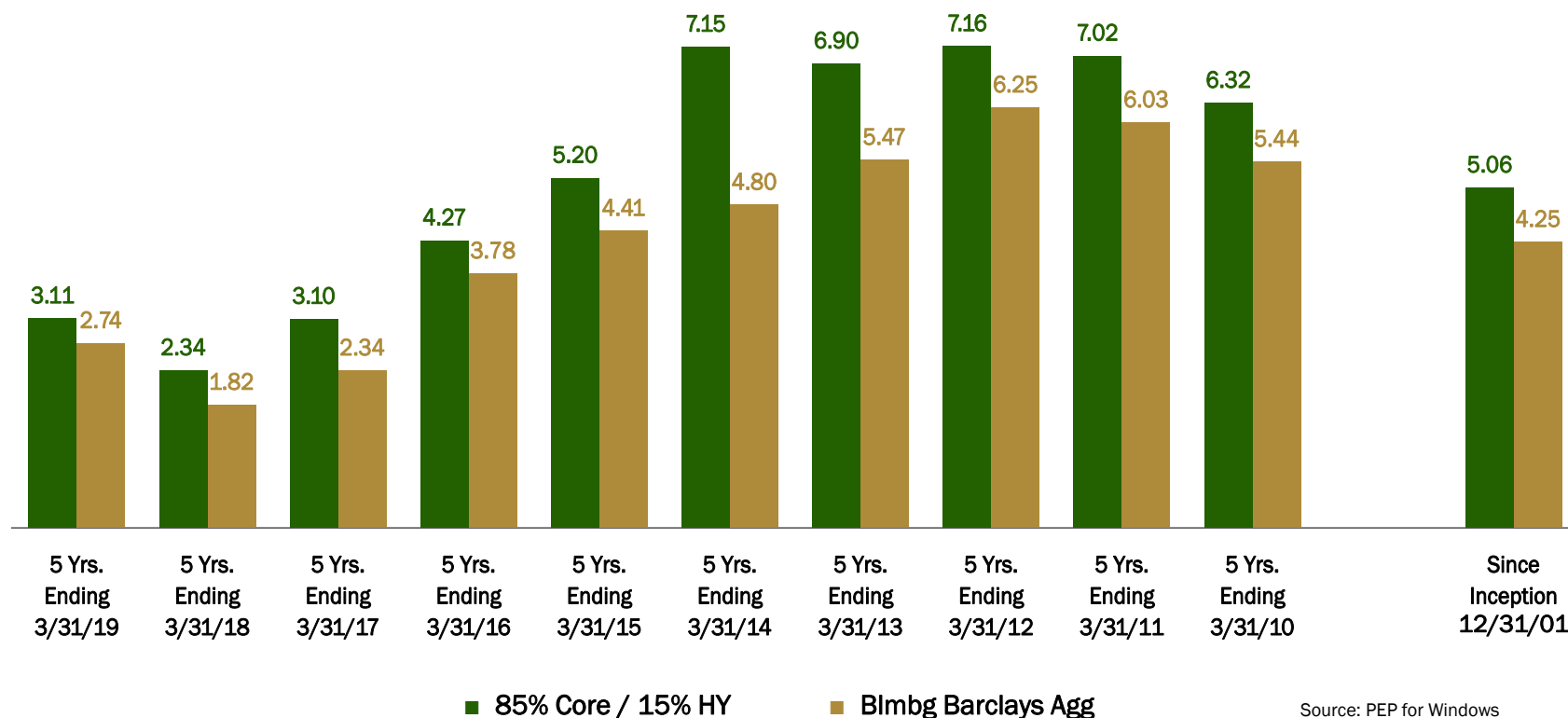


- ❑ Efficient Frontier modeling indicates several alternatives that may potentially achieve higher income while decreasing risk.
- ❑ High Yield and Bank Loans exhibit less correlation to U.S. Treasuries and Bloomberg Barclays Aggregate Index.
- ❑ The allocations to High Yield are meant to be upper bounds – BHMS will opportunistically determine the allocation.
- ❑ Given the credit cycle is long, we are positioned defensively and seek yield by being overweight in ‘B’ securities which continue to have incremental spread and yield compression potential.
- ❑ Fundamentals continue to trend in the right direction with leverage ticking down and interest coverage moving higher.

Sources: PEP and BondEdge. Efficient Frontier based on BHMS Core and High Yield Composite performance over the 5-year period ending 03/31/19.

## DISCUSSION : OPPORTUNISTIC HIGH YIELD ALLOCATION

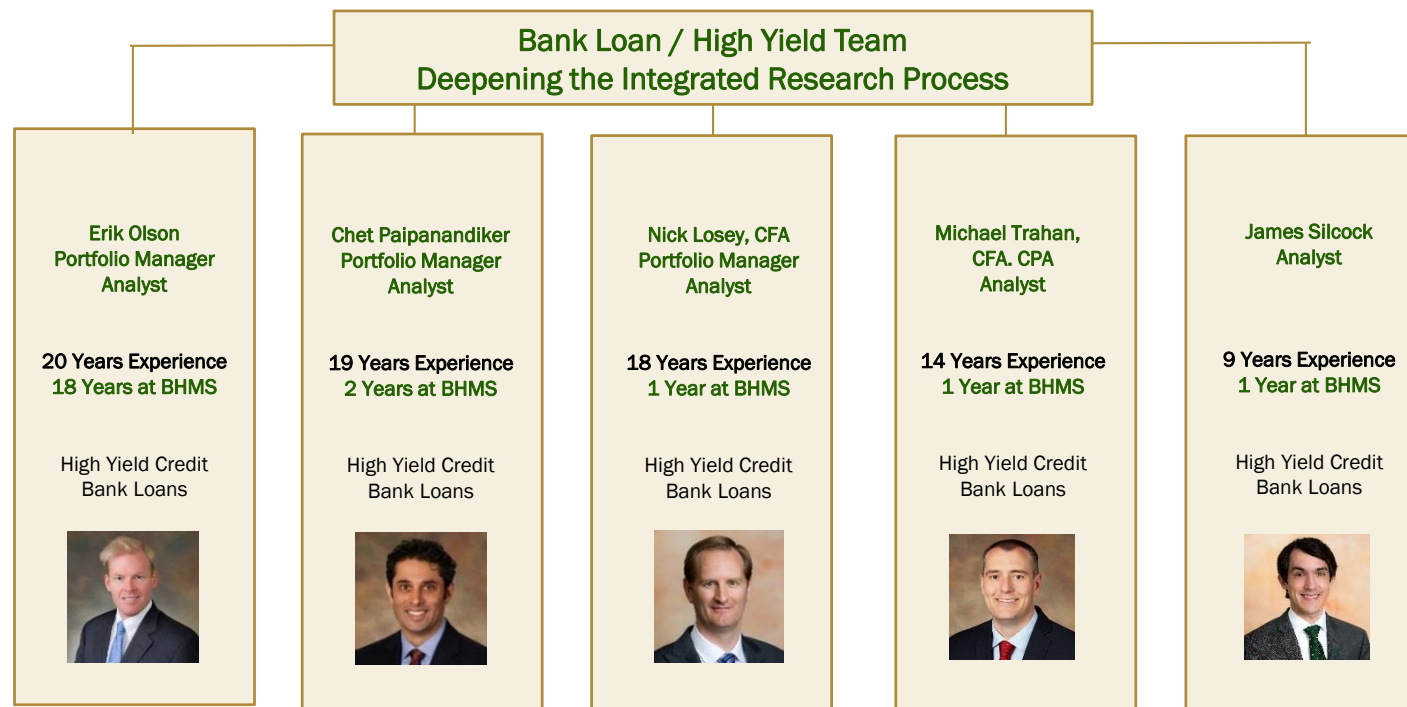
### Trailing 5-Year Returns vs. Blmbg Barclays Agg



- ❑ A 'Core Plus' strategy, on average, has produced 45-50 bps additional return versus core on a rolling trailing five-year basis.
- ❑ High Yield is an extension of our core competency – fundamental credit analysis.
- ❑ Yield will ultimately translate to long-term returns.
- ❑ Over full market cycles, the addition of High Yield has the potential of increasing return.
- ❑ A High Yield allocation will be dynamic given market conditions and the macroeconomic environment.
- ❑ Exposure to High Yield can be achieved through the BHMS High Yield Commingled Fund.

Returns are annualized for periods of more than one year. BHMS' returns reflect the blended performance of its Core Fixed Income composite (85%) and its High Yield composite (15%) and are simulated. BHMS' returns are shown before investment management fees and custody expenses. Index returns are shown before transaction costs, management fees and other expenses. Performance is expressed in U.S. currency. Returns are presented as supplemental information to the BHMS Core and High Yield Fixed Income composites. See appendix for GIPS® compliant presentations.

## FIXED INCOME LEVERAGED FINANCE TEAM



- ❑ BHMS fixed income has an integrated research approach encompassing equity analysts and now leveraged finance team
- ❑ New team has an average of 15 years experience in Leverage Finance
- ❑ Additional team members allow existing fixed income analysts to focus exclusively on IG credits
- ❑ Leveraged finance team adds depth to analyze BBB credits that are on the cusp of High Yield
- ❑ General Electric and General Motors are examples of collaborative research efforts from all three areas of the firm

## BANK LOAN INVESTMENT PROFESSIONALS

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### ***CHET PAIPANANDIKER – Managing Director, Fixed Income Portfolio Manager***

Mr. Paipanandiker (Pai) joined BHMS in 2017. He serves as a portfolio manager, focusing on bank loans and high yield bonds. Mr. Pai was previously a portfolio manager at Whitebox Advisors, LLC and White Oak Global Advisors, LP, where he focused on bank loans, structured product CLO tranches, high yield bonds, and equities. His 18-year investment career also includes serving as a portfolio manager and co-head of research at Highland Capital Management, LP. Mr. Pai earned a BBA from the University of Texas in the Business Honors and Engineering-Route-to-Business programs, graduating magna cum laude.

### ***NICK LOSEY, CFA – Managing Director, Fixed Income Portfolio Manager***

Mr. Losey joined BHMS in 2018. He serves as a portfolio manager, focusing on bank loans and high yield bonds. Mr. Losey was previously a portfolio manager at Whitebox Advisors, LLC and White Oak Global Advisors, LP, where he focused on bank loans, high yield bonds, structured product CLO tranches, and equities. His 17-year investment career also includes serving as a portfolio manager at Highland Capital Management, LP. Mr. Losey earned a BBA from the University of Oklahoma and an MBA from Southern Methodist University, graduating magna cum laude.

### ***ERIK OLSON – Managing Director, Fixed Income Portfolio Manager***

Mr. Olson joined BHMS in 2001. He serves as a portfolio manager for our investment grade and high yield strategies. He also serves as an analyst for investment grade and high yield corporate bonds, both U.S. and non-U.S. His 20-year career includes work as a research analyst for Sanders Morris Harris. He has also worked at Merrill Lynch and as the legislative assistant for the Interstate Natural Gas Association in Washington, D.C. Mr. Olson received an MBA from Texas Christian University, where he served as a portfolio manager for the William C. Conner Foundation Educational Investment Fund. He earned a BA from Emory University.

### ***MICHAEL TRAHAN, CFA, CPA – Director, Fixed Income Analyst***

Mr. Trahan joined BHMS in 2018. He serves as an analyst, focusing on bank loans and high yield bonds. Mr. Trahan was previously a senior analyst at Carlson Capital, LP, where he focused on bank loans, high yield bonds, credit default swaps, and special situation / post reorganization equities. His 13-year investment career also includes serving as a senior portfolio analyst at Highland Capital Management, LP, and as an associate at PricewaterhouseCoopers. Mr. Trahan earned a BBA and an MPA (Master in Professional Accounting) from the University of Texas.

### ***JAMES SILCOCK – Fixed Income Analyst***

Mr. Silcock joined BHMS in 2018. He serves as an analyst, focusing on bank loans and high yield bonds. Mr. Silcock was previously an associate at CIFC Asset Management, one of the largest CLO managers in North America, where he focused on bank loans. His 8-year investment career also includes serving as an analyst at JAE Credit Management and James Caird Asset Management. Mr. Silcock earned a BA in Economics from Princeton University, graduating magna cum laude.

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## BOND MARKET REVIEW

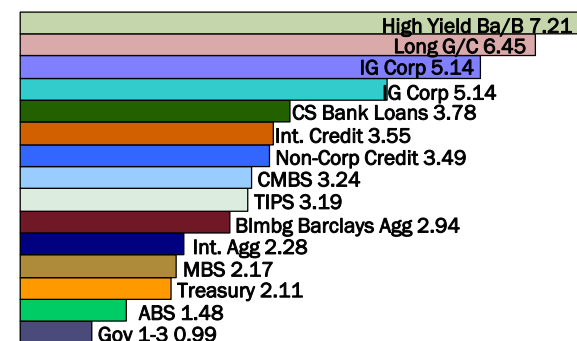
# BOND MARKET ENVIRONMENT

- ❑ Capital markets spent March focused on the inversion of the front end of the UST yield curve.
  - Inversion of the 3mo-10yr UST curve has occurred prior to the last seven U.S. recessions.
  - Economic data in the U.S. remains relatively robust – typical at the onset of inversion.
  - Unemployment rate fell in March to 3.8%, near a 50-year low.
  - CPI fell to 1.5% y/y, the lowest reading since September 2016.
  - Average hourly earnings grew 3.4% y/y in March.
- ❑ A reversal from 2018, the Bloomberg Barclays Aggregate Index's had its strongest quarterly return since 1Q16.
  - The U.S. Federal Reserve ("Fed") emphasized its new dovish stance.
  - The return of global growth concerns ignited a late-March rally in U.S. Treasuries (USTs).
  - The potent combination of spread tightening in January and February, followed by falling UST yields in March, drove the Aggregate Index to a 2.94% total return in 1Q.
- ❑ IG credit was the index's best performing sector with Industrials being the strongest performer within corporate credit
  - IG credit spreads narrowed 30bps, the largest quarterly move since 3Q12.
- ❑ Bank loan returns lagged HY and IG corporates amid the rate decline due to their lack of duration.
- ❑ Mortgage backed securities (MBS) earned positive excess returns, but lagged IG corporates.
- ❑ Asset backed (ABS) and commercial mortgage backed securities' (CMBS) returns were boosted by narrower spreads, but like MBS, trailed the performance of IG corporates.
- ❑ Looking to the remainder of 2019, we believe excess returns from credit will be driven largely by carry.
- ❑ Similar shifts toward more liquid and defensive positions across all portfolios should assist in protecting the returns earned from the strong start to 2019.

Bloomberg Barclays Index Returns (%)

Blmbg Barclays Sectors				
	Total Returns(%)		Excess Returns(%)*	
3/31/2019	3-Months	One-Year	3-Months	One-Year
High Yield Ba/B	7.21	6.38	5.66	2.58
Industrials	5.50	4.96	2.95	0.15
IG Credit	4.87	4.89	2.52	0.30
Financials	4.61	5.18	2.57	0.91
Utility	4.57	3.62	1.56	-1.69
Non-Corp. Credit	3.49	4.66	1.45	0.44
CMBS	3.24	5.43	1.18	0.87
MBS	2.17	4.42	0.28	0.09
ABS	1.48	3.68	0.40	0.74

Bloomberg Barclays Index Returns 1Q 2019 (%)



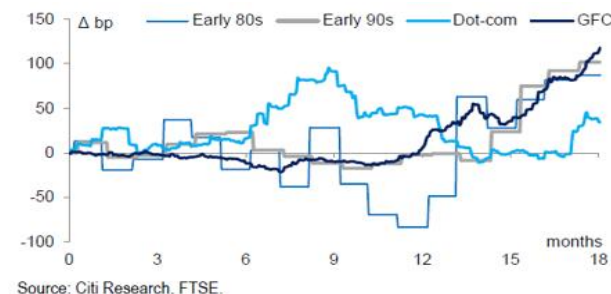
Yields & Spreads	3/31/18	12/31/18	3/29/19	2019	
				YTD High	YTD Low
3 Mo. T-Bill	1.70%	2.35%	2.38%	2.46%	2.35%
2 Yr. Treasury	2.27%	2.49%	2.26%	2.61%	2.20%
10 Yr. Treasury	2.74%	2.68%	2.41%	2.78%	2.37%
30 Yr. Treasury	2.97%	3.02%	2.81%	3.12%	2.81%
Yld Curve 2-10 Yr.	47	20	15	20	12
Yld Curve 2-30 Yr.	71	53	55	63	42

\*Blmbg Barclays Indices calculates the excess return of various bond sectors by measuring the return above or below duration neutral Treasuries.

# BOND MARKET ENVIRONMENT: INVESTMENT GRADE CREDIT

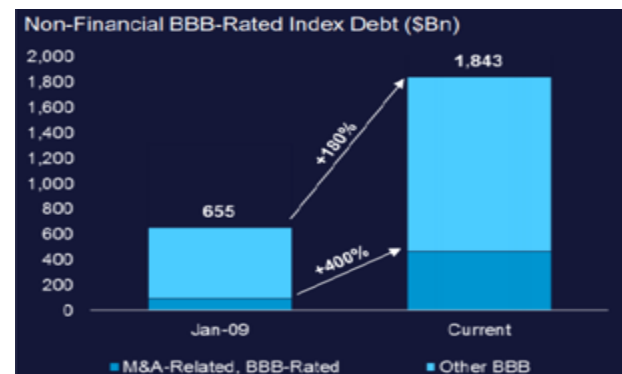
- Investment Grade (IG) Credit sharply rebounded in 1Q19 as spreads narrowed.
  - IG Credit spreads narrowed 30bps in 1Q19 after widening 54 bps in 2018.
  - Industrials posted the strongest sub-sector returns, with Energy spreads 45bps tighter and the rebounding of commodity prices.
- Technical factors also impacted IG Credit performance.
  - Inflows totaled \$67B, the largest quarterly inflow since 4Q17.
  - Total IG Credit issuance was \$390B in 1Q19, a 1.1% decline y/y.
  - The share of the U.S. Corporate credit market held by non-U.S. investors peaked at 40% in 2017, but had fallen to 38% by the end of 1Q19.
- The fundamental outlook for credit remains mixed as the increasingly large BBB segment has faced heightened scrutiny from investors.
  - The BBB market has almost tripled in size since 2009 to nearly \$3T – weighting in the Corporate Index has grown to 50% from a pre-crisis weight of 35%.
  - Wide dispersion exists between the fundamental health of BBB+ and BBB- issuers.
  - The risk-reward profile is more attractive for many BBB issuers than much of the A-rated segment.
- Though the average BBB issuer has taken leverage from 2.2x gross Debt/EBITDA in 2007 to 2.5x currently, single-A credits have actually seen greater fundamental deterioration.
  - A higher proportion of Single-A credits have been downgraded than BBBs, as their leverage has increased from 1.5x in 2007 to 2.3x today.
  - Average interest coverage for the entire IG Credit market remains high by historical standards at 11x.
- Aside from selective opportunities, our overall positioning in credit remains defensive.
- Carry is likely to generate the majority of excess returns for the remainder of 2019.

BBB Spreads from 1st Inversion of 2s10s Curve



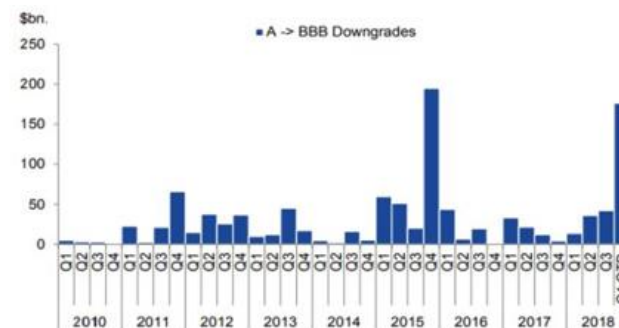
Source: Citi Research, FTSE

BBB Debt Market Has Nearly Tripled Since 2009



Source: Morgan Stanley Research; Moody's

A-rated Downgrades to BBB Outpace BBB to HY



Source: Goldman Sachs



# BOND MARKET ENVIRONMENT – STRUCTURED SECURITIES

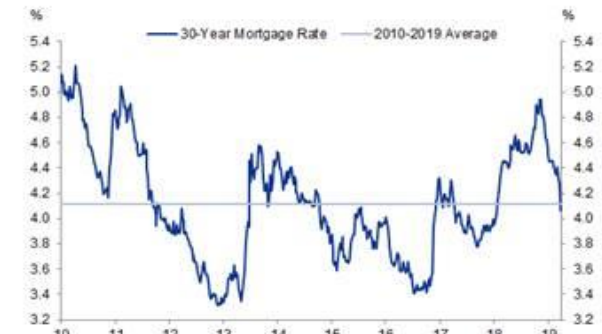
## Mortgage Backed Securities:

- ❑ MBS spreads tightened during the quarter producing positive nominal and excess returns.
  - Net Supply has been relatively light – down 40% y/y.
  - Demand from money managers, banks and REITS has also been a favorable technical
- ❑ Interest rates declined with a meaningful rally across the curve causing the longest duration, lowest coupons to outperform with the bull flattening of the curve.
  - Lower Treasury yields led to mortgage rates dropping during the quarter to 4.0% from a high of 5.0% in November of 2018
- ❑ The sharp rally led to a meaningful demand for specified pools as investors looked to the benefits of call protection provided by these characteristics.
  - TBA continues to worsen without the support of the Fed and the deterioration due to the weighted average coupon (WAC) shifting higher across the newly produced mortgage pools.
- ❑ The UMBS single security initiative will commence on June 3<sup>rd</sup>, combining FNMA and FHLMC securities to develop a single MBS that will be issued by the enterprises to finance fixed rate loans.
- ❑ We moved to an overweight during the quarter as the MBS sector has lagged the recovery that has occurred in investment grade credit.

## Asset Backed Securities:

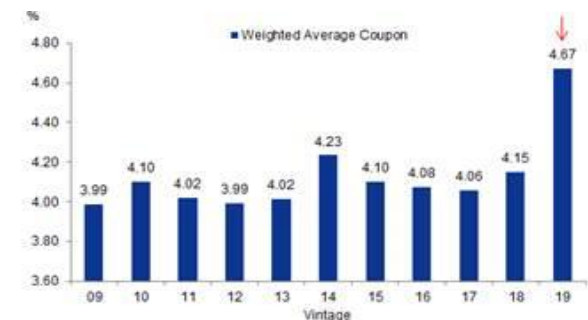
- ❑ Consumer ABS fundamentals are strong with the economy growing and unemployment at multi-decade lows.
- ❑ The inverted yield curve favors positioning in shorter duration securities favoring on- the- run consumer issuers.
- ❑ We remain overweight as the sector is fair to cheap versus short duration IG issuers. The sector also helps elevate the quality of the portfolio and offers diversification.

## Mortgage Rates Have Moved Back Down to 2010-2019 Average Levels

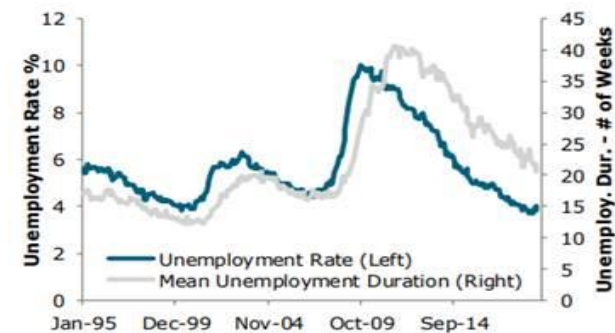


## Recent Vintage Conventional MBS have high WACs

Weighted average coupon, 3.5% 30-Yr Conventional MBS by vintage



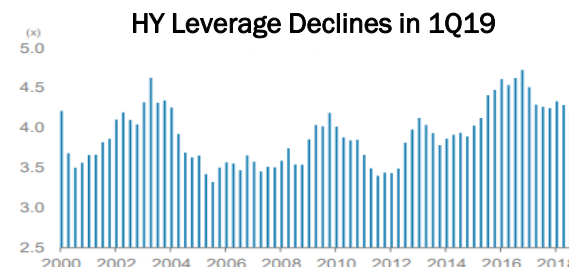
## Unemployment Rate & Duration





# BOND MARKET ENVIRONMENT: HIGH YIELD & BANK LOANS

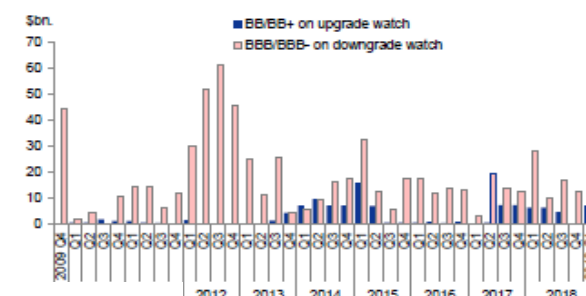
- The HY BB/B market generated a 7.33% total return in 1Q19.
  - Fund inflows provided a positive \$13.3bn tailwind in 1Q19 along with a stronger risk-on environment due to the Fed's dovish pivot.
  - The HY market posted positive returns across all ratings buckets: BB (+7.37%); Single-B (+7.25%); and CCC (+7.87%).
- We remain constructive on HY near term even though global growth is expected to slow.
  - HY fundamentals remain constructive as corporate leverage continues to decline, interest coverage ratios increase, and EBITDA is growing.
  - Favorable on single-B credits which continue to have incremental spread and yield compression potential – the single-B segment now yields 6.78% versus 8.34% in 4Q18 and 6.43% in 3Q18.
- Bank Loans have underperformed YTD relative to HY, but we remain favorable on loans due to their higher yield opportunities.
- Our credit research remains acutely focused on potential risks stemming from deteriorating underwriting standards and lack of lender-friendly covenants.



Source: Morgan Stanley

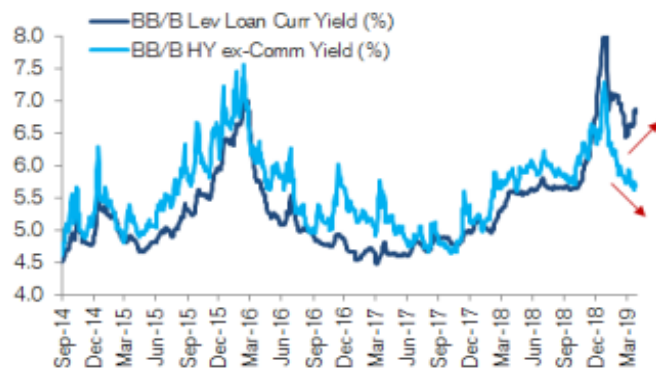
## BBs on Upgrade Watch Surpass BBBs for Downgrade

Notional amount of debt on ratings watch, by quarter



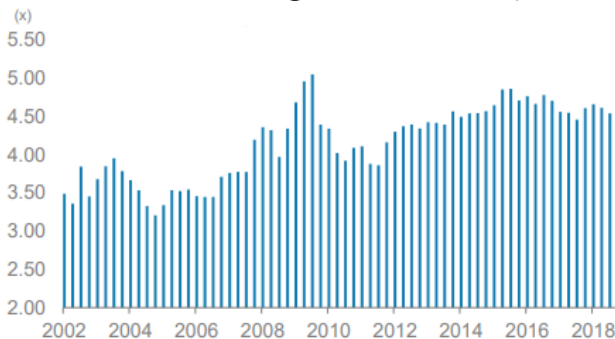
Source: Goldman Sachs

## Relative Value Skews Toward Loans after 1Q



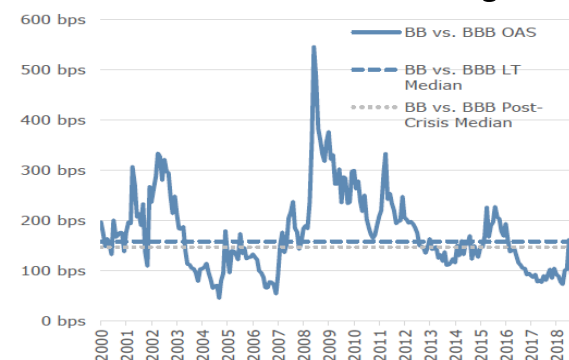
Source: Credit Suisse

## Loan Gross Leverage Continued to Improve



Source: Morgan Stanley

## BB Premium Over BBBs Near All-Time Tights



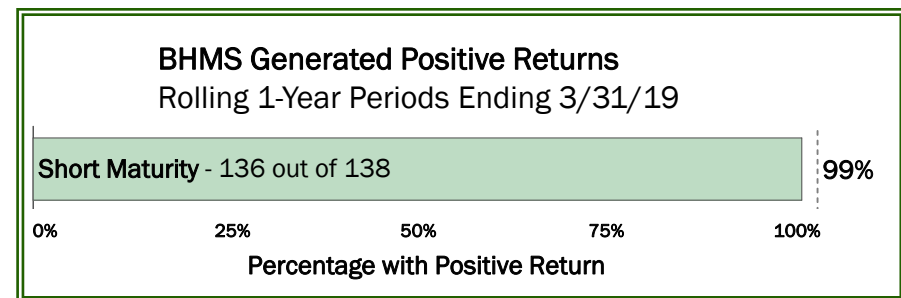
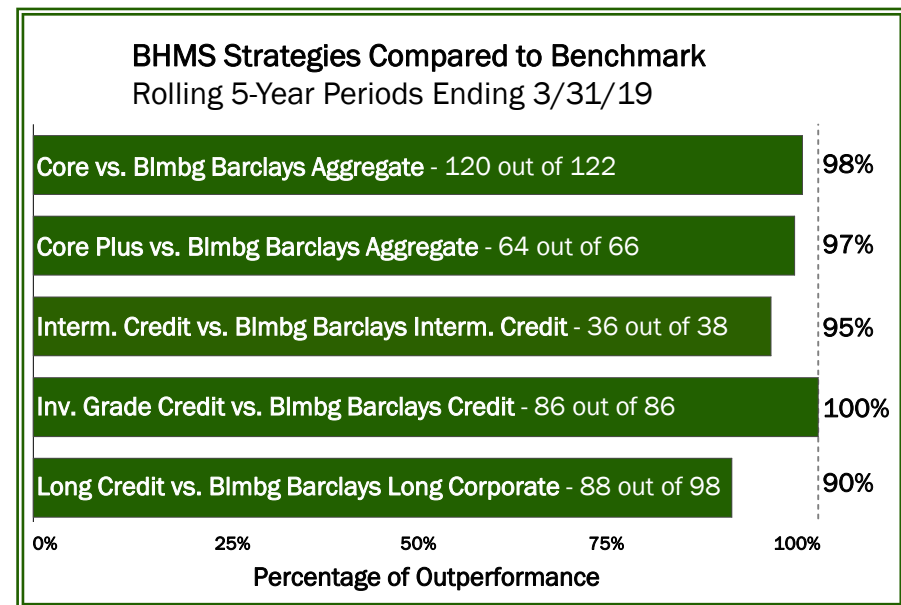
Source: Wells Fargo Securities

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## APPENDIX

## Consistent Value Philosophy Enables Repeatable Performance

- ❑ Bond Assets Should Generate Above-Market Returns with Lower Risk in a Duration Neutral Strategy to Fulfill Traditional Role in Asset Allocation
- ❑ Yield Advantage from Undervalued Bonds Produces Total Return Advantage
- ❑ Active Strategy Opportunistically Exploits Inefficiencies in Fixed Income Markets
- ❑ Disciplined Risk Controls Improve Consistency of Results

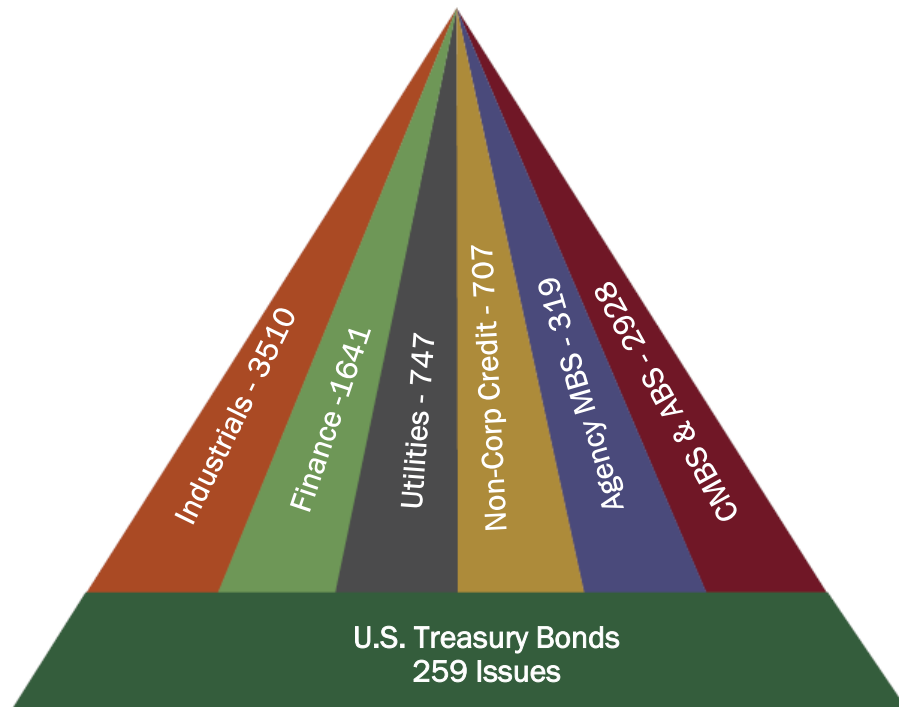


Charts above reflect data since inception: Core and Short Maturity (1/1/84); Core Plus (1/1/98); Intermediate Credit (11/1/04); Investment Grade Credit (1/1/93); Long Credit (1/1/90).

# INVESTMENT PROCESS OVERVIEW

## Disciplined Investment Process Since 1983

Bloomberg Barclays Aggregate Index  
(\$21.6 Trillion)

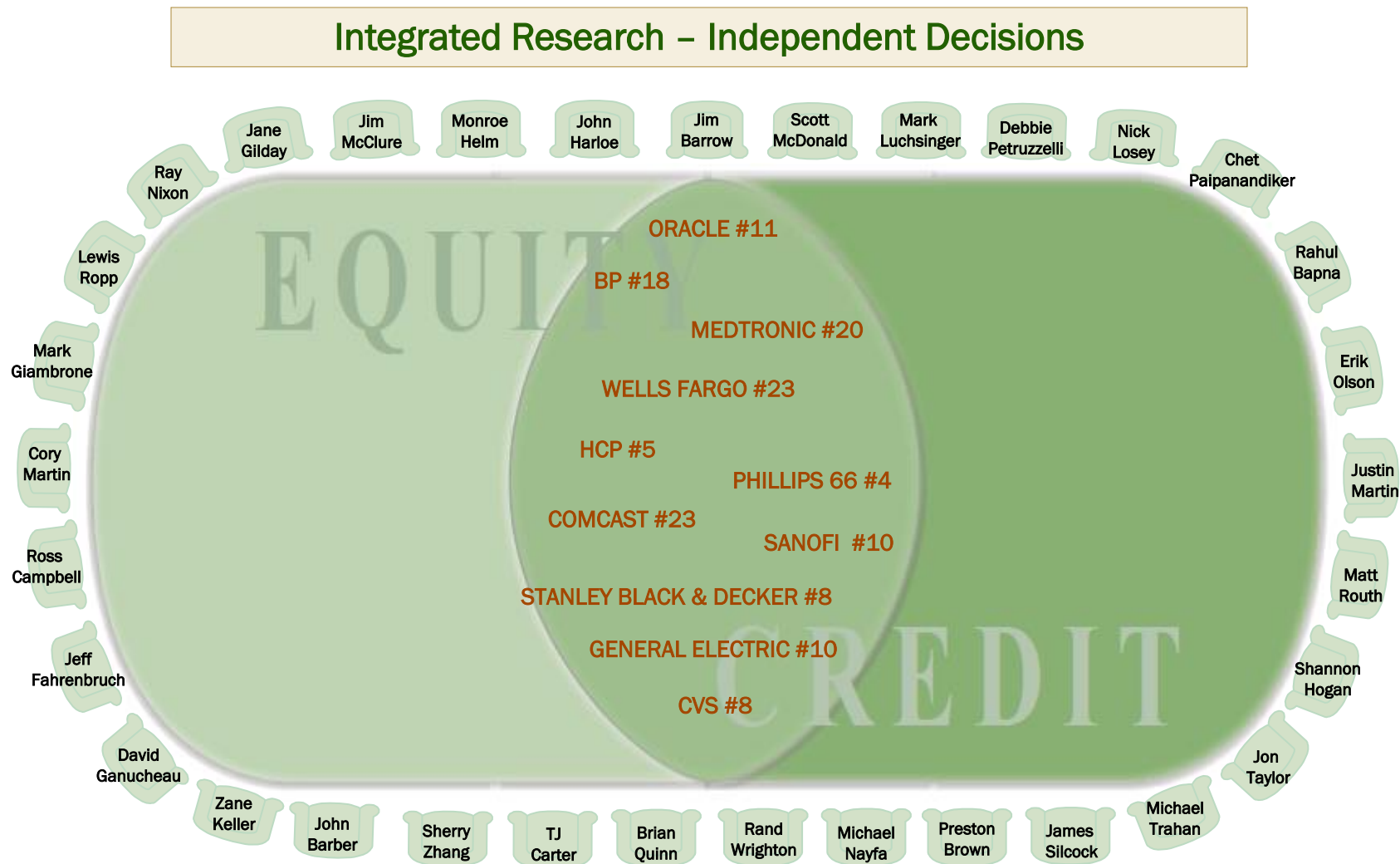


Source: Barclays 3/31/19

## Three Step Process to Portfolios



# EXPERIENCED PROFESSIONALS LEAD TO RESEARCH SUCCESS



- ❑ Top 25 Shareholder of Over 130 Companies Provides Direct Access to Senior Management
- ❑ Barrow Hanley's Position Among the Largest Stockholders Benefits Bond Analysis

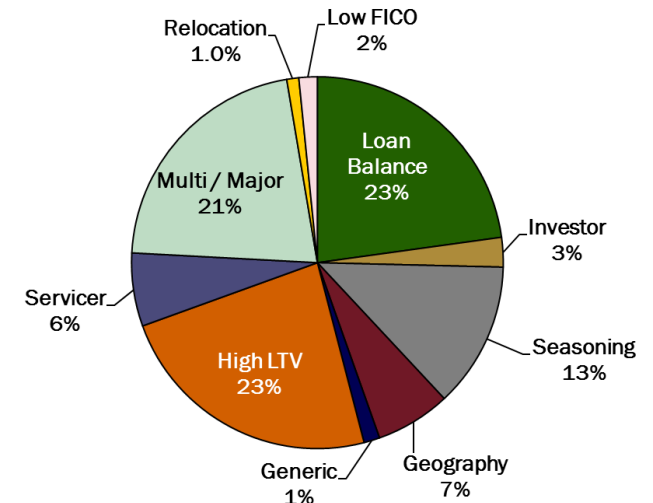
# Indicates Equity Shareholder Ranking, as of March 31, 2019  
BHMS also invests in the bonds of these companies in our fixed income strategies  
Source: Bloomberg

# CORE FIXED INCOME STRUCTURED PRODUCTS POSITIONING

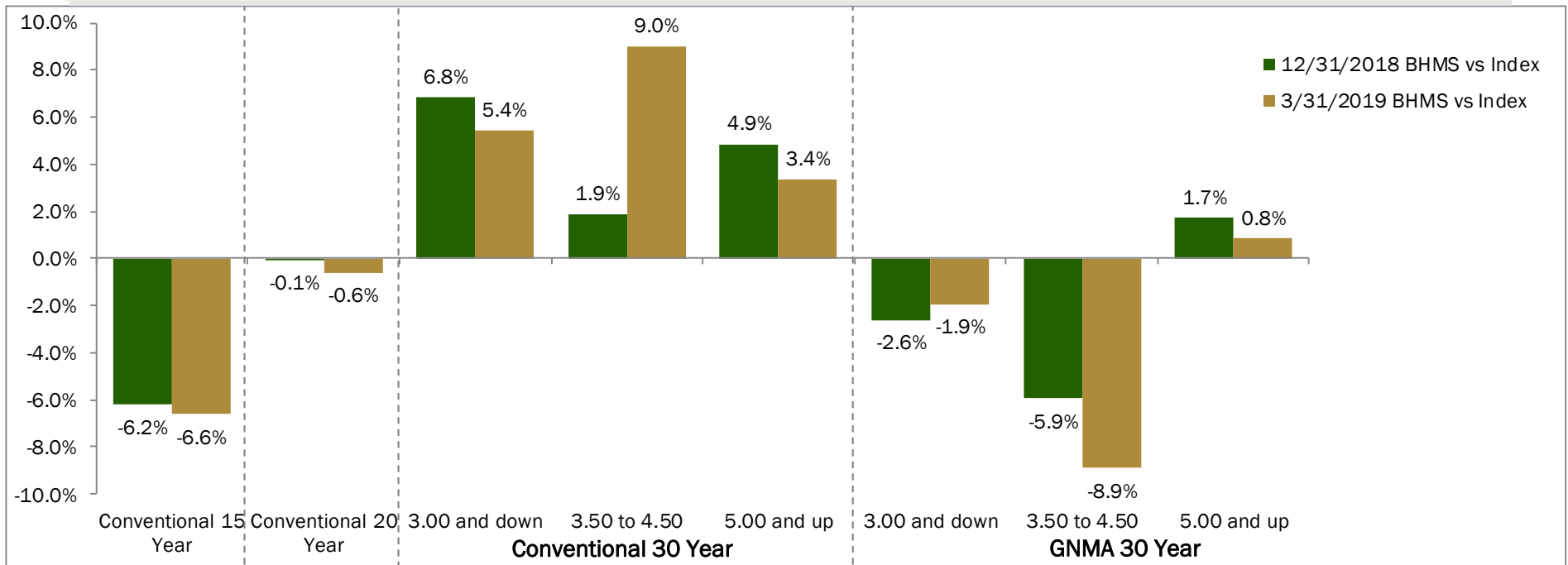
AS OF MARCH 31, 2019

- ❑ Overweight position in MBS as the sector has lagged the recovery versus investment grade credit.
- ❑ Valuations during 1Q19 were near level last seen when the Fed was not buying MBS.
- ❑ With the Fed signaling a dovish stance and volatility at record lows, this should be supportive of the MBS sector.
- ❑ Positioning in MBS in specified pools will improve yield and convexity along with providing call protection.

BHMS MBS Pool Allocation 3/31/19



## Over/Under Weights Relative to Bloomberg Barclays Aggregate Index



# REPRESENTATIVE CORE FIXED INCOME PORTFOLIO

AS OF MARCH 31, 2019

INDUSTRIAL	Stock Held	INDUSTRIAL (CON'T)	Stock Held	FINANCE	Stock Held	TREASURY/AGENCY
*AT&T Inc 4.45 '24, 4.50 '35, 6.35 '40	\$252 M	Marathon Petroleum 3.63 '24		* Bank of America 5.00 '44, 3.12 '23	\$193 M	US Treasury 2.00 '21
Anheuser-Busch 4.38 '38, 5.55 '49		Martin Marietta Materials 4.25 '47		* JPMorgan Chase 3.78 '28, 3.88 '38, 3.80 '24	\$1.1 B	US Treasury 2.00 '22
Apple 2.85 '24		MasterCard Inc 3.38 '24		Citigroup 3.89 '28		US Treasury 2.63 '29
*Comcast 3.15 '26, 4.60 '38	\$1.2 B	McDonald's 3.70 '26		Goldman Sachs 3.50 '25, 2.91 '23, 3.23 '25		US Treasury 2.38 '24
*CVS Health 2.13 '21, 5.05 '48	\$1.2 B	Molson Coors 3.00 '26		HSBC Holdings 3.26 '23		US Treasury 3.00 '49
*Microsoft 4.45 '45	\$956 M	Moody's 4.88 '48		Morgan Stanley 3.70 '24, 3.59 '28		
*Oracle Corp 4.30 '34, 2.50 '22	\$1.2 B	MPLX 5.20 '47, 4.13 '27		* Wells Fargo 4.75 '46, 3.00 '26, 3.75 '24	\$1.3 B	
*Verizon 6.40 '33, 2.63 '26	\$442 M	Northrop Grumman 3.75 '45		* UnitedHealth 1.63 '19, 3.95 '42	\$296 M	
*Walmart 3.40 '23, 3.55 '25	\$70 M	Nucor Corp 4.13 '22		Ace INA Holdings 3.35 '26		<b>MBS - 95% SPECIFIED POOLS</b>
ABBVIE Inc. 144A 4.30 '36, 3.20 '26		Nutrien 4.00 '26		American Campus Communities 3.63 '27		FNMA 15-YR. 3.50
Amgen 4.40 '45		Oneok 4.55 '28		* American Express 4.05 '42, 3.40 '23, 4.20 '25	\$1.1 B	FHLMC 15-YR. 3.50
Amazon.com 3.88 '37		O'Reilly Automotive 4.35 '28		* Anthem 2.50 '20	\$520 M	FNMA 20-YR. 3.50, 4.50
Charter Communications 3.75 '28		Paccar Finl Corp 2.20 '19, 1.30 '19		Bank of Montreal 3.30 '24		FNMA 30-YR. 3.00, 3.50, 4.00, 4.50, 5.00
Ford Motor Credit 3.81 '24		* Phillips 66 4.30 '22, 3.55 '26, 3.75 '28	\$1.1 B	* Bank of NY Mellon 3.25 '27	\$696 M	FHLMC 30-YR. 3.00, 3.50, 5.00
*General Electric 4.50 '44, 3.45 '24	\$715 M	* Qualcomm 2.90 '24	\$1.1 B	BB&T Corporation 2.75 '22		GNMA 30-YR. 3.00, 4.00, 4.50, 5.00
General Motors 3.15 '22		Relx Capital 3.50 '23		Boston Properties 3.20 '25		
Home Depot Inc 2.70 '23		Rogers Comm 3.63 '25		Capital One 2.50 '20		<b>CMBS</b>
Intel Corp 3.30 '21		Sanofi-Aventis 4.00 '21		CBOE Holdings 3.65 '27		JPMBB 2013-C12 ASB
*United Technologies 1.90 '20, 4.13 '28	\$1.1 B	Spectra Energy Partners 3.38 '26		Digital Realty 3.70 '27		Wells Fargo/RBS 2014-C19
American Honda 3.38 '21		Shire Acquisitions Inv 2.88 '23		ERP Operating LP 3.00 '23		
Analog Devices 3.90 '25		S&P Global 4.40 '26		* HCP 2.63 '20	\$332 M	<b>ABS</b>
Autodesk 3.50 '27		* Southwest Air 2.65 '20	\$84 M	Humana Inc 3.15 '22		Capital One Credit Card 2016 1.34 '22 (AL 0.18)
Baxalta Inc 4.00 '25		Starbucks 4.00 '28		Intercontinent 2.75 '20		Americredit Auto Loan 2017 1.90 '22 (AL 0.62)
Bell Canada 4.47 '48		TC Pipelines 3.90 '27		* Keycorp MTN 5.10 '21	\$170 M	BMW Auto Lease 2019 2.84 '21 (1.63 AL)
Boeing Capital 4.70 '19		Telus Corp 2.80 '27		PNC Financial 3.50 '24		Mercedes-Benz Auto Lease 3.10 '21 (AL 1.45)
BP Capital Markets America 3.80 '25		Toyota Motor 3.45 '23		Public Storage 2.37 '22		GM Prime Auto 2018 2.32 '22 (AL 1.30)
*Broadcom 3.13 '25	\$323 M	Union Pacific 4.10 '67, 3.38 '35		Prudential Financial 4.35 '50		Public Service New Hampshire 2018 3.09 '26 (AL 2.43)
Broadridge Financial Solutions 3.40 '26		* Valero Energy 4.35 '28	\$73 M	Raymond James 3.63 '26		John Deere Equipment 2018 3.08 '22 (AL 2.11)
Burlington Northern 3.65 '25		Visa 2.80 '22, 3.15 '25		Royal Bank Canada 2.13 '20, 3.20 '21		
Canadian Natural Resources 3.90 '25		Zimmer Holdings 3.55 '25		* State Street 3.30 '24	\$383 M	
Carefusion Corp 2.45 '24		Zoetis 3.00 '27		Suntrust Bank 2.45 '22		
Caterpillar Financial 1.35 '19				Toronto Dominion Bank 3.25 '24		
*Coca-Cola 3.88 '23	\$340 M			Trinity 4.40 '26		
Columbia Pipeline 4.50 '25		<b>UTILITY</b>		* US Bancorp 3.38 '24	\$1.0 B	
Concho Resources 4.30 '28		American Electric Power 3.64 '21		Ventas Realty 5.70 '43		
Costco 2.15 '21		Appalachian Power 4.50 '49		Westpac Banking 2.65 '21		
Crown Castle 3.40 '21		Consolidated Edison 4.63 '54				
Delphi Corp 4.15 '24		Delmarva Power & Light 3.50 '23				
Diamond 1 Finance 4.42 '21		* Dominion Energy 2.58 '20	\$1.0 B			
*Dollar General 4.13 '28	\$1.5 B	Duke Energy 4.15 '44, 3.55 '21				
Dollar Tree 3.70 '23		Entergy Louisiana 4.00 '33				
Dow Chemical 3.50 '24		Entergy Mississippi 3.75 '24				
Eaton Corp 2.75 '22		Florida Power & Light 3.95 '48				
Ebay 2.15 '20		Midamerican Energy 3.10 '27, 6.13 '36				
EOG Resources 4.15 '26		National Fuel 3.95 '27				
Fox 5.48 '39		National Rural Utility 2.95 '24, 4.30 '49				
*General Dynamics 2.88 '20	\$ 374 M	Nevada Power 2.75 '20				
Genzyme Corp 5.00 '20		NiSource 3.49 '27, 3.95 '48				
HJ Heinz 5.07 '35, 3.50 '22		Southern Co 2.75 '20				
John Deere 1.95 '20, 2.15 '22		Southern Power 4.15 '25				
Kaiser Foundation Hospital 4.15 '47		Wisconsin Energy 3.55 '25				
Lockheed Martin 3.55 '26						

Barclays Credit Top 25 (26% MV)  
 Barclays Credit Next 25 (10% MV)  
 Remaining 1,104 Issuers in Barclays Credit  
 \$250 Million Minimum Issue Size

We Seek to Exploit the Inefficiencies in Smaller Debt Issuers of Big Companies

Liquid Holdings With Average Issue Size \$1.2 Billion, Only 18% of Issues Under \$500 million

\*Companies held in equity strategies. Dollar value as of December 31, 2018.

Portfolio presented as supplemental information to the BHMS Core Fixed Income Composite. See appendix for a GIPS® compliant presentation and additional disclosure.

### Distinguishing Factors of Our Investment Process

- ❑ Advantage of a Boutique Bond Manager with the Resources of a Large Research-Oriented Firm
- ❑ Direct Access to Senior Management of Corporate America
- ❑ Opportunistic Research by Experienced and Stable Investment Team
- ❑ Ability to Source Alpha From Issuers Across the Market Capitalization Spectrum
- ❑ Risk Management at the Security and Portfolio Levels Produces Consistency of Return



# REGULATORY DISCLOSURES

## BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC

### CORE FIXED INCOME COMPOSITE

Year Ending	Total Return GOF (%)	Total Return NOF (%)	Composite 3-Yr Ex-Post Std Dev (%)	Blmbg Barclays Aggregate Bond Index (%)	Blmbg Barclays Aggregate 3-Yr Ex-Post Std Dev (%)	No. of Portfolios	Composite Dispersion	Composite Assets (\$MM)	% of Firm Assets	Firm Assets (\$MM)
1998	9.81	9.50	3.71	8.69	3.53	20	0.45	868	2.4	36,272
1999	-1.23	-1.50	3.46	-0.82	3.20	19	0.55	846	2.9	29,123
2000	11.92	11.61	3.34	11.63	3.01	17	0.44	855	3.1	27,764
2001	9.10	8.82	3.53	8.44	3.35	17	0.40	906	3.2	28,631
2002	10.88	10.61	3.42	10.26	3.36	25	0.20	1,040	4.2	24,511
2003	4.76	4.47	4.25	4.10	4.20	42	0.39	1,314	4.1	32,319
2004	4.34	4.05	4.34	4.34	4.28	52	0.23	1,527	3.6	41,938
2005	2.29	2.00	4.09	2.43	4.06	52	0.21	1,644	3.1	53,222
2006	4.63	4.35	3.11	4.33	3.21	44	0.11	1,471	2.3	62,936
2007	7.42	7.15	2.67	6.97	2.76	41	0.25	1,645	2.5	65,414
2008	4.35	4.06	4.15	5.24	3.97	38	0.94	1,465	3.4	43,051
2009	9.67	9.37	4.40	5.93	4.11	36	1.28	1,510	2.8	53,386
2010	6.83	6.58	4.42	6.54	4.16	41	0.27	2,126	3.6	58,652
2011	7.76	7.52	2.83	7.84	2.78	37	0.13	2,008	3.4	58,302
2012	5.25	5.01	2.34	4.21	2.38	40	0.22	2,455	3.7	66,184
2013	-1.74	-1.96	2.73	-2.02	2.71	37	0.24	2,351	2.6	89,078
2014	5.76	5.51	2.66	5.97	2.63	32	0.09	2,402	2.5	97,572
2015	1.05	0.82	2.91	0.55	2.88	31	0.06	1,986	2.3	87,187
2016	2.80	2.56	2.99	2.65	2.98	33	0.11	2,044	2.3	88,127
2017	3.63	3.41	2.81	3.54	2.78	28	0.07	1,930	2.2	87,556

Barrow, Hanley, Mewhinney & Strauss, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Barrow, Hanley, Mewhinney & Strauss, LLC has been independently verified for the period of January 1, 1993 through June 30, 2018.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Core Fixed Income Composite has been examined for the period of January 1, 1993 through June 30, 2018. The verification and performance examination reports are available upon request.

Description: This composite includes all discretionary core fixed income accounts measured against the Bloomberg Barclays Aggregate Index, which was administered and supplied by Lehman Brothers prior to 11/3/08. The composite may be compared to other appropriate indices, as requested. BHMS utilizes a bottom-up security selection process, based on fundamental research, which seeks to achieve returns that are superior to the returns of its benchmarks over complete market cycles, with lower volatility of return.

#### Notes:

- BHMS is an investment advisor registered with the SEC. BHMS is a subsidiary of BrightSphere Investment Group plc ("BSIG"), a publicly-held company traded on the New York Stock Exchange. A complete list and description of BHMS' composites as well as additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- This composite was created on January 1, 1984. The composite inception date is January 1, 1984.
- Performance is expressed in U.S. Currency. The returns include the reinvestment of all income. Gross-of-fees performance results are presented before investment management fees and custodial fees. Net-of-fees performance returns are calculated by deducting the actual fees from the accounts. BHMS Core Fixed Income Fee Schedule: 0.30% on first \$50 million; 0.20% on next \$100 million; 0.15% on next \$150 million; 0.125% on next \$700 million; 0.10% on assets over \$1 billion. Actual investment advisory fees incurred by clients may vary.
- Dispersion of annual returns is calculated for the accounts in the composite for the entire year by an asset-weighted standard deviation calculation method beginning with 2001. Prior to 2001, an equal-weighted standard deviation calculation method was used. Where composite dispersion is N.A., the information is not statistically meaningful due to an insufficient number of portfolios for the entire year.
- BHMS has added portfolio managers and analysts to support and enhance its research capabilities and asset growth. However, no alterations of composites, as presented herein, have occurred due to changes in personnel. Past performance is not indicative of future results.

# REGULATORY DISCLOSURES

## BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC HIGH YIELD FIXED INCOME COMPOSITE

Year Ending	Total Return GOF (%)	Total Return NOF (%)	Composite 3-Yr Ex-Post Std Dev	Barclays High Yield Ba/B 3% Issuer Cap Index (%)	Barclays High Yield Ba/B 3% Issuer Cap Std Dev	BofA Merrill Lynch BB-B US High Yield Index (%)	BofA Merrill Lynch BB-B US High Yield Std Dev	No. of Portfolios	Composite Dispersion	Composite Assets (\$MM)	% of Firm Assets	Firm Assets (\$MM)
2002	4.91	4.65	N.A.	0.36	N.A.	-0.78	N.A.	1	N.A.	9	0.0	24,511
2003	22.68	22.40	N.A.	23.27	N.A.	22.84	N.A.	1	N.A.	28	0.1	32,319
2004	9.42	9.17	N.A.	10.01	N.A.	9.91	N.A.	1	N.A.	29	0.1	41,938
2005	3.58	3.59	N.A.	3.25	N.A.	3.38	N.A.	1	N.A.	16	0.0	53,222
2006	9.55	9.57	N.A.	9.49	N.A.	10.67	N.A.	1	N.A.	18	0.0	62,936
2007	4.43	4.34	3.92	2.94	4.28	2.69	4.13	2	N.A.	42	0.1	65,414
2008	-22.50	-22.56	11.80	-22.22	11.77	-23.60	12.07	1	N.A.	27	0.1	43,051
2009	43.59	43.41	14.31	45.40	14.35	46.12	14.67	1	N.A.	100	0.2	53,386
2010	14.03	13.79	14.48	14.17	14.47	14.50	14.82	1	N.A.	95	0.2	58,652
2011	6.42	6.18	9.01	6.09	9.02	5.47	9.16	1	N.A.	92	0.2	58,302
2012	14.33	14.09	6.21	15.11	6.18	14.70	6.21	1	N.A.	140	0.2	66,184
2013	5.22	4.91	5.93	6.23	5.75	6.29	5.79	1	N.A.	172	0.2	89,078
2014	2.20	1.86	4.78	3.42	4.35	3.46	4.26	1	N.A.	189	0.2	97,572
2015	-1.76	-2.02	5.25	-2.79	5.10	-2.89	5.09	1	N.A.	123	0.1	87,187

Barrow, Hanley, Mewhinney & Strauss, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Barrow, Hanley, Mewhinney & Strauss, LLC has been independently verified for the period of January 1, 1993 through December 31, 2015. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Description: This composite includes all discretionary high yield fixed income accounts measured against the Barclays High Yield Ba/B 3% Issuer Cap Index, which was administered and supplied by Lehman Brothers prior to 11/3/08, and the BofA Merrill Lynch BB-B US High Yield Index. The composite may be compared to other appropriate indices, as requested. BHMS utilizes a bottom-up security selection process, based on fundamental research, which seeks to achieve returns that are superior to the returns of its benchmarks over complete market cycles.

### Notes:

- BHMS is an investment advisor registered with the SEC. BHMS is a subsidiary of OMAM Asset Management (US) LLC, which is a subsidiary of OM Asset Management plc ("OMAM"), a publicly-held company traded on the New York Stock Exchange. A complete list and description of BHMS' composites, as well as additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- This composite was created on February 1, 2007. In 2015 BHMS added the BofA Merrill Lynch BB-B US High Yield Index due to the broader representation of the BB/B High Yield market in the index. The composite inception date is January 1, 2002.
- Prior to January 1, 2005, the composite was comprised of 100% carve-outs. Performance reflects the required total segment of all high yield bonds held in the firm's core plus fixed income composite, with cash allocated using a weighted-average cash balance and cash returns from the core plus fixed income composite on a quarterly basis.
- Performance is expressed in U.S. Currency. The returns include the reinvestment of all income. Gross-of-fees performance results are presented before investment management fees and custodial fees. Net-of-fees performance returns are calculated by applying the actual basis-point-fee for the core plus fixed income composite to the assets in the carved-out segments prior to January 1, 2005 and by deducting the actual fees from the accounts thereafter. BHMS High Yield Fixed Income Fee Schedule: 0.50% on first \$20 million; and 0.40% on assets over \$20 million. Actual investment advisory fees incurred by clients may vary.
- Dispersion of annual returns is calculated for the accounts in the composite for the entire year by an asset-weighted standard deviation calculation method. Where composite dispersion is N.A., the information is not statistically meaningful due to an insufficient number of portfolios for the entire year.
- BHMS has added portfolio managers and analysts to support and enhance its research capabilities and asset growth. However, no alterations of composites, as presented herein, have occurred due to changes in personnel. Past performance is not indicative of future results.

## REGULATORY DISCLOSURES

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**Upgrade/Downgrade Ratios:** Data reflects a comparison of the total of all Moody's upgrades/downgrades to the upgrades/downgrades on the corporate holdings in BHMS' portfolios by both Moody's and S&P. BHMS' long duration holdings are included from 2015 forward.

**General Disclosures:** A list and details concerning all composites are available upon request. Past performance is no guarantee of future results. This information is to be used solely in one-on-one discussions with plan sponsors and consultants, with the appropriate reference to these disclosures.

**Merced County Employees' Retirement Association (MCERA)**  
**RETIREMENT BOARD AGENDA ITEM**

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**DATE:** April 25, 2019

**TO:** MCERA Board of Retirement  
**FROM:** Kristie Santos, Plan Administrator

**SUBJECT:** SACRS Annual Business Packet and Election of Officers

**ITEM NUMBER:** 4

**ITEM TYPE:** Action with Direction to Voting Delegate

**STAFF RECOMMENDATION:**

1. To accept/approve the SACRS Business Meeting Packet materials with direction to the voting delegate on the following;
  - a. Accept and approve the SACRS Treasurer Report,
  - b. Accept and approve the SACRS Secretary Report,
  - c. Vote to approve the SACRS Audit Report,
  - d. Vote to approve the SACRS Election Ballot.

**DISCUSSION:** The Merced County Employees' Retirement Association (MCERA) staff each year receives the SACRS Business Packet for approval and acceptance in preparation for the SACRS business meeting.

The business packet usually contains items such as; minutes from the prior business meeting, a treasurer's report, a secretary's report and on occasion, legislation sponsored and/or supported by SACRS. At this time, there are no legislative items to consider.

This year the Board is being asked to vote on the following items; Accept and approve the SACRS Treasurer Report; Accept and approve the SACRS Secretary Report; Vote to approve the SACRS Audit Report; Vote to approve the SACRS Election Ballot.

By voting on the above items, the voting delegate for the SACRS May 10, 2019 business meeting, will then vote on behalf of the MCERA Board of Retirement.



## SACRS Business Meeting Packet

Friday, May 10, 2019

10:00 AM - Upon Adjournment

Resort at Squaw Creek  
Olympic Valley, Lake Tahoe



SACRS Business Meeting Agenda  
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

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**1. SACRS System Roll Call**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

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

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2018 SACRS Business Meeting Minutes

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

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2018 – February 2019 Financials

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

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

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

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

- A. 2019 Legislative Report

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

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election 2019-2020

**7. SACRS Audit Report – Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2017-2018 Audit Report



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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Spring Conference Evaluations 2019

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

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

- A. SACRS Spring 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, November 15, 2019, Hyatt Regency Hotel & Spa, Monterey, CA.



## 1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary





1. SACRS System Roll Call  
Kathryn Cavness, SACRS Secretary

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



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

Kathryn Cavness, Mendocino CERA, SACRS Secretary

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



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

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

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**Meeting called to order at 10:20 am**

**SACRS Board:** Dan McAllister, President; Vivian Gray, Vice President; Harry Hagen, Treasurer; Kathryn Cavness, Secretary; Roger Hilton, General Member; Lesley Nettles, SACRS Affiliate Chair/Advisor to the Board; Ben Lazarus, Affiliate Vice Chair

**Absent:** Chris Cooper, General Member

**1. SACRS System Roll Call**

Kathryn Cavness, Mendocino CERA, SACRS Secretary

**Present:** 18 SACRS Systems

**Absent:** Fresno and Stanislaus

*(Stanislaus had a Trustee present; however, the Trustee was not the authorized Voting delegate-Mandip Dhillon or Alternate delegate –Michael O’Neal.)*

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

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. May 2018 SACRS Business Meeting Minutes

**Motion:** A motion to receive and file the SACRS Business Meeting Minutes from May 2018 was made by Mendocino.

**2<sup>nd</sup>:** Los Angeles

**Yes:** All

**No:** 0

**Absent:** Fresno, Stanislaus

**Motion Passes**

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

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – August 2018 Financials

**Motion:** A motion to receive and file the Treasurers financial report was made by Orange.

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

**Yes:** All

**No:** 0



**Absent:** Fresno, Stanislaus

**Motion Passes**

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

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

**Discussion:**

No action taken, Dan McAllister gave an overview of the Board of Directors projects for the year and follow up on their goals from the Strategic Plan 2018-2019.

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

Vacant, SACRS Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. Orange CERS Proposal – Withdrawn

**Discussion:**

No action was taken as the Orange CERS proposal was withdrawn. A verbal report was provided by the SACRS Lobbyist and a written report on the bills being tracked was provided in the Business meeting packet. Please refer to the packet for specific bills being tracked.

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

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2019-2020

**Discussion:**

No action was taken, please see the 2019-2020 SACRS Election Notice in the packet that was provided by Ray McCray, Nomination Committee Chair.

**7. SACRS Audit Report – No Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit Committee Update

**Discussion:**

No action was taken, a verbal report as to the Audit status was provided by Steve Delaney. The 2017-2018 Audit will be completed in December and presented to the Board of Directors in January 2019. The Audit will then be provided to the membership at the May 10<sup>th</sup> Business meeting being held in Lake Tahoe at the Spring Conference.



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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

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

#### **Discussion:**

No action taken; the delegation was reminded that evaluations are electronic this year, that all attendees can 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 Fall Conference Report 2018**

#### **Discussion:**

No action taken; Vivian Gray, Committee Chair 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](http://sacrs.org) website.

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

Lesley Nettles, Fairview Capital, SACRS Affiliate Committee Chair

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

#### **Discussion:**

No action taken; Lesley Nettles, Committee Chair thanked the Affiliate Committee members that helped develop the Affiliate Breakout session on Wednesday. The “speed dating” meeting style was well received and requested for the Spring Conference.

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

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

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

#### **Discussion:**

No action taken; no report provided.

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

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



A. Administrators

**Discussion:**

Dominic Brown, Kern CERA reported that the administrators had a great turnout, lively discussion and Eric Stern, Sacramento CERS volunteered to serve as the Spring 2019 representative/moderator.

B. Counsel

**Discussion:**

Karen Levy, Contra Costa CERA reported that the group discussed many issues, Error Correction Policies in Light of Krolikowski v. San Diego City, Military Leave Purchase Statutes in CERL, Retiree Return to Work: Policy and Procedure, Discontinuance of Employer Pre-Payments: KCERA's Story – see agenda for complete list. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

C. Disability/ Operations & Benefits Combo

**Discussion:**

No report provided. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

D. Internal Auditors

**Discussion:**

No report provided. Harsh Jadhav will be their representative/moderator for the Spring 2019 conference.

E. Investment Officers

**Discussion:**

No report provided. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

F. Safety Trustees

**Discussion:**

Gabe Rodrigues, Contra Costa CERA Trustee reported that the group had a great roundtable discussion and good attendance. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.



## G. General Trustees

### **Discussion:**

Kathryn Cavness, Mendocino CERA Trustee reported that the speaker was hard to hear, chose not to utilize the microphone provided in the room. Good content but would have been a better session if the speaker did not move around the room without the aid of audio. Kathryn Cavness will be their representative/moderator for the Spring 2019 conference.

### **13. Adjournment**

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

### **Adjournment:**

Dan McAllister, SACRS President called for adjournment at 10:51 am.



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

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

#### **A. July 2018 – February 2019 Financials**



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

As of February 28, 2019

	<u>Feb 28, 19</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · First Foundation Bank-Checking	49,508.56
1001 · BofA Interest Checking 4389	375,602.77
1002 · First Foundation Bank ICS Acct	57,410.00
<b>Total Checking/Savings</b>	<u>482,521.33</u>
<b>Other Current Assets</b>	
1099 · CalTrust - BlackRock TempFund	8,033.39
1100 · CalTrust - Medium Term	1,152,689.56
1104 · CalTrust - BlackRock FedFund	772,534.07
1201 · Deposits in Transit	81,090.00
<b>Total Other Current Assets</b>	<u>2,014,347.02</u>
<b>Total Current Assets</b>	<u>2,496,868.35</u>
<b>TOTAL ASSETS</b>	<u><b>2,496,868.35</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2100 · Unrealized Gain (Loss)	44,179.03
<b>Total Other Current Liabilities</b>	<u>44,179.03</u>
<b>Total Current Liabilities</b>	<u>44,179.03</u>
<b>Total Liabilities</b>	44,179.03
<b>Equity</b>	
32000 · Retained Earnings	2,194,804.37
Net Income	257,884.95
<b>Total Equity</b>	<u>2,452,689.32</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>2,496,868.35</b></u>

## STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit &amp; Loss Budget Performance

July 2018 through February 2019

Ordinary Income/Expense	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
Income				
4100 - Membership Dues				
4101 - Affiliates	265,000.00	268,750.00	-3,750.00	98.61%
4102 - Non Profit - Organizations	2,250.00	3,000.00	-750.00	75.0%
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	367,250.00	371,750.00	-4,500.00	98.79%
4250 - Product Income				
4251 - CERL	75.00			
4252 - Roster	25.00	0.00	25.00	100.0%
4254 - Website Job Board	0.00	500.00	-500.00	0.0%
4255 - Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
4256 - Conference Recordings	25.00			
4257 - Trustee Handbooks	25.00			
Total 4250 - Product Income	150.00	2,500.00	-2,350.00	6.0%
4270 - UC Berkeley Program				
4271 - Registrations	20,000.00	75,000.00	-55,000.00	26.67%
4272 - Sponsorships	37,000.00	50,000.00	-13,000.00	74.0%
Total 4270 - UC Berkeley Program	57,000.00	125,000.00	-68,000.00	45.6%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	220,320.00	180,000.00	40,320.00	122.4%
4302 - Affiliates - Regular	64,410.00	90,000.00	-25,590.00	71.57%
4303 - Affiliates - Late/Onsite	30,720.00	40,000.00	-9,280.00	76.8%
4304 - Non Profit	960.00	1,000.00	-40.00	96.0%
4305 - Systems	23,040.00	26,000.00	-2,960.00	88.62%
4306 - Non-Members	250,980.00	255,000.00	-4,020.00	98.42%
4307 - Fun Run	1,100.00	1,000.00	100.00	110.0%
Total 4300 - Fall Conference Registration	591,530.00	593,000.00	-1,470.00	99.75%

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**Profit & Loss Budget Performance**

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
<b>4350 - Spring Conference Registration</b>				
4351 - Affiliates - Early	160,140.00	175,000.00	-14,860.00	91.51%
4352 - Affiliates - Regular	0.00	75,000.00	-75,000.00	0.0%
4353 - Affiliates - Late/Onsite	1,280.00	33,000.00	-31,720.00	3.88%
4354 - Non Profit	480.00	1,000.00	-520.00	48.0%
4355 - Systems	8,040.00	22,500.00	-14,460.00	35.73%
4356 - Non-Members	104,130.00	230,000.00	-125,870.00	45.27%
4357 - Fun Run	500.00	1,000.00	-500.00	50.0%
4358 - Yoga	200.00			
<b>Total 4350 - Spring Conference Registration</b>	<b>274,770.00</b>	<b>537,500.00</b>	<b>-262,730.00</b>	<b>51.12%</b>
<b>4900 - Interest Earned</b>	<b>394.07</b>			
<b>Total Income</b>	<b>1,291,094.07</b>	<b>1,629,750.00</b>	<b>-338,655.93</b>	<b>79.22%</b>
<b>Gross Profit</b>	<b>1,291,094.07</b>	<b>1,629,750.00</b>	<b>-338,655.93</b>	<b>79.22%</b>
<b>Expense</b>				
<b>5000 - Administrative Fee - SYAi</b>	<b>116,932.88</b>	<b>175,267.01</b>	<b>-58,334.13</b>	<b>66.72%</b>
5001 - Administrative Services	0.00	3,000.00	-3,000.00	0.0%
5002 - Awards	285.96	1,000.00	-714.04	28.6%
5003 - Bank Charges/Credit Card Fees	20,425.83	45,000.00	-24,574.17	45.39%
<b>5010 - Berkeley &amp; Symposium</b>				
5011 - Audio/Visual	2,159.70	1,500.00	659.70	143.98%
5012 - Delivery & Shipping	22.29	0.00	22.29	100.0%
5013 - Hotel	16,619.02	12,000.00	4,619.02	138.49%
5014 - Food & Beverage	0.00	0.00	0.00	0.0%
5015 - Materials/Printing/Design	378.88	1,500.00	-1,121.12	25.26%
5016 - Travel	2,437.19	350.00	2,087.19	696.34%
5017 - UC Berkeley	0.00	180,000.00	-180,000.00	0.0%
<b>Total 5010 - Berkeley &amp; Symposium</b>	<b>21,617.08</b>	<b>195,350.00</b>	<b>-173,732.92</b>	<b>11.07%</b>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
5030 - CERL				
5031 - Materials/Printing/Design	16,302.45	20,000.00	-3,697.55	81.51%
5032 - Shipping	1,103.46	3,500.00	-2,396.54	31.53%
Total 5030 - CERL	17,405.91	23,500.00	-6,094.09	74.07%
5040 - Commissions & Fees	15,896.53	20,000.00	-4,103.47	79.48%
5041 - Consulting	13,328.00	20,000.00	-6,672.00	66.64%
5042 - Dues & Subscriptions	3,525.00	3,700.00	-175.00	95.27%
5050 - Fall Conference				
5051 - Audio/Visual	52,180.00	40,300.00	11,880.00	129.48%
5052 - Delivery & Shipping	1,920.05	2,500.00	-579.95	76.8%
5053 - Entertainment	3,000.00	0.00	3,000.00	100.0%
5054 - Hotel				
5054.1 - Wednesday Night Event	96,721.61	75,000.00	21,721.61	128.96%
5054.2 - Conference	14,265.00	0.00	14,265.00	100.0%
5054.3 - Food & Beverage	200,205.53	0.00	200,205.53	100.0%
5054 - Hotel - Other	1,478.63	275,000.00	-273,521.37	0.54%
Total 5054 - Hotel	312,670.77	350,000.00	-37,329.23	89.34%
5055 - Program Material	32,086.18	30,000.00	2,086.18	106.95%
5056 - Speakers	74,457.56	50,000.00	24,457.56	148.92%
5057 - Supplies	360.00	1,000.00	-640.00	36.0%
5058 - Travel	15,945.90	4,000.00	11,945.90	398.65%
Total 5050 - Fall Conference	492,620.46	477,800.00	14,820.46	103.1%
5070 - Insurance	3,967.00	6,000.00	-2,033.00	66.12%
5071 - Legal & Professional Fees	21,044.00	25,000.00	-3,956.00	84.18%
5072 - Legislative Advocacy	37,750.40	56,901.00	-19,150.60	66.34%

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**Profit & Loss Budget Performance**

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
<b>5080 - Magazine</b>				
5081 - Delivery & Shipping	582.24	0.00	582.24	100.0%
5082 - Design/Printing/Etc.	14,336.04	20,000.00	-5,663.96	71.68%
5080 - Magazine - Other	401.36			
<b>Total 5080 - Magazine</b>	<b>15,319.64</b>	<b>20,000.00</b>	<b>-4,680.36</b>	<b>76.6%</b>
<b>6000 - Board &amp; Committees</b>				
6001 - Board of Directors				
6001.1 - Food & Beverage	3,129.28	2,500.00	629.28	125.17%
6001.2 - Printing/Supplies	3,058.66	2,500.00	558.66	122.35%
6001.3 - Travel - BOD Meetings	7,034.33	15,000.00	-7,965.67	46.9%
6001.4 - Travel - Miscellaneous BOD	904.48	1,000.00	-95.52	90.45%
6001 - Board of Directors - Other	0.00	1,500.00	-1,500.00	0.0%
<b>Total 6001 - Board of Directors</b>	<b>14,126.75</b>	<b>22,500.00</b>	<b>-8,373.25</b>	<b>62.79%</b>
6002 - Legislative Committee Meetings	171.10	250.00	-78.90	68.44%
6003 - Program Committee Meetings	929.84	400.00	529.84	232.46%
6004 - Nominating Committee	4.65	0.00	4.65	100.0%
6005 - Audit Committee	6.57			
6000 - Board & Committees - Other	17.64			
<b>Total 6000 - Board &amp; Committees</b>	<b>15,256.55</b>	<b>23,150.00</b>	<b>-7,893.45</b>	<b>65.9%</b>
6010 - Office Expenses / Supplies	2,213.21	2,500.00	-286.79	88.53%
6011 - Postage & Delivery	2,717.12	3,200.00	-482.88	84.91%
6020 - Spring Conference				
6021 - Audio/Visual	16,831.13	45,000.00	-28,168.87	37.4%
6022 - Delivery & Shipping	4,623.79	2,500.00	2,123.79	184.95%
6023 - Entertainment	343.72	0.00	343.72	100.0%

## STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## Profit &amp; Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
6024 • Hotel				
6024.1 • Wednesday Night Event	56.68	75,000.00	-74,943.32	0.08%
6024.2 • Conference	10,033.81			
6024.3 • Food & Beverage	117,981.47			
6024 • Hotel - Other	16,001.63	275,000.00	-258,998.37	5.82%
Total 6024 • Hotel	144,073.59	350,000.00	-205,926.41	41.16%
6025 • Program Material	4,903.16	30,000.00	-25,096.84	16.34%
6026 • Speakers	1,520.37	50,000.00	-48,479.63	3.04%
6027 • Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 • Travel	10,514.00	3,000.00	7,514.00	350.47%
Total 6020 • Spring Conference	182,809.76	481,500.00	-298,690.24	37.97%
6051 • Taxes & Licenses	0.00	100.00	-100.00	0.0%
6053 • Technology/AMS/Website	41,304.05	15,000.00	26,304.05	275.36%
6054 • Travel	8,789.74	25,000.00	-16,210.26	35.16%
Total Expense	1,033,209.12	1,622,968.01	-589,758.89	63.66%
Net Ordinary Income	257,884.95	6,781.99	251,102.96	3,802.5%
Net Income	257,884.95	6,781.99	251,102.96	3,802.5%



#### **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 – No Action**

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

### **A. 2019 Legislative Report**



**State Association of County Retirement Systems  
Spring Conference / Legislative Update**  
by Mike Robson and Trent Smith  
April 2, 2019

**Overview**

The State Association of County Retirement Systems' (SACRS) Spring Conference just about marks the halfway point in the 2019 legislative calendar. However, at the time of this writing, the legislative policy committees have only just begun meeting, hearing legislation, amending, and voting on the 2,500 bills introduced in the 2019 Legislative Session.

**Legislation**

The SACRS Legislative Committee has taken an initial review of introduced bills and is evaluating amendments to those bills. At this time, there have been no votes to support or oppose any specific legislative bills that are moving through the legislative process.

However, there are a number of bills that are of interest that are being monitored and for which information has been shared with policymakers and legislative staff.

**1937 Act Legislation**

**SB 783 (Senate Committee on Labor, Public Employment and Retirement) --  
County Employees Retirement Law of 1937**

This is a technical committee bill that was introduced to serve as a legislative vehicle for cleaning up and making modifications to the County Employee Retirement Law (CERL). It is likely that this bill will move to the second house of the Legislature and then await amendments from SACRS and others who are seeking non-controversial changes in the CERL.

**AB 664 (Cooper) -- County Employees Permanent Incapacity**

This bill, as originally introduced, would have required a county retirement system to evaluate peace officer disability based on the ability to perform the full job of a sworn peace officer. This was a reintroduction of a bill Assemblyman Cooper carried in 2017 which passed the Assembly but was not heard in the Senate policy committee due to reservations expressed by the Chair of the Committee over potential increased costs to a system due to additional eligibility for disability retirements.

Assemblyman Cooper, who is carrying the bill on behalf of law enforcement managers in his district, amended the bill to take the statewide applicability out of the bill and make it specific to Sacramento County only. At the time of this writing, the bill has not been heard in committee.

### **AB 1212 (Levine) -- Infrastructure Investment**

AB 1212 would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by public pension retirement boards and to provide it to them.

While this bill is not specific to the 37 Act systems, the author believes that local retirement boards are best positioned to invest in infrastructure projects, stating:

*“Public pension funds in California make many investments in a wide array of investment opportunities. While there are conflict-of-interest rules that can limit public pension fund investments in state projects, local (e.g., county) pension funds are less likely to encounter those conflicts than the state’s two major pension funds.”*

This bill is set for hearing in the Assembly Public Employment and Retirement Committee on April 24.

### **Divestment**

Mandating or encouraging divestment as a means to influence social policy remains popular among some members of the Legislature.

### **AB 1320 (Nazarian) -- Divestment in Turkey**

AB 1320 would require PERS and STRS to divest in any investment vehicle in Turkey, issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. This divestment mandate is contingent on the passage of a federal law imposing sanctions on Turkey for failure to acknowledge the Armenian Genocide. Assemblyman Nazarian authored a similar bill last year, AB 1597, that was vetoed by Governor Brown.

### **AB 33 (Bonta) -- Divestment in Private Prisons**

AB 33 would prohibit PERS and STRS from investing in private prisons and requires both entities to liquidate any investments in these companies by July 1, 2020. The author is focused on divestment of private prisons because many of these facilities have been used to detain undocumented immigrants, including children.

### **AB 1332 (Bonta) -- Sanctuary State Contracting**

Assemblyman Bonta also introduced AB 1332, which would enact the Sanctuary State Contracting and Investment Act. This measure would prohibit state or local agencies

from entering into new, or extending, contracts with companies providing services to federal immigration agencies or detention facilities. As originally drafted, AB 1332 would have prohibited local governments, including counties, from making pension investments in these same business. However, the pension portion of the bill was poorly drafted and, upon being informed of implications to pension systems, the author was convinced to remove the pension investment provisions from the bill.

### **Governor/State Budget**

Governor Newsom released his proposed State Budget in January which contemplates \$209 billion in state spending of which \$144.2 billion will be from the state General Fund. Governor Newsom, like his predecessor Governor Brown, has placed a premium on trying to be fiscally prudent by limiting ongoing state spending commitments in order to avoid spending cuts in the future should the economy decline. For that reason, while the Governor has many new spending proposals in his budget, 86 percent of his new spending is on a one-time basis.

One example is the Governor's \$6 billion, one-time expenditure to pay down future pension liabilities at both CalPERS and CalSTRS.



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

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election 2019-2020



March 25, 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 2019-2020 Elections – Final Ballot

---

SACRS BOD 2019-2020 election process began January 2019. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations 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, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

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

**Section 1. Board of Directors.** *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the 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 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

**SACRS Nominating Committee Final Ballot:**

- |                                    |                |
|------------------------------------|----------------|
| • Dan McAllister, San Diego CERA   | President      |
| • Vivian Gray, Los Angeles CERA    | Vice President |
| • Harry Hagen, Santa Barbara, CERS | Treasurer      |
| • Kathryn Cavness, Mendocino CERA  | Secretary      |
| • Roger Hilton, Orange CERS        | Regular Member |
| • Chris Cooper, Marin CERA         | Regular Member |

**Additional Candidates Submitted:**

- |                                      |                |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | 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 Ray McCray, [raym1@sbcglobal.net](mailto: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



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Dan McAllister
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	619-531-5231 <a href="mailto:dan.mcallister@sdcounty.ca.gov">dan.mcallister@sdcounty.ca.gov</a> 1600 Pacific Hwy, Room 112 San Diego, CA 92101
<b>Name of Retirement System Candidate Currently Serves On</b>	SDCERA
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	County Treasurer-Tax Collector, mandated member.
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> <b>President</b> <input checked="" type="radio"/> <del>Vice President</del> <input checked="" type="radio"/> <del>Treasurer</del> <input checked="" type="radio"/> <del>Secretary</del> <input type="radio"/> <del>Regular Member</del>
<b>Brief Bio</b>	<p>Dan McAllister has served San Diego County residents as the County's Treasurer-Tax Collector since 2002. He was re-elected to his fifth term in June. Dan oversees the collection of more than \$6 billion in property taxes each year, the management of \$11.6 billion in the County's Investment Pool, and the administration of the County's \$1.5 billion defined contribution program. Since assuming office, he has worked extensively to improve customer service, enhance communications and outreach initiatives, and ensure the fiscal stability of the treasury. Under his direction, his office collected a record high 60% of property tax payments electronically, while maintaining a 99% collection rate for the past three years. He is also a strong advocate for diversity, a value reflected in his staff that comes from all walks of life and backgrounds. His office now delivers service in 17 different languages.</p> <p>As part of his duties, Dan serves as a member of the San Diego County Employees Retirement Association (SDCERA), which manages more than \$13 billion of investments; he also serves as a board member of several non-profit organizations in San Diego.</p>





**TREASURER-TAX COLLECTOR  
SAN DIEGO COUNTY**

[www.sdttc.com](http://www.sdttc.com)

**Dan McAllister**  
Treasurer-Tax Collector



February 21, 2019

Mr. Ray McCray  
Chairman  
Nominating Committee  
State Association of County Retirement Systems

Dear Mr. McCray,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past five years, it has been my distinct honor and pleasure to serve on the SACRS Board. First as Treasurer and now President, I am extremely proud of the work our board has completed during these years to improve our levels of customer service to our members. During the past two years for example the SACRS Board performed a comprehensive review and update of Board Policies and Procedures. We added two new seats to the Board to be more inclusive and give more members an opportunity to serve. We also made strong efforts to add new people to a number of our standing committees.

Indeed, it has been a productive year for the Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments and continuous improvement.

SACRS is a special organization and one that must continue to provide educational forums for disseminating information to Trustees and system staffs from all '37 Act counties. Additionally, SACRS must take an active role in the legislative process as it impacts county retirement systems.

As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees statewide to ensure that our educational programs and conferences continue to be of the highest quality and content.

With your support and nomination, I would be honored to serve again as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,



Dan McAllister



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2018-2019**

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<b>Name of Candidate</b>	VIVIAN GRAY
<b>Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)</b>	Viviangray@aol.com, Vgray@lacera.com 300 N. Lake Ave., Ste. 820 Pasadena, CA 91101 Phone: (213) 440-0142
<b>Name of Retirement System Candidate Currently Serves On</b>	Los Angeles County Employees Retirement Association (LACERA)
<b>Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	General Elected Trustee, Board of Retirement <a href="http://www.lacera.com/about_lacera/bor/gray.html">http://www.lacera.com/about_lacera/bor/gray.html</a>
<b>Applying for SACRS Board of Directors Position (You may only select one)</b>	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
<b>Brief Bio</b>	<ul style="list-style-type: none"> <li>• Chair, LACERA Board of Retirement 2018</li> <li>• Chair, SACRS Program Committee</li> <li>• Elected general member trustee since 2012</li> <li>35 years of service to Los Angeles County</li> <li>10 years in Law Enforcement</li> <li>25 years as an attorney for Los Angeles County</li> <li>• 6 years in private law practice</li> <li>• Education/Pension Trustee Certificates               <ul style="list-style-type: none"> <li>- Bachelors of Arts: UCLA</li> <li>- JD: UWLA</li> <li>- New York Law School - Public Pension Trustee Fiduciary Program</li> <li>- Stanford Law School (CALAPRS) - Principles of Pension Management</li> <li>- Harvard Law School Program - Trustee Work Life</li> <li>- UC Berkeley (SACRS) - Modern Investment Theory &amp; Practice for Retirement Systems</li> <li>- IFEBP - Trustee Masters Program</li> <li>- NCPERS - Public Pension Funding Forum</li> <li>- Wharton Business School - Portfolio Concepts and Management (Pending)</li> <li>- National Assoc. of Corporate Directors (NACD) Board Leadership Fellow</li> </ul> </li> </ul>

# VIVIAN GRAY

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

February 20, 2019

VIA EMAIL

SACRS Nominating Committee  
Mr. Ray McCray, Chair

Dear Mr. McCray:

I would like to express my interest in remaining SACRS' Vice President for 2019/2020.

I have been honored to serve as Vice President and Chair of the Program Committee for the past 2018/2019 year. During this past year SACRS has made considerable strides in remaining a relevant organization for trustee education for the 20 systems comprising the 1937 Act Counties.

As instituted by the revised SACRS Bylaws in 2018 the SACRS leadership was expanded to a seven member board of directors. This expansion has served SACRS well by fostering a cohesive elected board whose focus is to increase SACRS level of recognition while maintaining its reputation as an excellent educational forum for trustees, its affiliates and the related pension community.

Through its strong leadership, SACRS can continue to become the premier entity in the direct education of trustees. I believe SACRS is a viable organization among retirement systems. We have secured a presence not only in our CERL 37 Act Systems, but are gaining headway and recognition beyond CERL.

Your consideration of me to continue as vice president would be an honor.

I have attached the SACRS Nomination Form containing my brief bio.

Sincerely,

*Vivian Gray*

Vivian Gray

cc: Sulema Peterson, SACRS



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Harry E. Hagen
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	805-568-2490 <a href="mailto:hhagen@co.santa-barbara.ca.us">hhagen@co.santa-barbara.ca.us</a>  P.O. Box 579 Santa Barbara, CA 93102-0579
<b>Name of Retirement System Candidate Currently Serves On</b>	SBCERS (Santa Barbara)
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="radio"/> Other Ex-officio member, Vice-Chair
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
<b>Brief Bio</b>	See Attachment

February 28, 2019

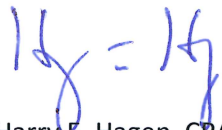
To Ray McCray , SACRS Nominating Committee Chair,

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 23-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 eight 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.



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

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 \$1.6 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 27-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.



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

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



Kathryn Cavness  
6500 Ridgewood Road  
Willits, CA 95490  
(707) 459-2215  
k24u2figure@gmail.com

January 29, 2017

Ray McCray, Chair  
SACRS Nominating Committee  
1415 L St., Suite 1000,  
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for Secretary of the State Association of County Retirement Systems (SACRS) Board of Directors in the upcoming May 2019 election. If elected, this will be my third term to serve as SACRS Secretary. I am also currently the Chair, as an Elected Trustee, of the Mendocino County Employee Retirement Association (MCERA) and member of the MCERA Audit Committee.

My interest in seeking the position of Secretary on the SACRS Board of Directors is to continue representing the interests of all 1937 Act County Trustees and to reach out to Trustees to attain greater participation in SACRS activities; my commitment to 1937 Act Trustees and Members is to carry out the goals and objectives of the SACRS strategic plan. If elected, my focus will be on improving our Trustee participation at the Spring and Fall Conferences, the UC Berkeley Educational Programs, and increasing membership on SACRS' Committees, including the Legislative, Program, Education and Bylaws Committees.

I wish to persist in my efforts to attain greater parity for the smaller, rural, central and northern 1937 Act systems; I am Chair of MCERA, the smallest, northernmost, rural SACRS retirement system. I have had the pleasure of visiting a few of the retirement systems in Northern California and I look forward to engaging in more of these relationship building activities to discover what individual retirement systems are seeking from SACRS.

My educational background and professional experience has provided me with a strong administrative/financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:

- Two years as Secretary for SACRS Board of Directors
- Chair on the MCERA Board and 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

Sincerely,

Kathryn Cavness





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

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<b>Name of Candidate</b>	Roger Hilton
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	(714) 325-9295, <a href="mailto:rhilton@ocers.org">rhilton@ocers.org</a> , <a href="mailto:roger@aocds.org">roger@aocds.org</a>  2223 East Wellington Ave. Suite 100 Santa Ana, CA 92701
<b>Name of Retirement System Candidate Currently Serves On</b>	Orange County Employees Retirement System (OCERS)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	Vice-Chair - Elected Safety Member
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
<b>Brief Bio</b>	<input type="checkbox"/> Currently serving as SACRS Regular Board Member 2018-2019 <input type="checkbox"/> OCERS: served as Chairman of the board, chair of the Investment Committee, and have chaired several committees, elected 2012 - Present. <input type="checkbox"/> Association of Orange County Deputy Sheriffs (AOCDS) Board of Directors: Currently serving as Vice President and Political Action Chairman, 2011 - Present. <input type="checkbox"/> Trustee on Medical and Benefits Trusts, 2011 - Present. <input type="checkbox"/> Association of Deputy Marshals Board of Directors, 1992-2000 – Served as President 1996-2000, Treasurer 1993-1996. Public Pension Trustee certificates: -Modern Investment Theory & Practice – UC Berkeley; -Portfolio concepts and Management -Wharton School of Business; -Certificate in Public Plan Policy I and II; -Principles of Pension Management - Stanford University; -Advanced Principles of Pension Management - UCLA; -Labor and Worklife Program, Harvard Law School

February 15, 2019

2223 East Wellington Ave. Suite 100  
Santa Ana, CA 92701

Ray McCray, SACRS Nominating Committee Chair

Dear Mr. McCray:

Please accept this letter as my intent to run for the Board of Directors for the position of Regular Member. I would request that my name be included in the 2019-2020 SACRS Nomination Slate at the upcoming elections in May 2019.

I believe my years of experience leading employee labor organizations and the OCERS Board of Retirement have uniquely prepared me for this challenge. I have 30 years of experience in law enforcement, 26 years serving in the leadership of employee labor organizations, 6 ½ years on the OCERS Board of Retirement, and a year on the SACRS Board. My experience is further outlined on the Nomination Submission form attached to this letter.

Since elected to OCERS, I have made it a point to attend the SACRS conferences. Through these conferences, I have learned a great deal about pensions and have found many friends and mentors. I believe that SACRS is the most effective and important conference '37 Act trustees should attend, because of its relevant content and top-notch presenters. My primary goal is to keep SACRS as the premier public pension organization. I plan to utilize my extensive leadership experience by reaching out to and communicating with our members so they fully understand the many benefits of SACRS. My focus will be on continuing successful conferences and keeping SACRS a professional organization.

It would be an honor to continue to serve on the SACRS Board of Directors and I appreciate the consideration.

Sincerely,



Roger Hilton

OCERS Board of Directors



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

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<b>Name of Candidate</b>	Chris C. Cooper
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	MCERA 1 McInnis Pkwy San Rafael, CA 94903 <a href="mailto:chriscooperinmarin@yahoo.com">chriscooperinmarin@yahoo.com</a> (415) 827-0772
<b>Name of Retirement System Candidate Currently Serves On</b>	Marin County Employees' Retirement Association
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<ul style="list-style-type: none"><li><input type="radio"/> Chair</li><li><input type="radio"/> Alternate</li><li><input type="radio"/> General Elected</li><li><input type="radio"/> Retiree</li><li><input type="radio"/> Other ____ Elected Public Safety ____</li></ul>
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"><li><input type="radio"/> President</li><li><input type="radio"/> Vice President</li><li><input type="radio"/> Treasurer</li><li><input type="radio"/> Secretary</li><li><input type="radio"/> Regular Member    XXXX</li></ul>
<b>Brief Bio</b>	<p>My name is Chris Cooper and I am running to be re-elected to the position of Regular Member on the SACRS Board of Directors. I served in the U.S. Army for 8 years as a Mandarin Linguist/Interrogator and then graduated from the University of California, Berkeley with a degree in Political Economy of Industrial Societies. After a career as a merchandise buyer for a large retailer, I left to own/manage several franchise stores.</p> <p>Gradually, my hobby of volunteering with Wilderness and Urban Search and Rescue pulled me back to a career in Public Service. I sold the stores and became a Paramedic then attended the Fire Academy. I have been a Fire Captain/Paramedic in the City of San Rafael for 9 years and have served on the Marin Board of Retirement for 7 years. I live in San Rafael with my wife Lisa and 2 children (Calvin 17, Lucy 13).</p> <p>Serving on the SACRS Board for the last year has been rewarding and I would like to continue for the next term.</p> <p>Thank you</p>

Letter of Intent

I am Chris Cooper and I have had the honor of serving on the SACRS Board of Directors for the last year as a Regular Member. I am a Fire Captain/Paramedic in San Rafael, CA and have served as the Elected Safety member on the Marin County Employees' Retirement Association for 7 years. Having attended SACRS conferences for 7 years, I want to give back to the Association and people who have given so much to help me be a better Trustee. The last year on the Board has been eye-opening and I would like to serve in the position another year.

Thank you,

Chris Cooper



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

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<b>Name of Candidate</b>	Vere Williams
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	(760) 486-6311 <a href="mailto:verevlw@aol.com">verevlw@aol.com</a> 8379 Icicle Drive Pinon Hills CA 92372
<b>Name of Retirement System Candidate Currently Serves On</b>	San Bernardino County Employees' Retirement Association (SBcera)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	General Elected
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"><li><input type="radio"/></li><li><input type="radio"/></li><li><input type="radio"/> Regular Member</li></ul>
<b>Brief Bio</b>	<p>Seated on the SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment committees. Served on the governing Boards of Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. Past president of the African-American Employees Association and currently Treasurer of the Hispanic Employees Alliance. Earned an MBA in Information Management/Accounting and has completed certification courses at UCLA, Pepperdine and Wharton on Retirement System Management. I have been an Enrolled Agent for over 20 years along with over 25 years experience working in the finance department at Arrowhead Regional Medical Center, Colton. I have been trained in conflict resolution and have attend various workshop and seminars on organizational dynamics and interplay.</p> <p>A guiding quote – <b><i>"I always wondered why somebody didn't do something about that, then I realized I was somebody."</i></b> – Lily Tomlin</p>

March 1, 2019

VIA Email

Ray McCray, Chair

SACRS Nominating Committee

Dear Mr. McCray,

Please accept this letter as my letter of intent to run for the position of Regular Member in SACRS Board of Directors Elections 2019-2020.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). I started on the SBcera Board in January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts 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 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 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. Additionally, I would seek to encourage even greater participation from trustees and staff of the 37 Act Systems. I believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending a few sessions. Over the years, I have served on the governing Boards of Teamsters Local 1932, Working Assembly of Governmental Employees and other organizations.

I thank you in advance for your kind consideration and support. It would be a high honor to be elected to serve on the SACRS Board for the 2019-2020 term.

Please find attached the completed SACRS nomination form.

Respectfully,

*Vere Williams*

Vere Williams, MBA

SBcera Board of Directors – General Member

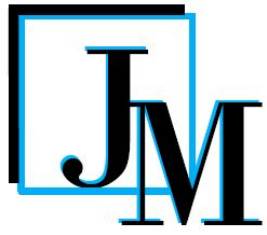
cc: Sulema Peterson, SACRS



## **7. SACRS Audit Report – Action**

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

### **A. SACRS 2017-2018 Audit Report**



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, 2018 AND 2017**

701 HOWE AVENUE, E3  
SACRAMENTO, CA 95825

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



**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**JUNE 30, 2018**

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**BOARD OF DIRECTORS**

**Dan McAllister**  
President

**Vivian Gray**  
Vice President

**Harry Hagen**  
Treasurer

**Kathryn Cavness**  
Secretary

**Raymond McCray**  
Immediate Past President

**Lesley Nettles**  
Affiliate Chair

**Roger Hilton**  
Board Member

**Chris Cooper**  
Board Member

\* \* \* \*

**Sulema Peterson**  
Association Management

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**JUNE 30, 2018 AND 2017**

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GRAPHICAL PRESENTATION OF CASH RECEIPTS	8
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS	10
CONFERENCE SUMMARY REPORT	12



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

*Accounting Auditing Tax and Consulting*

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2018 and 2017, 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, 2018 and 2017, 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***

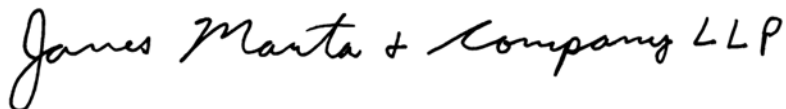
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are 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  
December 14, 2018

## **FINANCIAL SECTION**

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

### FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2017-18	2016-17
<b><u>Cash Receipts</u></b>		
Dues	\$ 324,000	\$ 312,000
Conference		
Fall	581,490	566,200
Spring	546,860	575,399
Seminars	181,000	130,000
Other Admin Receipts	18,030	3,031
Other Conference Receipts	40	229
Interest	11,510	16,473
Total Cash Receipts	<u>1,662,930</u>	<u>1,603,332</u>
<b><u>Cash Disbursements</u></b>		
Conference		
Fall - 2017 and 2016		
Hotel and meals	304,155	310,266
Audio and visual	43,826	49,186
Program materials	78,637	86,216
Spring - 2018 and 2017		
Hotel and meals	167,017	114,162
Audio and visual	40,300	10,000
Program materials	56,567	58,546
Seminars	247,190	240,609
Conference Administration	12,416	39,672
Prior Year and Other Expenses	216,357	237,789
Total conference disbursements	<u>1,166,465</u>	<u>1,146,446</u>
Administration	345,134	398,845
Legislative representation	836	158
Lobbying	76,477	67,945
Newsletters	-	14,423
Committee meetings	24,997	18,831
Special projects	17,642	19,857
Total administration disbursements	<u>465,086</u>	<u>520,059</u>
Total Cash Disbursements	<u>1,631,551</u>	<u>1,666,505</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	31,379	(63,173)
Cash and Investments, Beginning	<u>2,174,622</u>	<u>2,237,795</u>
Cash and Investments, Ending	<u>\$ 2,206,001</u>	<u>\$ 2,174,622</u>
<i>Supplementary Information</i>		
<u>Cash and Investments at June 30,</u>	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,075,711	\$ 1,046,079
Current portion of investments	-	-
Non current portion of investments	<u>1,130,290</u>	<u>1,128,543</u>
Total Cash and Investments	<u>\$ 2,206,001</u>	<u>\$ 2,174,622</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, 2018 AND 2017

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Strategic Local Government Services, 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.

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.

# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## NOTES TO THE FINANCIAL STATEMENT

### FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

#### 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:

	2018	2017
Bank accounts	\$ 305,726	\$ 285,552
Bank certificates of deposit	-	-
Money market accounts	769,985	760,527
Total cash and cash equivalents	<u>\$ 1,075,711</u>	<u>\$ 1,046,079</u>

Cash in bank accounts at June 30, 2018 consisted of the following:

	Bank of America	Community First Bank	Total
Per bank	\$ 186,544	\$ 137,881	\$ 324,425
Checks outstanding	(1,186)	(17,513)	(18,699)
Deposits in transit	-	-	-
Total bank accounts	<u>\$ 185,358</u>	<u>120,368</u>	<u>\$ 305,726</u>

Cash in bank accounts at June 30, 2017 consisted of the following:

	Bank of America	Community First Bank	Total
Per bank	\$ 144,645	\$ 160,233	\$ 304,878
Checks outstanding	2,445	(17,513)	(15,068)
Deposits in transit	(4,258)	-	(4,258)
Total bank accounts	<u>\$ 142,832</u>	<u>\$ 142,720</u>	<u>\$ 285,552</u>

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There were no amounts in excess of FDIC as of June 30, 2018 and 2017.



# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## NOTES TO THE FINANCIAL STATEMENT

### FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

#### Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing \$1,104,130. The balance as of June 30, 2018 and 2017 presented in the financial statement is \$1,130,290 and \$1,128,543; respectively. This balance includes reinvested interest income totaling \$15,892 and \$10,124, respectively, but does not include changes in fair market value for the year ended June 30, 2018 and 2017 totaling (\$1,140) and (\$2,262) respectively. The fair market value of SACRS' investment in the Fund at June 30, 2018 and 2017 is \$1,129,150 and \$1,126,281, 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, 2018 and 2017 was \$0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2018 and 2017 was 1.41% and 1.28%, respectively.

### 3. CONTRACTS

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

<b>Conference</b>	<b>Cancellation Fees</b>	<b>Food and Beverage Minimums</b>	<b>Guest Room Nights Reserved</b>	<b>Guest Room Nights Minimum</b>	<b>Rooms Attrition</b>
Fall 2018	\$55,418-\$286,672	\$100,000	968	774	\$226 plus tax
Spring 2019	\$156,549-\$281,789	\$100,000	1035	880	\$189 plus tax
Fall 2019	\$84,596-\$181,192	\$120,000	875	700	\$199 plus tax
Spring 2020	\$214,705-\$316,464	\$170,000	1145	973	\$229 plus tax
Fall 2020	\$49,194-\$408,276	\$80,000	890	700	\$226 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

### 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 December 12, 2018, 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, 2018**

	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<b><u>Cash Receipts</u></b>			
Dues	\$ -	\$ 324,000	\$ 324,000
Conference			
Fall	581,490	-	581,490
Spring	546,710	-	546,710
Seminars	181,000		181,000
Other Admin Receipts	-	18,180	18,180
Other Conference Receipts	40	-	40
Interest	11,510	-	11,510
Total Cash Receipts	<u>1,320,750</u>	<u>342,180</u>	<u>1,662,930</u>
<b><u>Cash Disbursements</u></b>			
Conference			
Fall - 2016			
Hotel and meals	304,155	-	304,155
Audio and visual	43,826	-	43,826
Program materials	78,637	-	78,637
Spring - 2017			
Hotel and meals	167,017	-	167,017
Audio and visual	40,300	-	40,300
Program materials	56,567	-	56,567
Seminars	247,190	-	247,190
Conference Administration	12,416	-	12,416
Prior Year and Other Expenses	216,357	-	216,357
Total conference disbursements	<u>1,166,465</u>	<u>-</u>	<u>1,166,465</u>
Administration	-	345,134	345,134
Legislative representation	-	836	836
Lobbying	-	76,477	76,477
Newsletters	-	-	-
Committee meetings	-	24,997	24,997
Special projects	-	17,642	17,642
Total administration disbursements	<u>-</u>	<u>465,086</u>	<u>465,086</u>
Total Cash Disbursements	<u>1,166,465</u>	<u>465,086</u>	<u>1,631,551</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	154,285	(122,906)	31,379
Cash and Investments, Beginning	<u>2,883,638</u>	<u>(709,016)</u>	<u>2,174,622</u>
Cash and Investments, Ending	<u>3,037,923</u>	<u>(831,922)</u>	<u>2,206,001</u>

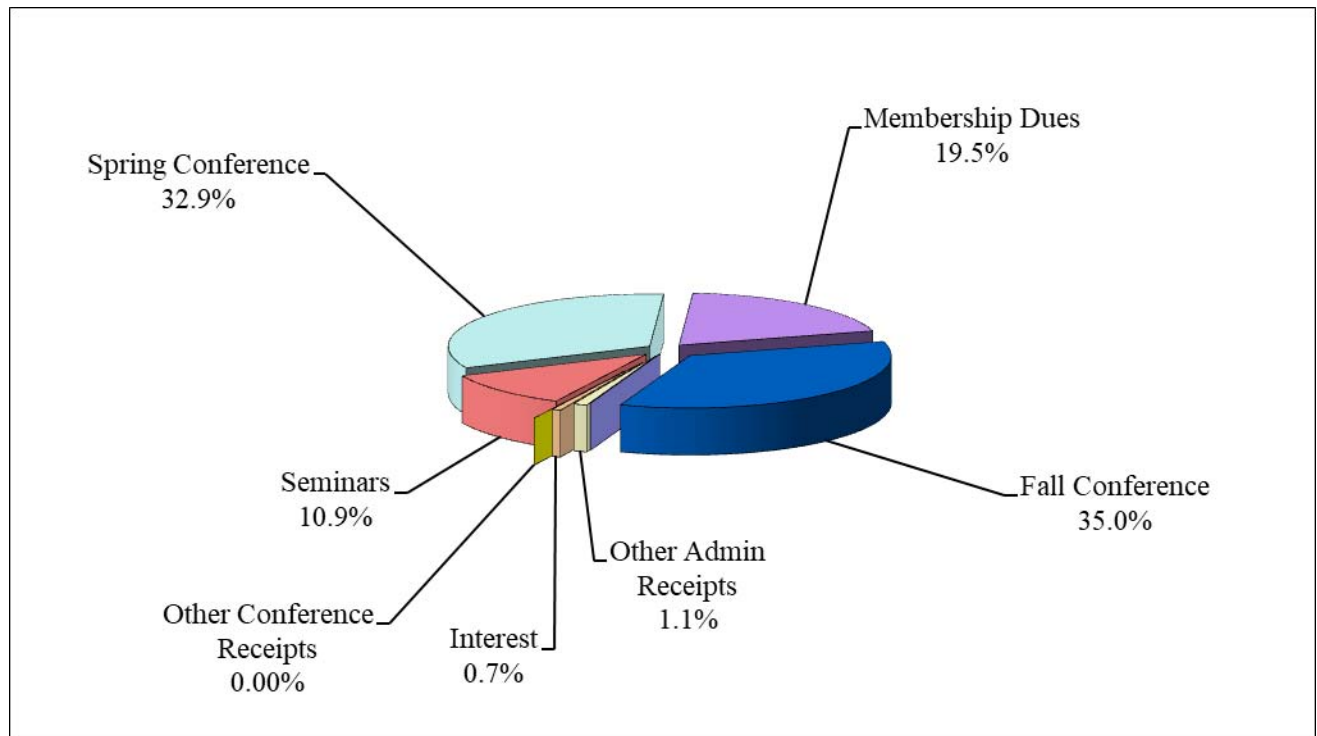
**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**GRAPHICAL PRESENTATION OF CASH RECEIPTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**CASH RECEIPTS BY SOURCE**



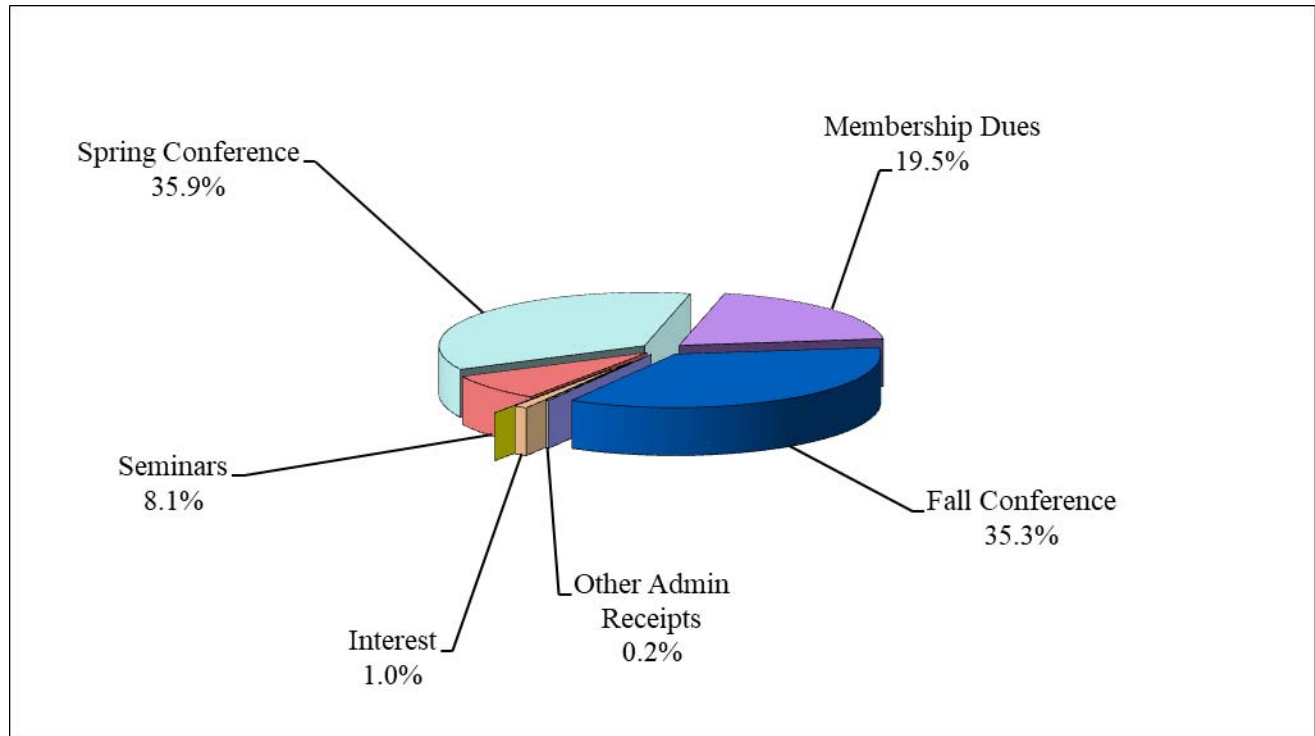
**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**

**GRAPHICAL PRESENTATION OF CASH RECEIPTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**CASH RECEIPTS BY SOURCE**



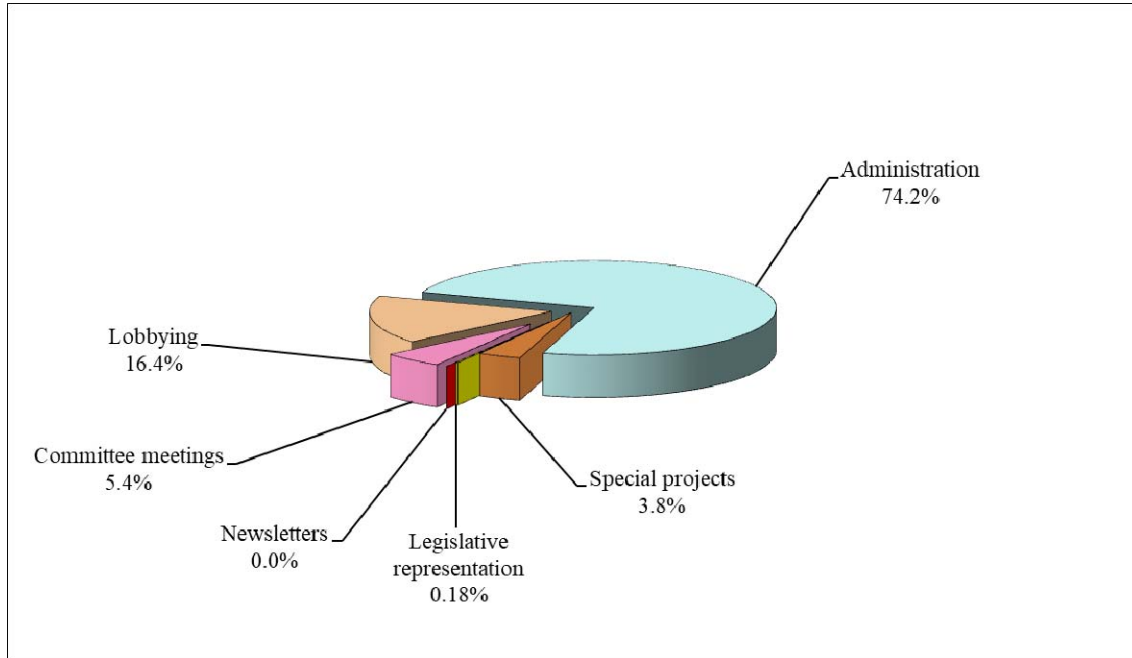
# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

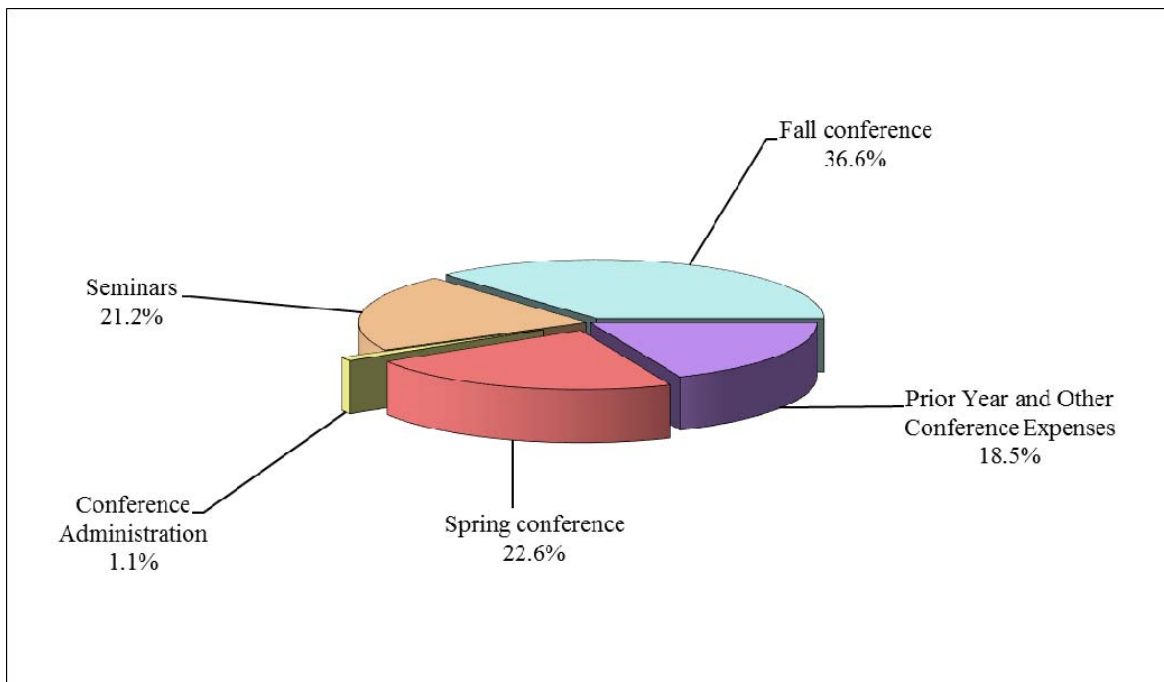
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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### ADMINISTRATION CASH DISBURSEMENTS



### CONFERENCE CASH DISBURSEMENTS



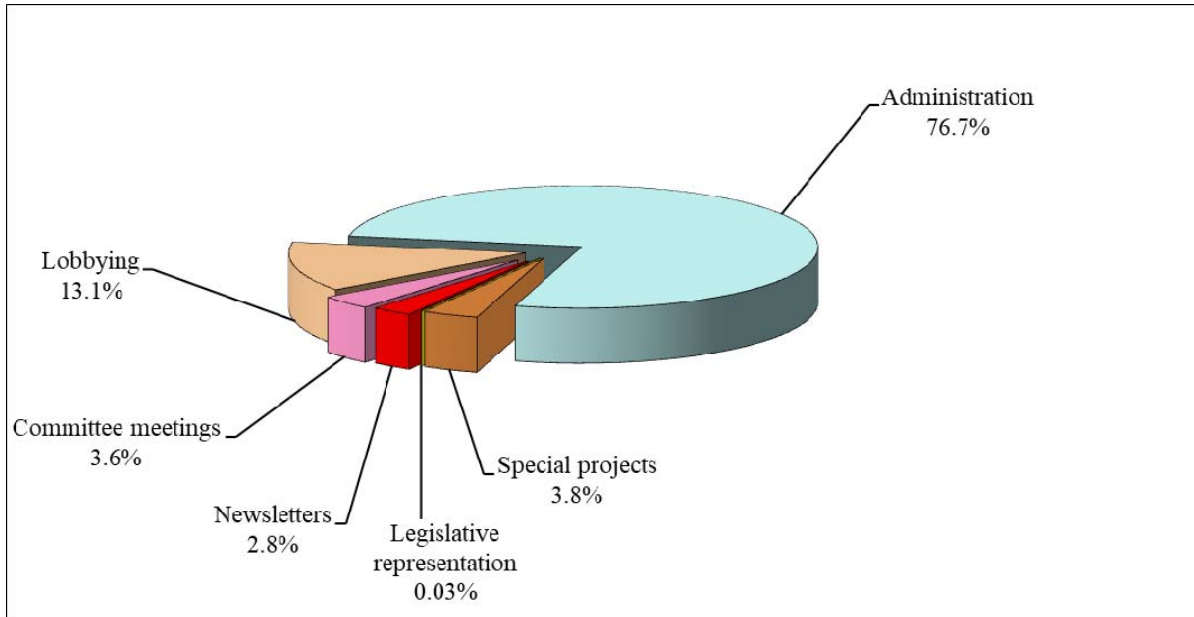
# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

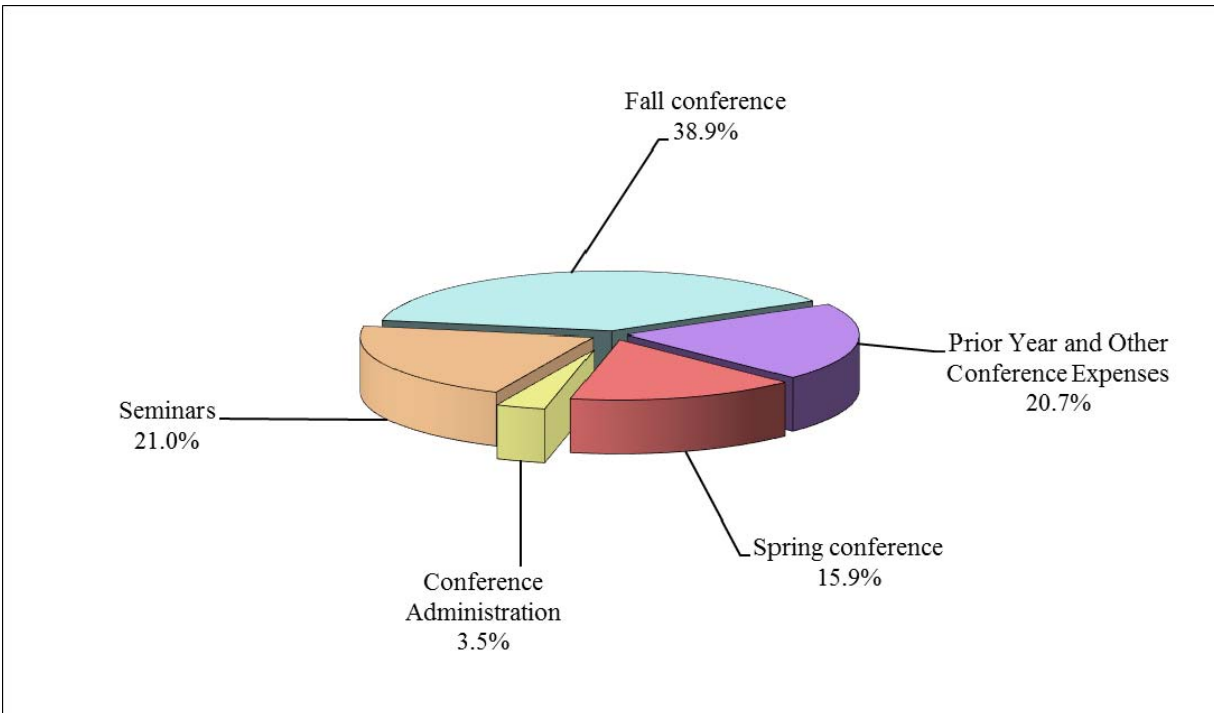
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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### ADMINISTRATION CASH DISBURSEMENTS



### CONFERENCE CASH DISBURSEMENTS



# STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

## CONFERENCE SUMMARY REPORT

	Spring 2018 Anaheim	Fall 2017 San Francisco	Spring 2017 Napa	Fall 2016 Indian Wells	Spring 2016 Costa Mesa	Fall 2015 San Diego
Cash receipts						
Conference	\$ 546,900	\$ 581,490	\$ 572,159	\$ 566,265	\$ 494,920	\$ 586,885
Total cash receipts	<u>546,900</u>	<u>581,490</u>	<u>572,159</u>	<u>566,265</u>	<u>494,920</u>	<u>586,885</u>
Cash disbursements						
Hotel and meals	152,017	304,155	295,157	310,266	236,616	307,120
Audio and visual	40,300	43,826	10,000	49,186	39,483	42,378
Program materials	20,909	26,722	42,282	77,666	36,907	44,441
Program Speakers	35,159	50,363	-	-	-	-
Conference Administration	7,183	11,333	6,921	7,198	15,958	17,570
Total cash disbursements	<u>255,568</u>	<u>436,400</u>	<u>354,361</u>	<u>444,317</u>	<u>328,963</u>	<u>411,509</u>
Net cash provided by conference	\$ 291,332	\$ 145,090	\$ 217,798	\$ 121,948	\$ 165,957	\$ 175,376
Total attendees	599	603	611	597	601	715





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

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

### **A. SACRS Spring 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 Spring 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



**No Printed Materials For This Item**



### **13. Adjournment**

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



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Dan McAllister
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	619-531-5231 <a href="mailto:dan.mcallister@sdcounty.ca.gov">dan.mcallister@sdcounty.ca.gov</a> 1600 Pacific Hwy, Room 112 San Diego, CA 92101
<b>Name of Retirement System Candidate Currently Serves On</b>	SDCERA
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	County Treasurer-Tax Collector, mandated member.
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> <b>President</b> <input checked="" type="radio"/> <del>Vice President</del> <input checked="" type="radio"/> <del>Treasurer</del> <input checked="" type="radio"/> <del>Secretary</del> <input type="radio"/> <del>Regular Member</del>
<b>Brief Bio</b>	<p>Dan McAllister has served San Diego County residents as the County's Treasurer-Tax Collector since 2002. He was re-elected to his fifth term in June. Dan oversees the collection of more than \$6 billion in property taxes each year, the management of \$11.6 billion in the County's Investment Pool, and the administration of the County's \$1.5 billion defined contribution program. Since assuming office, he has worked extensively to improve customer service, enhance communications and outreach initiatives, and ensure the fiscal stability of the treasury. Under his direction, his office collected a record high 60% of property tax payments electronically, while maintaining a 99% collection rate for the past three years. He is also a strong advocate for diversity, a value reflected in his staff that comes from all walks of life and backgrounds. His office now delivers service in 17 different languages.</p> <p>As part of his duties, Dan serves as a member of the San Diego County Employees Retirement Association (SDCERA), which manages more than \$13 billion of investments; he also serves as a board member of several non-profit organizations in San Diego.</p>



**TREASURER-TAX COLLECTOR  
SAN DIEGO COUNTY**

[www.sdttc.com](http://www.sdttc.com)

**Dan McAllister**  
Treasurer-Tax Collector



February 21, 2019

Mr. Ray McCray  
Chairman  
Nominating Committee  
State Association of County Retirement Systems

Dear Mr. McCray,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past five years, it has been my distinct honor and pleasure to serve on the SACRS Board. First as Treasurer and now President, I am extremely proud of the work our board has completed during these years to improve our levels of customer service to our members. During the past two years for example the SACRS Board performed a comprehensive review and update of Board Policies and Procedures. We added two new seats to the Board to be more inclusive and give more members an opportunity to serve. We also made strong efforts to add new people to a number of our standing committees.

Indeed, it has been a productive year for the Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments and continuous improvement.

SACRS is a special organization and one that must continue to provide educational forums for disseminating information to Trustees and system staffs from all '37 Act counties. Additionally, SACRS must take an active role in the legislative process as it impacts county retirement systems.

As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees statewide to ensure that our educational programs and conferences continue to be of the highest quality and content.

With your support and nomination, I would be honored to serve again as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,



Dan McAllister



**SACRS Nomination Submission Form  
SACRS Board of Directors Elections 2018-2019**

All interested candidates must complete this form and submit it along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2018.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) or to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	VIVIAN GRAY
<b>Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)</b>	Viviangray@aol.com, Vgray@lacera.com 300 N. Lake Ave., Ste. 820 Pasadena, CA 91101 Phone: (213) 440-0142
<b>Name of Retirement System Candidate Currently Serves On</b>	Los Angeles County Employees Retirement Association (LACERA)
<b>Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	General Elected Trustee, Board of Retirement <a href="http://www.lacera.com/about_lacera/bor/gray.html">http://www.lacera.com/about_lacera/bor/gray.html</a>
<b>Applying for SACRS Board of Directors Position (You may only select one)</b>	<ul style="list-style-type: none"><li><input type="radio"/> President</li><li><input checked="" type="radio"/> Vice President</li><li><input type="radio"/> Treasurer</li><li><input type="radio"/> Secretary</li><li><input type="radio"/> Regular Member</li></ul>
<b>Brief Bio</b>	<ul style="list-style-type: none"><li>• Chair, LACERA Board of Retirement 2018</li><li>• Chair, SACRS Program Committee</li><li>• Elected general member trustee since 2012<ul style="list-style-type: none"><li>35 years of service to Los Angeles County</li><li>10 years in Law Enforcement</li><li>25 years as an attorney for Los Angeles County</li></ul></li><li>• 6 years in private law practice</li><li>• Education/Pension Trustee Certificates<ul style="list-style-type: none"><li>- Bachelors of Arts: UCLA</li><li>- JD: UWLA</li><li>- New York Law School - Public Pension Trustee Fiduciary Program</li><li>- Stanford Law School (CALAPRS) - Principles of Pension Management</li><li>- Harvard Law School Program - Trustee Work Life</li><li>- UC Berkeley (SACRS) - Modern Investment Theory &amp; Practice for Retirement Systems</li><li>- IFEBP - Trustee Masters Program</li><li>- NCPERS - Public Pension Funding Forum</li><li>- Wharton Business School - Portfolio Concepts and Management (Pending)</li><li>- National Assoc. of Corporate Directors (NACD) Board Leadership Fellow</li></ul></li></ul>

# VIVIAN GRAY

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

February 20, 2019

**VIA EMAIL**

SACRS Nominating Committee  
Mr. Ray McCray, Chair

Dear Mr. McCray:

I would like to express my interest in remaining SACRS' Vice President for 2019/2020.

I have been honored to serve as Vice President and Chair of the Program Committee for the past 2018/2019 year. During this past year SACRS has made considerable strides in remaining a relevant organization for trustee education for the 20 systems comprising the 1937 Act Counties.

As instituted by the revised SACRS Bylaws in 2018 the SACRS leadership was expanded to a seven member board of directors. This expansion has served SACRS well by fostering a cohesive elected board whose focus is to increase SACRS level of recognition while maintaining its reputation as an excellent educational forum for trustees, its affiliates and the related pension community.

Through its strong leadership, SACRS can continue to become the premier entity in the direct education of trustees. I believe SACRS is a viable organization among retirement systems. We have secured a presence not only in our CERL 37 Act Systems, but are gaining headway and recognition beyond CERL.

Your consideration of me to continue as vice president would be an honor.

I have attached the SACRS Nomination Form containing my brief bio.

Sincerely,

*Vivian Gray*

Vivian Gray

cc: Sulema Peterson, SACRS



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Harry E. Hagen
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	805-568-2490 <a href="mailto:hhagen@co.santa-barbara.ca.us">hhagen@co.santa-barbara.ca.us</a>  P.O. Box 579 Santa Barbara, CA 93102-0579
<b>Name of Retirement System Candidate Currently Serves On</b>	SBCERS (Santa Barbara)
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<ul style="list-style-type: none"><li><input type="radio"/> Chair</li><li><input type="radio"/> Alternate</li><li><input type="radio"/> General Elected</li><li><input type="radio"/> Retiree</li><li><input checked="" type="radio"/> Other Ex-officio member, Vice-Chair</li></ul>
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"><li><input type="radio"/> President</li><li><input type="radio"/> Vice President</li><li><input checked="" type="radio"/> Treasurer</li><li><input type="radio"/> Secretary</li><li><input type="radio"/> Regular Member</li></ul>
<b>Brief Bio</b>	See Attachment



February 28, 2019

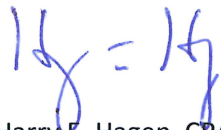
To Ray McCray , SACRS Nominating Committee Chair,

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 23-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 eight 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.



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

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 \$1.6 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 27-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.



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

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

Kathryn Cavness  
6500 Ridgewood Road  
Willits, CA 95490  
(707) 459-2215  
k24u2figure@gmail.com

January 29, 2017

Ray McCray, Chair  
SACRS Nominating Committee  
1415 L St., Suite 1000,  
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for Secretary of the State Association of County Retirement Systems (SACRS) Board of Directors in the upcoming May 2019 election. If elected, this will be my third term to serve as SACRS Secretary. I am also currently the Chair, as an Elected Trustee, of the Mendocino County Employee Retirement Association (MCERA) and member of the MCERA Audit Committee.

My interest in seeking the position of Secretary on the SACRS Board of Directors is to continue representing the interests of all 1937 Act County Trustees and to reach out to Trustees to attain greater participation in SACRS activities; my commitment to 1937 Act Trustees and Members is to carry out the goals and objectives of the SACRS strategic plan. If elected, my focus will be on improving our Trustee participation at the Spring and Fall Conferences, the UC Berkeley Educational Programs, and increasing membership on SACRS' Committees, including the Legislative, Program, Education and Bylaws Committees.

I wish to persist in my efforts to attain greater parity for the smaller, rural, central and northern 1937 Act systems; I am Chair of MCERA, the smallest, northernmost, rural SACRS retirement system. I have had the pleasure of visiting a few of the retirement systems in Northern California and I look forward to engaging in more of these relationship building activities to discover what individual retirement systems are seeking from SACRS.

My educational background and professional experience has provided me with a strong administrative/financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:

- Two years as Secretary for SACRS Board of Directors
- Chair on the MCERA Board and 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

Sincerely,

Kathryn Cavness



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Roger Hilton
<b>Candidate Contact Information</b> (Please include – Phone Number, Email Address and Mailing Address)	(714) 325-9295, <a href="mailto:rhilton@ocers.org">rhilton@ocers.org</a> , <a href="mailto:roger@aocds.org">roger@aocds.org</a>  2223 East Wellington Ave. Suite 100 Santa Ana, CA 92701
<b>Name of Retirement System Candidate Currently Serves On</b>	Orange County Employees Retirement System (OCERS)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	Vice-Chair - Elected Safety Member
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
<b>Brief Bio</b>	<input type="checkbox"/> Currently serving as SACRS Regular Board Member 2018-2019 <input type="checkbox"/> OCERS: served as Chairman of the board, chair of the Investment Committee, and have chaired several committees, elected 2012 - Present. <input type="checkbox"/> Association of Orange County Deputy Sheriffs (AOCDS) Board of Directors: Currently serving as Vice President and Political Action Chairman, 2011 - Present. <input type="checkbox"/> Trustee on Medical and Benefits Trusts, 2011 - Present. <input type="checkbox"/> Association of Deputy Marshals Board of Directors, 1992-2000 – Served as President 1996-2000, Treasurer 1993-1996. Public Pension Trustee certificates: -Modern Investment Theory & Practice – UC Berkeley; -Portfolio concepts and Management -Wharton School of Business; -Certificate in Public Plan Policy I and II; -Principles of Pension Management - Stanford University; -Advanced Principles of Pension Management - UCLA; -Labor and Worklife Program, Harvard Law School

February 15, 2019

2223 East Wellington Ave. Suite 100  
Santa Ana, CA 92701

Ray McCray, SACRS Nominating Committee Chair

Dear Mr. McCray:

Please accept this letter as my intent to run for the Board of Directors for the position of Regular Member. I would request that my name be included in the 2019-2020 SACRS Nomination Slate at the upcoming elections in May 2019.

I believe my years of experience leading employee labor organizations and the OCERS Board of Retirement have uniquely prepared me for this challenge. I have 30 years of experience in law enforcement, 26 years serving in the leadership of employee labor organizations, 6 ½ years on the OCERS Board of Retirement, and a year on the SACRS Board. My experience is further outlined on the Nomination Submission form attached to this letter.

Since elected to OCERS, I have made it a point to attend the SACRS conferences. Through these conferences, I have learned a great deal about pensions and have found many friends and mentors. I believe that SACRS is the most effective and important conference '37 Act trustees should attend, because of its relevant content and top-notch presenters. My primary goal is to keep SACRS as the premier public pension organization. I plan to utilize my extensive leadership experience by reaching out to and communicating with our members so they fully understand the many benefits of SACRS. My focus will be on continuing successful conferences and keeping SACRS a professional organization.

It would be an honor to continue to serve on the SACRS Board of Directors and I appreciate the consideration.

Sincerely,



Roger Hilton

OCERS Board of Directors



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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Chris C. Cooper
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	MCERA 1 McInnis Pkwy San Rafael, CA 94903 <a href="mailto:chriscooperinmarin@yahoo.com">chriscooperinmarin@yahoo.com</a> (415) 827-0772
<b>Name of Retirement System Candidate Currently Serves On</b>	Marin County Employees' Retirement Association
<b>List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	<ul style="list-style-type: none"><li><input type="radio"/> Chair</li><li><input type="radio"/> Alternate</li><li><input type="radio"/> General Elected</li><li><input type="radio"/> Retiree</li><li><input type="radio"/> Other ____ Elected Public Safety ____</li></ul>
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"><li><input type="radio"/> President</li><li><input type="radio"/> Vice President</li><li><input type="radio"/> Treasurer</li><li><input type="radio"/> Secretary</li><li><input type="radio"/> Regular Member   XXXX</li></ul>
<b>Brief Bio</b>	<p>My name is Chris Cooper and I am running to be re-elected to the position of Regular Member on the SACRS Board of Directors. I served in the U.S. Army for 8 years as a Mandarin Linguist/Interrogator and then graduated from the University of California, Berkeley with a degree in Political Economy of Industrial Societies. After a career as a merchandise buyer for a large retailer, I left to own/manage several franchise stores.</p> <p>Gradually, my hobby of volunteering with Wilderness and Urban Search and Rescue pulled me back to a career in Public Service. I sold the stores and became a Paramedic then attended the Fire Academy. I have been a Fire Captain/Paramedic in the City of San Rafael for 9 years and have served on the Marin Board of Retirement for 7 years. I live in San Rafael with my wife Lisa and 2 children (Calvin 17, Lucy 13).</p> <p>Serving on the SACRS Board for the last year has been rewarding and I would like to continue for the next term.</p> <p>Thank you</p>

Letter of Intent

I am Chris Cooper and I have had the honor of serving on the SACRS Board of Directors for the last year as a Regular Member. I am a Fire Captain/Paramedic in San Rafael, CA and have served as the Elected Safety member on the Marin County Employees' Retirement Association for 7 years. Having attended SACRS conferences for 7 years, I want to give back to the Association and people who have given so much to help me be a better Trustee. The last year on the Board has been eye-opening and I would like to serve in the position another year.

Thank you,

Chris Cooper





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

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) AND to SACRS at [sulema@sacrs.org](mailto:sulema@sacrs.org). If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

<b>Name of Candidate</b>	Vere Williams
<b>Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)</b>	(760) 486-6311 <a href="mailto:verevlw@aol.com">verevlw@aol.com</a> 8379 Icicle Drive Pinon Hills CA 92372
<b>Name of Retirement System Candidate Currently Serves On</b>	San Bernardino County Employees' Retirement Association (SBcera)
<b>Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)</b>	General Elected
<b>Applying for SACRS Board of Directors Position (select only one)</b>	<ul style="list-style-type: none"><li><input type="radio"/></li><li><input type="radio"/></li><li><input type="radio"/> Regular Member</li></ul>
<b>Brief Bio</b>	<p>Seated on the SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment committees. Served on the governing Boards of Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. Past president of the African-American Employees Association and currently Treasurer of the Hispanic Employees Alliance. Earned an MBA in Information Management/Accounting and has completed certification courses at UCLA, Pepperdine and Wharton on Retirement System Management. I have been an Enrolled Agent for over 20 years along with over 25 years experience working in the finance department at Arrowhead Regional Medical Center, Colton. I have been trained in conflict resolution and have attend various workshop and seminars on organizational dynamics and interplay.</p> <p>A guiding quote – <b><i>"I always wondered why somebody didn't do something about that, then I realized I was somebody."</i></b> – Lily Tomlin</p>

March 1, 2019

VIA Email

Ray McCray, Chair

SACRS Nominating Committee

Dear Mr. McCray,

Please accept this letter as my letter of intent to run for the position of Regular Member in SACRS Board of Directors Elections 2019-2020.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). I started on the SBcera Board in January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts 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 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 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. Additionally, I would seek to encourage even greater participation from trustees and staff of the 37 Act Systems. I believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending a few sessions. Over the years, I have served on the governing Boards of Teamsters Local 1932, Working Assembly of Governmental Employees and other organizations.

I thank you in advance for your kind consideration and support. It would be a high honor to be elected to serve on the SACRS Board for the 2019-2020 term.

Please find attached the completed SACRS nomination form.

Respectfully,

A handwritten signature in cursive script that reads "Vere Williams".

Vere Williams, MBA

SBcera Board of Directors – General Member

cc: Sulema Peterson, SACRS



March 25, 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 2019-2020 Elections – Final Ballot

---

SACRS BOD 2019-2020 election process began January 2019. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations 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, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

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

**Section 1. Board of Directors.** *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the 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 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

**SACRS Nominating Committee Final Ballot:**

- |                                    |                |
|------------------------------------|----------------|
| • Dan McAllister, San Diego CERA   | President      |
| • Vivian Gray, Los Angeles CERA    | Vice President |
| • Harry Hagen, Santa Barbara, CERS | Treasurer      |
| • Kathryn Cavness, Mendocino CERA  | Secretary      |
| • Roger Hilton, Orange CERS        | Regular Member |
| • Chris Cooper, Marin CERA         | Regular Member |

**Additional Candidates Submitted:**

- |                                      |                |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | 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 Ray McCray, [raym1@sbcglobal.net](mailto: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